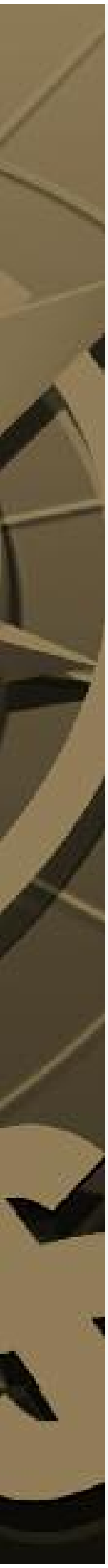
Cash Converters International Limited

2009 ANNUAL REPORT

Corporate Directory



DIRECTORS

Reginald Webb	*Chairman*
Peter Cumins	*Managing Director*
John Yeudall	*Non-Executive Director*
Paul Cowan	*Non-Executive Director*

COMPANY SECRETARY

Ralph Groom

REGISTERED OFFICE

Level 18, Citibank House
37 St George's Terrace
PERTH Western Australia 6000

WEBSITE

www.cashconverters.com

ABN

39 069 141 546

SHARE REGISTRARS

In Australia:
Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St George's Terrace
PERTH Western Australia 6000

In United Kingdom:
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgewater Road
BRISTOL BS 99 7NH

AUDITORS

Deloitte Touche Tohmatsu
Level 14, Woodside Plaza
240 St George's Terrace
PERTH Western Australia 6000

SOLICITORS

Cooke & Co
38 Kookaburra Street
STIRLING Western Australia 6021

BANKERS

In Australia:
Westpac Business Bank
109 St George's Terrace
PERTH Western Australia 6000

In United Kingdom:
Barclays Bank PLC
Corporate Banking Centre
32 Clarendon Road
WATFORD Hertfordshire
United Kingdom

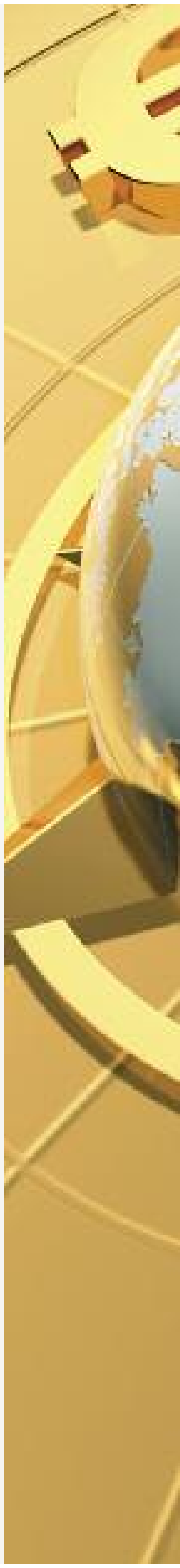
TRUSTEE FOR UNSECURED NOTE HOLDERS

Perpetual Trustee Consolidated Limited
Level 11, Angel Place
123 Pitt Street
SYDNEY New South Wales 2000

STOCK EXCHANGE

In Australia:
Australian Stock Exchange
Exchange Plaza, 2 The Esplanade
PERTH Western Australia 6000

In United Kingdom:
London Stock Exchange Limited
LONDON United Kingdom
EC2N 1HP



Chairman and Managing Director's Review

It gives us great pleasure to present the Annual Report and the group accounts for the financial year ending June 2009.

The directors of Cash Converters International Limited ('Cash Converters') are pleased to report a record profit result of $16.2 million for the 2009 financial year.

The table below provides a summary of the financial performance.

FINANCIAL RESULTS SUMMARY

	30 June 2009 $	30 June 2008 $	Variance %
Revenue	94,397,900	74,405,882	**+26.9**
EBITDA	25,604,525	23,443,909	**+9.2**
Depreciation and amortisation	1,162,068	882,312	**+31.7**
EBIT	24,442,457	22,561,597	**+7.4**
Income tax	7,152,524	6,423,983	**+11.3**
Borrowing costs	1,135,225	963,028	**+17.9**
Net profit before minority interests	16,154,708	15,174,586	**+6.5**
Less minority interests	(10,153)	31,183	**+132.6**
Net profit after minority interests	16,164,861	15,143,403	**+6.7**
Basic earnings per share	6.77	6.28	**+7.8**
Divisional operating profit			
Store operations	7,234,263	4,348,261	**+66.4**
Finance operations	16,122,541	17,299,880	**-6.8**
Total divisional operating profit*	23,356,804	21,648,141	**+7.9**

**see segment note*

HIGHLIGHTS

- The 2009 financial year has been the most successful in the Company's history, with a record net profit of $16.2 million, up 6.5% on the previous year.
- Revenue growth of 26.9% to $94.4 million. The major drivers for revenue growth over the year included an increase in personal loan interest and establishment fees of $3.6 million, an increase in corporate store revenue of $16.5 million and an increase in financial services commission of $578,896.
- The UK has continued its improved performance over recent years and contributed an EBIT of $2.7 million, up 174.6% on the previous year. Store numbers (company owned and franchised) grew by 6 to 136.
- The Australian business continued to be a solid contributor with EBIT from franchising operations of $2.5 million (incorporating the absorption of 75% of all head office costs). The total EBIT from Australian franchising and store operations was $5.6 million. Store numbers (company owned and franchised) grew by 2 to 136.
- The Company owned store strategy has gained momentum with the acquisition this year of 15 franchised stores, seven in the UK and eight in Australia, taking total corporate store numbers to 37.
- The corporate store network has seen revenues grow by 96.6% to $33.6 million producing a combined EBIT of $4.4 million (up 187% on 2008FY) for the UK and Australian owned stores, with only a part year contribution from the 15 staggered store acquisitions.
- Safrock loan book growth of 55.1% to $21.4 million. The Safrock personal loans business and the MON-E cash advance administration platform generated an EBIT of $16.1 million (2008 $17.3 million) which is down 6.8% on the previous year. This reduction was the result of the Company renegotiating the terms of its franchise agreement with franchisees and granting franchisees a reduction in the process charges levied by MON-E. The reduced fee arrangement had a negative impact on MON-E in 2009 of approximately $2 million.

SOME KEY FINANCE DIVISION STATISTICS FOR THE TWELVE MONTHS ENDING 30 JUNE 2009:

CASH ADVANCE

- Total principal loaned decreased slightly, by 0.2% to $124,546,527
- Average loan amount increased slightly from $286 to $303
- Total customer numbers increased by 11.9% to 231,262

PERSONAL LOANS

- Total number of loans approved increased by 40.8% to 28,937
- Total number of customers increased by 44.7% to 19,211
- Loan Book increased by 55.1% to $21,427,110

ONLINE

Although this initiative has not yet made a meaningful financial contribution to the Group result, Cash Converters online presence allows us to present the business to a new audience of potential customers at a low delivery cost.

We have seen new customers visit stores and purchase product after their first contact with the brand commenced with their online search. We are also beginning to see commercial quantities of product sales.

For the first time the combined sales from the two sites exceeded $1 million for the year. Total sales $1,295,892. The Company receives a commission based on an agreed percentage of sales for providing the 'webshop' online service to its franchisees.

SOME KEY ONLINE STATISTICS:

	UK	Australia
Registered users	69,949	12,396
Unique visitors	1,165,000	865,000
Total page views	21,035,000	10,385,000

As we can see from these statistics we now have a significant number of visitors to our UK and Australian webshop sites. Our strategy will be to maximise the commercial opportunities that these new customers present.

Online lending is one such opportunity and a lead generation marketing pilot was conducted for three weeks during June with very positive results as shown below. This online lead generation will become a key component of our 2010 marketing campaign.

KEY METRICS FROM LEAD GENERATION PILOT

Number of leads	2,442
Number of loans	326
Number new customers	225
% new customers	69%

SUBSEQUENT EVENT

STRATEGIC INVESTOR INTRODUCED TO FUND SIGNIFICANT GROWTH OPPORTUNITIES

In August the Company entered into a Subscription Agreement with EZCORP, Inc. to make a placement of 108,218,000 fully paid ordinary units at an issue price of A$0.50 per unit to raise approximately $54 million. This will represent 30% of the fully diluted capital of the Company after the placement has been made.

EZCORP will have two directors in the event the placement is approved by shareholders.

The funds will be utilised to grow the earnings of the Company through accelerating the acquisition of franchised stores and to increase the size of the Safrock loan books.

Full details of the transaction including an independent experts report will be sent to shareholders with the appropriate notice for a general meeting.

ABOUT EZCORP

EZCORP, a U.S. company with its corporate headquarters in Austin, Texas. EZCORP's Class A Non-Voting Common Stock is listed on the Nasdaq Stock Market with a market capitalisation of US$559 million.

At June 30, 2009, EZCORP operated a total of 897 company owned stores in the USA and Mexico, consisting of 370 U.S. pawnshops, 47 pawnshops in Mexico and 480 U.S. signature loan stores.

For over 10 years, EZCORP has also had a substantial investment in Albermarle & Bond Holdings PLC, which is one of the largest pawnbrokers in the United Kingdom with shares listed on AIM, the secondary market operated by the London Stock Exchange.

DIVIDEND

The directors have declared a fully franked final dividend of 1.5 cents per share. The dividend will be paid on 30 September 2009 to those shareholders on the register at the close of business on 16 September 2009. This will take the total dividend payment for the year to 3.0 cents per share, fully franked. This represents a payout ratio of approximately 45%.

GUIDANCE FOR THE 2010 FINANCIAL YEAR

The Company expects earnings growth in 2010 from the full year impact of store acquisitions in 2009 and the impact from the significant growth in the Safrock loan book in the last quarter of this financial year.

In the absence of new capital from the proposed EZCORP transaction, the expected NPAT for 2010 is in the range of $18.0 to $18.5 million. With the deployment of the additional capital, should the EZCORP transaction proceed, earnings are expected to exceed this guidance.

OUTLOOK

The announcement in August of the introduction (subject to shareholder approval and due diligence) of EzCorp as a strategic shareholder representing a fully diluted interest of 30% of the Company will result in a cash injection of approximately $54 million. Following the completion of this transaction, Cash Converters will be very well positioned to fast track the execution of its stated strategy of opening new company stores in the UK and Australia, as well as further acquisitions of franchised stores in 2010. The Company sees the acquisition of franchised stores and increasing the funding capacity of the cash advance and personal loan products as a real opportunity to transform the group into a significant store operating entity.

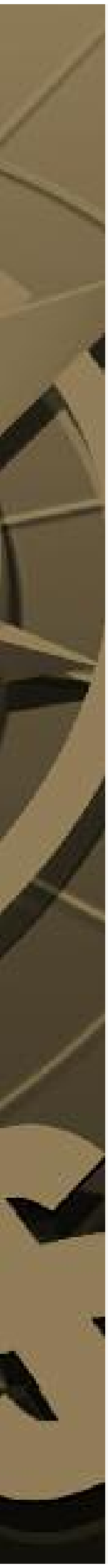
The year has been a busy and challenging one with the successful acquisition and integration of 15 franchised stores into our corporate store division. During one of the worst global economic downturns, Cash Converters has reported a record profit result. With the growth opportunities we have identified, we are optimistic that further growth will be achieved in the 2010 financial year. The staff, management and franchisees are to be congratulated for their contributions to the strong financial result this year.

Reg Webb
Chairman

Peter Cumins
Managing Director

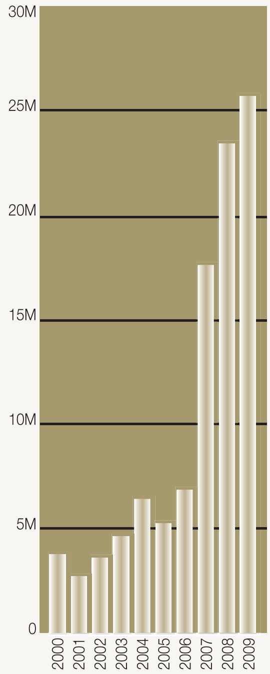
Perth, Western Australia
Date 22 September 2009

Review of the Year

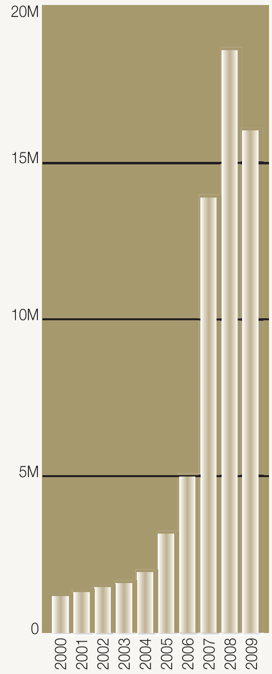


- Earnings before interest, tax, depreciation and amortisation up 9.2% to $25,604,525 (2008: $23,443,909)
- Net profit attributable to members up 6.7% to $16,164,861 (2008: $15,143,403)
- Store operations, operating profit up 66.4% to $7,234,263 (2008: $4,348,261)
- Finance operations, operating profit down 6.8% to $16,122,541 (2008: $17,299,880)
- Fully franked dividend for the year 3.0 cents
- Corporate store network in the UK expands to 21 stores following the acquisition of one store in Barnsley on 10 August 2009
- Corporate store network in Australia currently stands at 17 stores
- In August 2009 the Company enters into a Subscription Agreement with Ezcorp Inc. to make a placement of 108,218,000 fully paid ordinary units at an issue price of A$0.50 per unit to raise approximately $54 million

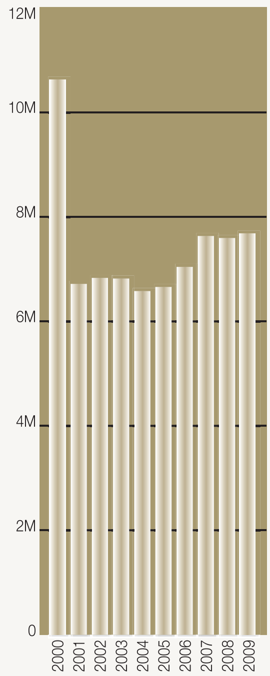
OPERATING PROFIT
Before tax, depreciation, amortisation & interest



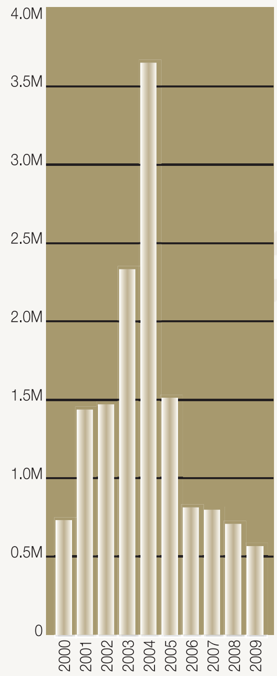
FINANCIAL SERVICES
Operating profit before tax



WEEKLY FRANCHISE FEES



INITIAL FRANCHISE FEES



Acquisitions

UK CORPORATE STORES

On the 22 September 2008 Cash Converters (UK) Limited (CCUK) acquired three existing stores from a franchisee in Liverpool in the north west of England. The total consideration paid for these stores was £1.3 million ($2.8 million) including assets.

A further two stores were acquired on 1 December, Hull & Scarborough, in the north east of England. CCUK acquired the Doncaster store, again in the north of England and the Eccles store in the Manchester area, both from existing franchisees on the 27 April and 27 May respectively. The total consideration paid for these four stores was £0.5 million ($1.0 million) including assets.

On 10 August 2009 CCUK acquired the Barnsley store from an existing franchisee, again in the north of England. The total consideration paid for this store was £0.7 million ($1.4 million) including assets.

All these stores are trading successfully and have continued to add to the overall contribution the corporate store network is making to the UK business.

The addition of these stores to the existing corporate store network brings the total number of owned stores to 21. This expansion of the owned store group will continue to create efficiencies and economies of scale, therefore adding to the overall profitability of the corporate chain in the UK.

Negotiations are currently underway to acquire more existing franchise stores in the UK, primarily around the north of England.

AUSTRALIAN CORPORATE STORES

On 23 September 2008 the Company announced that it had entered into contracts to acquire two existing franchised stores in Western Australia. These stores would be the first of seven acquired in Western Australia during the year. The first store was in the suburb of Armadale, south of Perth on 17 October 2008. A further store was acquired in Fremantle on 29 October, closely followed by Greenwood on 1 December and Canning Vale on 18 December 2008. This brought the total to four stores acquired during the first half of the financial year.

During January 2009 the Osborne Park store was purchased, followed by Phoenix Park and Clarkson on the 17 and 24 February respectively. This brought the total WA acquisitions to seven.

An opportunity also arose to acquire the Runaway Bay store in Queensland and this was concluded on 29 April.

Negotiations are currently underway to acquire more existing franchise stores around Australia.

History

The history of Cash Converters dates back to November 1984, when Brian Cumins, the Company's founder, began operating his first retail outlet in Perth, Western Australia.

During the next four years the merchandising formula and trading style that has underwritten the groups success were developed and tested in the market place. A total of seven stores were open and trading profitably before the franchising of Cash Converters began with the opening of two franchised outlets in Perth in June 1988.

In 1990 the Group began to expand into other Australian States and now has over 130 outlets throughout Australia. The success of its Australian operations resulted in Cash Converters seeking to expand into overseas markets.

The Company's carefully planned entry into Europe was launched in 1991 when the first store in the United Kingdom was opened at Gants Hill in Essex. Since then further stores have opened in the UK taking the total to 124 stores.

The Company's first non-English speaking market, commenced with the opening of its pilot store in Vitrolles, near Marseilles in France in December 1994.

Since launching the concept in 1984, Cash Converters has grown enormously with representation in 21 countries worldwide and to a network of approximately 500 franchised stores.

Group Structure

CASH CONVERTERS INTERNATIONAL LIMITED (CCIL)

Parent Entity
Incorporated in Australia
Public Company

CCUK Holdings PLC (CCUKH)

100% owned by CCIL
Incorporated in the UK
Overseas Entity

CCUK Ltd

100% owned by CCUKH
Incorporated in the UK
Overseas Entity

Cash Converters Pty Ltd (CCPL)

100% owned by CCIL
Incorporated in Australia
Large Proprietary Company

Cash Converters Finance Corporation Limited (CCFCL)

36.9% owned by CCPL
Incorporated in Australia
Disclosing Entity

CCUSA Limited (CCUSA)

58.87% owned by CCIL
Incorporated in Australia
Small Proprietary Company

CCUSA Inc (CCUSA)

100% owned by CCUSA
Incorporated in the USA
Overseas Entity

MON-E Pty Ltd

100% owned by CCIL
Incorporated in Australia
Small Proprietary Company

Safrock Finance Group Pty Ltd
Safrock Finance Corporation QLD Pty Ltd
Safrock Finance Corporation WA Pty Ltd
Finance Administrators of Australia Pty Ltd

100% owned by CCIL
Incorporated in Australia
All small Proprietary Companies

Cash Converters (Stores) Pty Ltd

100% owned by CCIL
Incorporated in Australia
Small Proprietary Company

Cash Converters (Cash Advance) Pty Ltd

100% owned by CCIL
Incorporated in Australia
Small Proprietary Company

Corporate Objectives

The directors see the following as the principal corporate objectives of the group:

- To achieve high profitability, enabling Cash Converters to meet its responsibilities to shareholders and other stakeholders;
- To offer opportunities for franchisees and employees to succeed both financially and in their careers;
- To be recognised as a world leader in the retail of second hand goods and the provision of micro-lending products; and
- To provide consumers with retail outlets that are distinguished by the quality of retail standards and value of the merchandise on offer.

Core Business

The core business of Cash Converters is the ownership and franchising of retail and financial services stores, which operate as retailers of second hand goods and suppliers of financial products. The Cash Converters business has changed consumer perceptions of its industry by the systematic application of modern retailing practices, professional management techniques and high ethical standards to the management of its stores. As a result, Cash Converters has been able to position its corporate and franchised outlets as alternative retail merchandise and financial services stores and, in the process, created a profitable market for the group.

Over 20 years, the Company has developed and refined its franchise offering to the point where it has mature and stable multi-store franchise chains in both Australia and the United Kingdom. The Company also acts as the international master franchisor of the franchising concept. The Company grants trade mark licences to enable independent entities to develop a matching franchise chain in another country in return for a passive royalty income. This minimises risk to the Company while allowing the brand to flourish overseas.

Directors' Profiles

REGINALD WEBB – *Chairman*

Reginald Webb, aged 66, is a Fellow of the Institute of Chartered Accountants of Australia and has retired as a partner of PricewaterhouseCoopers. In that position he worked in both North America and Europe as well as Australia. He was a partner for 20 years and served on the Policy Board of that firm.

Mr Webb joined the Board in 1997 and is Chairman of the Audit Committee and serves on the remuneration and nomination committees.

Mr Webb is also a director of Dorsogna Limited which he joined in 1996.

PETER CUMINS – *Managing Director*

Peter Cumins aged 58, is an Australian national. He joined the Group in August 1990 as Finance and Administration Manager when the Company had just 23 stores, becoming General Manager in March 1992. He became Group Managing Director in April 1995.

Peter Cumins, a qualified accountant, has overseen the major growth in the number of franchises in Australia as well as the international development of the Cash Converters franchise system.

His experience in the management of large organisations has included senior executive positions in the government health sector, specifically with the Fremantle Hospital Group, where he was Finance and Human Resources Manager.

JOHN YEUDALL – *Non-Executive Director*

John Yeudall aged 65 was born in the UK and qualified there as a Chartered Engineer. He has been an Australian Citizen for many years making Perth his home since 1982. He has a successful history in both the public and private sectors having spent ten years with the Australian Trade Commission responsible for facilitating Australian trade with the Middle East. Part of that role was a three year term as Consul General in Dubai. This followed a successful career in private business in Saudi Arabia. He was the founder of the IKEA franchise in WA holding the position as Managing Director.

Mr Yeudall joined the Board in December 2002 and is Chairman of the Remuneration Committee and serves on the audit and nomination committees.

Mr Yeudall is also Chairman of the ISS Group Limited since September 2004 and joined the Board of Advanced Ocular Systems Limited in August 2007 – now IFS Construction Services limited.

PAUL COWAN – *Non-Executive Director*

Paul Cowan aged 50, has over 25 years experience in the financial services sector and presently serves as an executive director of River Capital Pty Ltd, a Melbourne based investment management group.

He has previously served as Chief Executive Officer of Lowell Capital Limited and as a non-executive director of Brumby's Bakeries Holdings Limited.

Paul has a Bachelor of Economics degree from Monash University and is a qualified Chartered Accountant. He commenced his working career with Price Waterhouse in 1980.

Financial Report

In respect of the financial year ended 30 June 2009 the directors of Cash Converters International Limited submit the following report made out in accordance with a resolution of the directors.

DIRECTORS

The following persons held office as directors of the Company during or since the end of the financial year:

Mr Reginald Webb	(Non-executive Director, Chairman)
Mr Peter Cumins	(Managing Director)
Mr John Yeudall	(Non-executive Director)
Mr Andrew Moffat	(Non-executive Director – resigned 27 October 2008)
Mr Cameron Hetherington	(Non-executive Director – resigned 28 April 2009)
Mr Paul Cowan	(Non-executive Director – appointed 27 October 2008)

PRINCIPAL ACTIVITIES

The consolidated entity's principal activity is that of a franchisor of second hand goods and financial services stores, a provider of secured and unsecured loans and the operator of a number of corporate stores, all of which trade under the Cash Converters name.

Country franchise licences are also sold to sub-franchisors to allow the development of the Cash Converters brand but without the need for support from Cash Converters International Limited.

TRADING RESULTS

The consolidated entity's net profit attributable to members of the parent entity for the year ended 30 June 2009 was $16,164,861 (2008: $15,143,403) after a charge for income tax of $7,152,524 (2008:$ 6,423,983), and adjusting for profit attributable to outside equity interests in controlled entities of $10,153 loss (2008: $31,183 profit).

DIVIDENDS

The directors of the Company paid a fully franked interim dividend of 1.5 (one and a half) cents per share on 31 March 2009. The directors have also declared a final fully franked dividend of 1.5 (one and a half) cents per share to be paid on 30 September 2009 to those shareholders on the register at the close of business on 16 September 2009. In addition, a fully franked dividend of 1.5 (one and a half) cents per share declared in relation to the prior year was paid on 30 September 2008.

REVIEW OF OPERATIONS

A summary of consolidated revenues and results by significant industry segments is set out below.

	Segment revenues		Segment results	
	2009	**2008**	**2009**	**2008**
Store operations	65,558,769	43,911,732	7,234,263	4,348,261
Finance operations	28,839,131	30,494,150	16,122,541	17,299,880
	94,397,900	74,405,882	23,356,804	21,648,141
Unallocated less expenses			49,572	49,572
Operating profit			23,307,232	21,598,569
Income tax attributable to operating profit			(7,152,524)	(6,423,983)
Operating profit after income tax			16,154,708	15,174,586
Less: Profit attributable to outside equity interests			10,153	(31,183)
Profit attributable to members of Cash Converters International Limited			16,164,861	15,143,403

Comments on the operations and the results of those operations are set out below:

STORE OPERATIONS

AUSTRALIAN OPERATIONS

The net profit before tax for the Australian operations (including international franchise revenue) was $4,741,969 (2008:$3,508,027) for the period ending 30 June 2009.

The total number of stores open as at 30 June 2009 was 136, with 44 in Queensland, 32 in Victoria, 12 in New south Wales, 20 in South Australia, 25 in Western Australia and 3 in Tasmania.

During the past two years, changes have been introduced into the Australian business model which have had a significant effect in repositioning the brand and making the look and feel of the business more contemporary.

In spite of deteriorating global retail conditions, the Australian business has once again demonstrated its resilience with a strong performance. Shoppers have shown their desire to shop for value and as a result retail sales have been 10 - 15% higher than the previous year.

During the year, communication to short term loan customers was refined and our connection with customers far better targeted. This campaign has successfully positioned the company in the minds of our customers as a credible provider of short term loans.

While cash advance earnings are flat for the year, returns have been affected by an important contract renegotiation with franchisees where the company introduced significant volume based fee reductions as incentives for franchisees.

The physical look of our network has changed noticeably over the past two years with almost all stores having now adopted the new style for their exteriors and approximately 40% have also modified their store interiors. This is pleasing progress on what was always going to be a costly project for franchisees.

The acquisition of the Safrock small personal loans business, the MON-E cash advance software business and 17 corporate stores in four states has been company transforming from a value perspective. It has demanded that different business disciplines and controls be introduced and it has raised integration issues, changes to personnel and shifts in responsibility and accountability. These matters will require ongoing attention.

The company has devoted significant resources to addressing the legislative environment. As a result, legislation introduced into parliament in August is consistent with all our recommendations made to Government and the Federal takeover of consumer credit does not currently threaten any of our lending products.

Our online presence is in its infancy but we have seen a favourable and cost effective impact from our online advertising efforts. We are strongly placed to make a much bigger impact on our business by extending the 'webshop' initiative to generate business. As a result of a recent successful trial, there appears to be a great opportunity for online lending.

UNITED KINGDOM

The net profit before tax for the 12 month period ending 30 June 2009 was $2,514,362 (2008: $859,932).

The corporate store division now has 21 stores trading following the recent acquisition, in August 2009, of a store in Barnsley in the north of England. All corporate stores performed well during the year with strong retail growth and the consistent growth of loan banks, associated with pawnbroking and other personal loan products, all delivering to bottom line profit.

Total store numbers in the UK currently stand at 137. A further four franchised stores are planned to open in the three month period ending October 2009. Franchise enquiries are still high so we anticipate further strong growth in store openings. UK franchisees have continued to enjoy strong business growth and this has given further encouragement to existing franchisees to also grow their store numbers.

The UK auction site continues to increase in terms of sales growth, the number of registered users and the number of ‘hits’ to the site. There are now 66 stores offering products on the auction site with a total products listed of over 11,000. During July 2009 approximately 174,000 unique visitors logged onto the site, resulting in over 44,000 UK Pounds in sales.

In September 2009 the financial services currently offered in Australia will start to be promoted in the UK market. The trial will commence in the north of England at the Ashton-under-Lyne store and move to the 21 store corporate network once the trial proves successful. The credit environment in the UK operates under a more sophisticated credit rating with both positive and negative credit checks available for prospective borrowers. This lessens the credit risk significantly and helps in the decision on whether to lend funds.

In summary, excellent progress has been made in significantly improving the profitability of the UK business through the acquisition of stores and the expansion of the franchise network. Further store acquisitions and the anticipated growth in financial services income should continue to deliver profit growth this financial year.

FINANCIAL SERVICES

The Safrock secured and unsecured loans business has continued to grow strongly year on year. The loan book as at 30 June 2008 was $13.8 million. By 30 June 2009 this had grown to $21.4 million, representing a 55.1% increase over the year.

The net profit before tax for Safrock was $9,183,941 this year, compared to $8,219,381 last year, representing growth of 12.2%.

On I July 2009 the operations for the software services provided by MON-E were amalgamated with those of Safrock in order to produce a more cost effective service. In addition to significant overhead cost savings, this will deliver a faster, more efficient system with added features that assist users to run their business.

The MON-E net profit before tax this year was $6,916,040, compared to $9,014,306 to June 2008. The main shortfall was the result of a new fee scale offered to the franchise network to encourage them to increase the volume of their cash advance business.

With the UK commencing a trial in September to offer similar financial services to those offered in Australia, the outlook for growth is significant.

Cash Converters Finance Corporation Limited (CCFCL) provides working capital loans to the Australian franchise network only. The average loan is for $150,000 with an interest rate of 12 % or 13%. The loan is secured against the assets of the franchised store. During the period CCFCL made a profit of $22,560 (2008:$66,193).

CHANGES IN STATE OF AFFAIRS

During the financial year there were no significant changes in the state of affairs of the consolidated entity other than referred to elsewhere in the report, the financial statements or notes thereto.

SUBSEQUENT EVENTS

Since the end of the financial year the directors are not aware of any matter or circumstance, other than those mentioned below, that has significantly or may significantly affect the operations of the Company, the results of these operations or the state of affairs of the Company in subsequent financial years.

On 8 July 2009 Cash Converters International Limited announced that it was to raise $5 million through the issuance of up to 12.5 million shares at an issue price of $0.40 per share to institutional and sophisticated investors.

On 11 August 2009 Cash Converters International Limited announced that its UK subsidiary (CCUK) acquired an existing store in Barnsley as a going concern for a total consideration of approximately £660,000 ($1.3 million). This acquisition takes the total number of corporate stores to 38, comprising of 17 in Australia and 21 in the UK.

On 18 August 2009 Cash Converters International Limited entered into a Subscription Agreement with EZCORP, Inc. to make a placement of 108,218,000 fully paid ordinary units at an issue price of A$0.50 per unit to raise approximately $54 million. This will represent 30% of the fully diluted capital of the Company after the placement has been made. This placement is subject to shareholder approval.

The funds will be utilised to grow the earnings of the Company through accelerating the acquisition of franchised stores and to increase the size of the Safrock loan books.

FUTURE DEVELOPMENTS

There are no likely developments in the operations of the consolidated entity other than those discussed in this report.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report as the directors believe it would likely result in unreasonable prejudice to the consolidated entity.

INFORMATION ON DIRECTORS/COMPANY SECRETARY

Director/ Company Secretary	Qualifications and experience	Special responsibilities	Particulars of directors' relevant interests in shares of Cash Converters International Limited Number
Peter Cumins	Former General Manager of Cash Converters Pty Ltd. A qualified accountant. Joined the Board in 1995.	Managing Director Member of the Nomination Committee	7,707,830
Reginald Webb	FCA. Fellow of the Institute of Chartered Accountants and a former partner of PricewaterhouseCoopers. Mr Webb joined the Board in 1997. He is also a director of Dorsogna Limited since 1996.	Non-Executive Chairman Chairman of the Audit Committee. Member of the Remuneration and Nomination Committees	1,112,500
John Yeudall	A Chartered Engineer. Founder of the IKEA franchise in Western Australia. Previously Australian Consul General in Dubai. Joined the Board in 2002. Joined the Board of Advanced Ocular Systems Limited in August 2007 – now IFS Construction Services Limited.	Non-Executive Director Member of the Audit and Nomination Committees and Chairman of the Remuneration Committee	295,668
Paul Cowan	Bachelor of Economics. Qualified Chartered Accountant. Experience of 25 years in the financial services sector. Executive director of River Capital Pty Ltd. Previously CEO of Lowell Capital Ltd and non-executive director of Brumby's Bakeries Holdings Limited. Joined the Board in 2008.	Non-Executive Director Member of the Audit, Nomination and Remuneration Committees	Nil
Ralph Groom	FCPA, FCIS, ACMA. Qualified as a Chartered Management Accountant in the UK before joining the group in 1995. Undertook further studies in Australia to qualify as a CPA and Chartered Secretary.	Company Secretary Group Financial Controller	2,644,618
Andrew Moffat	In excess of 20 years of corporate and investment banking experience. Sole principal of Cowoso Capital Pty Ltd, a company providing strategic corporate advisory services. Also non-executive chairman of Pacific Star Network Limited from September 2004, non-executive director of Infomedia Ltd from March 2007 and executive director of Rubik Financial Limited from December 2007. Prior director of Equity Capital Markets and Advisory for BNP Paribas Equities (Australia) Limited.	Non-Executive Director Member of the Remuneration, Audit and Nomination Committees.	Nil
Cameron Hetherington	Cameron Hetherington joined Cash Converters in July 2007. He was previously with Dollar Financial Corporation where he served in a variety of senior management positions. Most recently as the group's Senior Vice President and President – U.K. Operations, as well as managing director of Dollar Financial U.K. Limited from March 1999 to September 2004. During this time he was responsible for management and strategic development of the UK and European markets.	Non-Executive Director Member of the Remuneration, Audit and Nomination Committees.	Nil

The particulars of directors' interests in shares are as at the date of this directors' report, or date of resignation if applicable.

DIRECTORS' MEETINGS

The number of directors' meetings and meetings of committees of directors held in the period each director held office and the number of meetings attended by each director are:

	Board of directors meetings		Audit committee meetings		Remuneration/nomination committee meetings	
Director	**Number held**	**Number attended**	**Number held**	**Number attended**	**Number held**	**Number attended**
P. Cumins	11	11	3	3	-	-
R. Webb	11	11	3	3	4	4
J. Yeudall	11	11	3	3	4	4
P. Cowan	8	8	1	1	1	1
A. Moffat	3	3	2	2	4	4
C. Hetherington	9	9	3	3	-	-

REMUNERATION REPORT

DIRECTORS' AND EXECUTIVES' REMUNERATION

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Cash Converters International Limited directors and its senior management for the financial year ended 30 June 2009. The prescribed details for each person covered by this report are detailed below under the following headings:

- director and senior management details
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of directors and senior management
- key terms of employment contracts.

DIRECTOR AND SENIOR MANAGEMENT DETAILS

The following persons acted as directors of the company during or since the end of the financial year:

- Mr Reginald Webb (Non-executive Director, Chairman)
- Mr Peter Cumins (Managing Director)
- Mr John Yeudall (Non-executive Director)
- Mr Andrew Moffat (Non-executive Director – resigned 27 October 2008)
- Mr Cameron Hetherington (Non-executive Director – resigned 28 April 2009)
- Mr Paul Cowan (Non-executive Director – appointed 27 October 2008)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Mr Michael Cooke (Group Legal Counsel)
- Ian Day (General Manager, Australia)
- Ralph Groom (Company Secretary / Group Financial Controller)
- Mark Lemmon (Director of Operations, UK – resigned May 2009)
- Jim Spratley (Group Accountant, UK)
- Richard Pilgrim (Operations Manager, UK)

Senior management as used within this remuneration report are officers who are involved in, concerned in, or who take part in, the management of the affairs of Cash Converters International Limited and / or related bodies corporate.

REMUNERATION POLICY

The remuneration committee, consisting of three non-executive directors, advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors and other senior executives.

Executive remuneration and other terms of employment are reviewed by the Committee having regard to performance against goals set, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the consolidated entity's operations.

Remuneration and other terms of employment for the Managing Director and certain other senior executives are formalised in service agreements (refer to the key terms of employment contracts section within the remuneration report for further information).

Remuneration of non-executive directors is determined by the Remuneration Committee and approved by the Board within the maximum amount approved by the shareholders from time to time. Bonuses are not payable to non-executive directors.

Remuneration packages contain the following key elements:

(a) Short-term employee benefits – salary/fees, bonuses and non-monetary benefits including the provision of motor vehicles;

(b) Post-employment benefits – include superannuation and prescribed retirement benefits;

RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2009:

	30 June 2009 $	30 June 2008 $	30 June 2007 $	30 June 2006 $	30 June 2005 $
Revenue	94,397,900	74,405,882	45,979,982	22,628,922	18,608,542
Net profit before tax	23,307,232	21,598,569	16,710,114	6,149,424	4,474,625
Net profit after tax	16,154,708	15,174,586	11,631,146	4,260,941	3,078,296

	30 June 2009	30 June 2008	30 June 2007	30 June 2006	30 June 2005
Share price at start of year	24.0	71.0	45.0	23.0	23.0
Share price at end of year	42.0	24.0	71.0	45.0	23.0
Interim dividend (i)	1.50	1.50	1.50	0.75	0.5
Final dividend (i) (ii)	1.50	1.50	1.50	1.00	0.5
Basic earnings per share	6.77	6.28	5.29	2.88	2.27
Diluted earnings per share	6.66	6.12	5.14	2.88	2.27

(i) Franked to 100% at 30% corporate income tax rate.

(ii) Declared after the balance date and not reflected in the financial statements.

In addition, during 2009 Cash Converters International Limited repurchased 1,509,327 shares for $355,288. The shares were repurchased at the prevailing market price on the date of the buy-back.

There is no relationship between shareholder wealth and remuneration, however certain bonuses are paid based on performance targets set for the individual concerned as discussed further in the following section.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the nature and amount of each element of the remuneration of each director of the Company and member of senior management of the consolidated entity are set out in the following tables:

2009	Short-term employee benefits Salary & fees $	Bonus $	Motor vehicles $	Other $	Post-employment benefits Super-annuation $	Other long-term employee benefits $	Share-based payment Options & rights $	Total $
Non-executive directors								
R. Webb	85,000	-	-	-	-	-	-	85,000
J. Yeudall	60,000	-	-	-	-	-	-	60,000
A. Moffat	18,349	-	-	-	1,651	-	-	20,000
C. Hetherington	45,872	-	-	-	4,128	-	-	50,000
P. Cowan	40,822	-	-	-	-	-	-	40,822
Executive directors								
P. Cumins	367,500	-	30,821	-	-	-	-	398,321
Other executives of the consolidated entity								
M. Cooke	347,727	-	-	-	-	-	-	347,727
I. Day	240,826	-	-	-	21,674	-	-	262,500
J. Spratley	171,054	32,128	17,162	-	36,330	-	-	256,674
R. Groom	183,616	-	20,663	14,976	54,908	-	-	274,163
M. Lemmon	187,879	40,724	14,763	-	29,606	-	-	272,972
R. Pilgrim	114,871	65,195	13,201	-	23,186	-	-	216,453
Total	1,863,516	138,047	96,610	14,976	171,483	-	-	2,284,632

2008	Short-term employee benefits Salary & fees $	Bonus $	Motor vehicles $	Other $	Post-employment benefits Super-annuation $	Other long-term employee benefits $	Share-based payment Options & rights $	Total $
Non-executive directors								
R. Webb	78,750	-	-	-	-	-	-	78,750
J. Yeudall	55,500	-	-	-	-	-	-	55,500
A. Moffat	48,165	-	-	-	4,335	-	-	52,500
C. Hetherington	50,023	-	-	-	2,477	-	-	52,500
Executive directors								
P. Cumins	355,662	-	31,973	-	-	-	-	387,635
Other executives of the consolidated entity								
M. Cooke	336,000	-	-	-	-	-	-	336,000
M. Lemmon	197,297	17,344	17,612	-	28,202	-	-	260,455
I. Day	226,000	-	-	-	24,000	-	-	250,000
J. Spratley	167,187	16,312	17,612	-	32,621	-	-	233,732
R. Groom	183,616	-	18,111	14,976	41,907	-	-	258,610
Total	1,698,200	33,656	85,308	14,976	133,542	-	-	1,965,682

No director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

BONUSES AND SHARE-BASED PAYMENTS GRANTED AS COMPENSATION FOR THE CURRENT FINANCIAL YEAR

Bonuses - 2009

The bonuses received by M Lemmon, R Pilgrim and J Spratley were paid for achieving a profit result for the UK business that was above the forecast result. Bonuses are earned and awarded at the discretion of the Board. The actual bonuses were granted in July/August 2009.

Bonuses - 2008

The bonuses received by M Lemmon and J Spratley were paid for achieving a profit result for the UK business that was above the forecast result. Bonuses are earned and awarded at the discretion of the Board. The actual bonuses were granted in July/August 2008.

All bonuses are cash settled and were paid in full during the period concerned. There is no predefined upper or lower limit to the annual bonus pool.

No share based payments were made during the current or prior financial year.

CASH BONUS AS A PERCENTAGE OF TOTAL COMPENSATION

2009:

M. Lemmon:	14.9%
J. Spratley:	12.5%
R. Pilgrim:	30.1%

2008:

M Lemmon:	6.66%
J. Spratley:	6.98%

KEY TERMS OF EMPLOYMENT CONTRACTS

Contracts of employment for Peter Cumins, Michael Cooke, Ralph Groom and Ian Day require a notice period of not less than three months from the executive and twelve months from the company, to terminate employment. In the event of termination by the company the company may elect that the executive does not serve the notice period in which case twelve months salary would be payable. The contracts are rolling with no fixed term.

Contracts of employment for Mark Lemmon, Richard Pilgrim and Jim Spratley require a notice period of not less than three months by either party. In the event of termination by the company the company may elect that the executive does not serve the notice period in which case three months salary would be payable. The contracts are rolling with no fixed term.

None of the non-executive directors have an employment contract with the Company.

ENVIRONMENTAL STATEMENT

The Company has assessed whether there are any particular or significant environmental Regulations, which apply to the Company, and has determined that there are none.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Ralph Groom, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included at the end of the financial statements.

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001, as the nature of the services was limited to the preparation of the statutory income tax return, and generic accounting advice.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 4 to the financial statements.

The directors' report is signed in accordance with a resolution of directors made pursuant to S298(2) of the Corporations Act 2001.

For and on behalf of the Board

Reginald Webb

Director

Perth, Western Australia

Date: 22 September 2009

Corporate Governance

BOARD

The Board is responsible for setting the Company's strategic direction and it strives to create shareholder value and to ensure shareholders funds are adequately protected. Its functions include:

- approving corporate strategies, financial budgets and group policies;
- assessing actual performance against budgets in order to monitor the suitability of corporate strategy and to assess the performance of the management team;
- review operational performance to ensure a clear understanding of the financial health of the Company;
- ensure the Company always acts with a high level of ethical standards and in a legal and responsible way;
- appointing, evaluating and rewarding the senior executives of the management team.

The non-executive directors, being Mr Reginald Webb, Mr John Yeudall and Mr Paul Cowan, are independent, having no business or other relationships, which could compromise their autonomy. If a potential conflict of interest does arise, the director concerned does not receive the associated board papers and leaves the board meeting while the issue is considered. Directors must keep the Board advised on any matters that may lead to a conflict of interest. The Board has not conducted a performance evaluation in the current reporting period. A formal Board Charter has been adopted by the Board.

AUDIT COMMITTEE

The audit committee was established in 1995 and comprises of the three non-executive directors appointed by the Board, being Mr Reginald Webb (Chairman), Mr John Yeudall and Mr Paul Cowan, and with regular attendance by the managing director at the request of the audit committee.

Meetings of the committee are usually held in February, July and August each year and at any other time as requested by a member of the committee or the external auditors. The primary function of the committee is to assist the Board in fulfilling its responsibilities for the Company's financial reporting and external reporting and ensuring all accounting reports are prepared in accordance with the appropriate accounting standards and statutory requirements. In addition, it reviews the performance of the auditors and makes any recommendations the committee feels necessary.

INDEPENDENT PROFESSIONAL ADVICE

In fulfilling their duties, the directors may obtain independent professional advice at the Company's expense.

SHARE TRADING

Included in the Board Charter is a share trading policy. This policy imposes restrictions on share dealings for directors, officers and senior employees and prohibits them from dealing in Company's securities while in possession of inside information.

REMUNERATION COMMITTEE

The remuneration committee was established on 26 May 1997 and comprises of the three non-executive directors, being Mr John Yeudall (Chairman), Mr Reginald Webb and Mr Paul Cowan, appointed by the Board. The aims of the committee are to maintain a remuneration policy, which ensures the remuneration package of senior executives properly reflects their duties and responsibilities, and to attract and motivate senior executives of the quality required.

ASX BEST PRACTICE RECOMMENDATIONS

The table below contains each of the ASX Best Practice Recommendations. Where the Company has complied with a recommendation during the reporting period, this is indicated with a tick (✓) in the appropriate column. Where the Company considered it was not appropriate to comply with a particular recommendation, this is indicated with a cross (✗) and the Company's reasons are set out on the corresponding note appearing at the end of the table.

		Complied	Note
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management	✓	
1.2	Disclose the process for evaluating the performance of senior executives	✓	
1.3	Provide the information indicated in the *Guide to reporting on Principle 1.*	✓	
2.1	A majority of the Board should be independent directors	✓	
2.2	The Chairperson should be an independent director	✓	
2.3	The roles of the Chairperson and Chief Executive Officer should not be exercised by the same individual	✓	
2.4	The Board should establish a nomination committee	✓	
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors	✓	
2.6	Provide the information indicated in *Guide to reporting on Principle 2.*	✓	
3.1	Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent), the Chief Financial Officer (or equivalent) and any other key executives as to:		
	3.1.1 the practices necessary to maintain confidence in the Company's integrity	✓	
	3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	✓	
3.2	Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy	✓	
3.3	Provide the information indicated in *Guide to reporting on Principle 3.*	✓	
4.1	The Board should establish an audit committee	✓	
4.2	Structure of the audit committee so that it consists of:		
	- only non-executive directors	✓	
	- a majority of independent directors	✓	
	- an independent chairperson, who is not chairperson of the Board	✗	1
	- at least three members	✓	
4.3	The audit committee should have a formal charter	✓	
4.5	Provide the information indicated in *Guide to reporting on Principle 4.*	✓	

Note:

1. *The Chairman of the audit committee is also the Chairman of the Board. However, the directors are of the belief that the Chairman, being a retired partner of PricewaterhouseCoopers , is suitably qualified to undertake both roles.*

		Complied	Note
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclose requirements to ensure accountability at a senior management level for that compliance	✓	
5.2	Provide the information indicated in *Guide to reporting on Principle 5.*	✓	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings	✓	
6. 2	Provide the information indicated in *Guide to reporting on Principle 6.*	✓	
7.1	The Board or appropriate board committee should establish policies on risk oversight and management	✓	
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks	✓	
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	
8.1	The Board should establish a remuneration committee	✓	
8.2	Clearly distinguish the structure of non-executive directors remuneration from that of executives	✓	
8.3	Provide the information indicated in *Guide to reporting on Principle 9.*	✓	

Income Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Revenue	2	94,397,900	74,405,882	18,135,308	8,204,442
Employee benefits expense		(19,711,189)	(13,010,857)	-	-
Depreciation and amortisation expenses		(1,162,068)	(882,312)	-	-
Finance costs		(1,135,225)	(963,028)	-	-
Legal fees / legal settlements		(506,175)	(478,977)	-	-
Changes in inventories		(23,972,266)	(16,745,147)	-	-
Area agents fees / commissions		(4,941,768)	(5,709,839)	-	-
Rental expense on operating leases		(3,912,899)	(2,413,997)	-	-
Motor vehicle/travel costs		(1,113,848)	(1,016,238)	-	-
Advertising and promotion		(1,227,387)	(451,379)	-	
Management fees		-	-	(655,295)	(975,000)
Bad debts/bad debt provision		(4,819,0032)	(4,302,072)	-	-
Professional and registry costs		(1,375,378)	(929,264)	-	-
Auditing and accounting services		(343,615)	(320,522)	-	-
Bank charges		(821,029)	(1,177,660)	-	-
Other expenses from ordinary activities	2	(6,048,789)	(4,406,021)	-	-
Profit before income tax expense		23,307,232	21,598,569	17,480,013	7,229,442
Income tax expense	3	(7,152,524)	(6,423,983)	-	-
Profit for the year		16,154,708	15,174,586	17,480,013	7,229,442
Attributable to:	22				
Equity holders of the parent		16,164,861	15,143,403	17,480,013	7,229,442
Minority interest		(10,153)	31,183	-	-
		16,154,708	15,174,586	17,480,013	7,229,442
Earnings per share					
Basic (cents per share)	24	6.77	6.28		
Diluted (cents per share)	24	6.66	6.12		

The above income statement should be read in conjunction with the accompanying notes.

Balance Sheet

AS AT 30 JUNE 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current assets					
Cash and cash equivalents	5	7,002,971	16,322,202	38,661	-
Trade receivables	6	6,681,554	5,161,595	-	-
Personal loans receivable	6	25,070,661	14,280,565	-	-
Inventories	7	6,958,592	3,306,989	-	-
Other assets	8	853,164	281,553	-	-
Total current assets		46,566,942	39,352,904	38,661	-
Non-current assets					
Trade and other receivables	6	1,368,700	1,950,157	30,707,733	17,994,425
Other financial assets	22	-	-	43,572,916	43,572,916
Plant and equipment	9	4,633,423	2,580,301	-	-
Deferred tax assets	3	1,866,991	1,851,285	172,770	260,236
Goodwill	15	49,873,170	43,650,114	-	-
Other intangible assets	14	10,473,947	9,876,716	-	-
Total non-current assets		68,216,171	59,908,573	74,453,419	61,632,577
Total assets		114,783,114	99,261,477	74,492,080	61,632,577
Current liabilities					
Trade and other payables	10	8,366,970	6,743,196	-	769,296
Borrowings	11	3,942,312	4,539,025	2,600,000	2,160,000
Current tax payables	3	3,298,192	2,748,328	2,697,371	2,552,283
Deferred establishment fees	13	1,310,668	1,399,282	-	-
Provisions	12	1,127,578	823,048	-	-
Total current liabilities		18,045,720	16,252,879	5,297,371	5,481,579
Non-current liabilities					
Borrowings	11	12,978,034	7,689,721	10,559,000	7,460,000
Deferred tax liabilities	3	1,269,700	1,272,968	-	-
Total non-current liabilities		14,247,734	8,962,689	10,559,000	7,640,000
Total liabilities		32,293,454	25,215,568	15,856,371	12,941,579
Net assets		82,489,660	74,045,909	58,635,709	48,690,998
Equity					
Issued capital	16	47,202,376	46,424,331	47,202,376	46,424,331
Reserves	17	259,515	1,568,504	1,133,333	2,266,667
Retained earnings	17	34,758,496	25,773,648	10,300,000	-
Parent entity interest		82,220,387	73,766,483	58,635,709	48,690,998
Minority interests	22	269,273	279,426	-	-
Total equity		82,489,660	74,045,909	58,635,709	48,690,998

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Recognised Income and Expense

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Exchange differences arising on translation of foreign operations	(175,655)	(610,717)	-	-
Net income (expense) recognised directly in equity	(175,655)	(610,717)	-	-
Profit for the year	16,154,708	15,174,586	17,480,013	7,229,442
Total recognised income and expense for the year	15,979,053	14,563,869	17,480,013	7,229,442
Attributable to:				
Equity holders of the parent	15,989,206	14,532,686	17,480,013	7,229,442
Minority interest	(10,153)	31,183	-	-
	15,979,053	14,563,869	17,480,013	7,229,442

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash flows from operating activities					
Receipts from customers		79,109,342	66,830,614	7,180,013	7,229,442
Payments to suppliers and employees		(70,540,758)	(51,319,890)	-	-
Interest received		475,581	768,464	-	-
Interest received from personal loans		13,997,544	10,495,573	-	-
Interest and costs of finance paid		(1,129,562)	(944,772)	-	-
Income tax paid		(6,613,012)	(7,209,275)	-	-
Net cash flows provided by operating activities	25a	15,299,135	18,620,714	7,180,013	7,229,442
Cash flows from investing activities					
Net cash paid for acquisitions of controlled entities	25c	(11,035,619)	(15,786,230)	-	(15,786,230)
Proceeds from sale of plant and equipment		-	7,032	-	-
Purchase of plant and equipment		(1,504,176)	(760,159)	-	-
Loan repayments from non-related entities		2,325	28,942	-	-
Instalment credit loans made to franchisees		(454,692)	(439,204)	-	-
Net increase in personal loans		(7,503,859)	(2,670,978)	-	-
Instalment credit loans repaid by franchisees		712,617	688,969	-	-
Net cash flows used in investing activities		(19,783,404)	(18,931,628)	-	(15,786,230)
Cash flows from financing activities					
Dividends paid – members of parent entity		(7,180,013)	(7,229,442)	(7,180,013)	(7,229,442)
Proceeds from borrowings		7,349,143	12,425,837	5,919,000	-
Repayment of borrowings		(3,394,752)	(2,180,314)	(2,380,000)	-
(Loan to)/from related entity		-	-	4,034,963	17,032,103
Capital element of finance lease and hire purchase payments		(181,714)	(134,994)	-	-
Share buy-back		(355,289)	(1,245,873)	(355,289)	(1,245,873)
Redemption of unsecured notes by controlled entity		(216,600)	-	-	-
Issue of unsecured notes by controlled entity		204,816	66,963	-	-
Net cash (used)/provided by financing activities		(3,774,409)	1,702,177	38,661	8,556,788
Net (decrease)/increase in cash and cash equivalents		(8,258,678)	1,391,263	38,661	-
Cash and cash equivalents at the beginning of the year		15,284,545	14,171,122	-	-
Effects of exchange rate changes on the balance of cash held in foreign currencies.		(680,829)	(277,840)	-	-
Cash and cash equivalents at the end of the year	25b	6,345,038	15,284,545	38,661	-

The above cash flow statement should be read in conjunction with the accompanying notes.

1. SUMMARY OF ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the financial statements and notes of the company and consolidated entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 22 September 2009.

BASIS OF PREPARATION

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise noted, all amounts are presented in Australian dollars.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the consolidated entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the balance sheet date was $49,873,170 (2008: $43,650,114) refer to note 15.

Useful lives of trade names

The consolidated entity reviews the estimated useful lives of trade names at the end of each annual reporting period. The estimation of the remaining useful lives of the trade names requires the entity to make significant estimates based on both past performance and expectations of future performance.

The carrying amount of trade names at the balance sheet date was $8,948,813 (2008: $9,043,145) refer to note 14.

Allowance for doubtful debts

The impairment of personal loans requires the Group to assess impairment regularly. The credit provisions raised (specific and collective) represent management's best estimate of the losses incurred in the loan portfolio at balance date based on their experienced judgment. The collective provision is estimated on the basis of historical loss experience for assets with credit characteristics. The historical loss experience is adjusted based on current observable data and events. The use of such judgments and reasonable estimates is considered by management to be an essential part of the process and does not impact on reliability.

Specific provisioning is applied when the full collectibles of one of the Group's loans is identified as being doubtful.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. In the current year, the company and the consolidated entity have adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the company's and the consolidated entity's accounting policies.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) BORROWINGS

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(b) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash in banks and investments in short term money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) EMPLOYEE BENEFITS

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) FINANCIAL ASSETS

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other financial assets are classified as 'loans and receivables'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost using the effective interest method less impairment.

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at the fair values and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue policies.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(f) FOREIGN CURRENCY

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

i. exchange differences on transactions entered into in order to hedge certain foreign currency risks ; and

ii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the consolidated entity's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to A-IFRS are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date.

(g) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) IMPAIRMENT OF OTHER TANGIBLE AND INTANGIBLE ASSETS

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(i) INCOME TAX

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore a deferred tax liability is not recognised in relation to the temporary differences arising from the initial recognition of goodwill.

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(i) INCOME TAX (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The company and its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Cash Converters International Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(j) INTANGIBLE ASSETS

Trade names

Trade names are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 100 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Intangible assets acquired in a business combination

All potential intangible assets including software, acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Web site development costs

Development expenditure incurred is recognized when it is possible that future economic benefits that are attributable to the asset will flow to the entity.

Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Any expenditure carried forward is amortised on a straight line basis over the estimated useful life of 5 years.

Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, expected to benefit from the synergies of the business combination. CGUs (or groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or groups of CGUs), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or groups of CGUs) and then to the other assets of the CGU (or groups of CGUs) pro-rata on the basis of the carrying amount of each asset in the CGU (or groups of CGUs). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

(k) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(l) LEASED ASSETS

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Consolidated entity as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) PAYABLES

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(n) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. A list of subsidiaries appears in note 22 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(o) PLANT AND EQUIPMENT

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Leasehold improvements	8 years
Plant and equipment	5 years
Equipment under finance lease	5 years
Fixtures & fittings	8 years

(p) PROVISIONS

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(q) REVENUE RECOGNITION

Income from franchisees is recognised as follows:

Franchise sales/renewals

Fees in respect of the initial sale of a franchise licence and fees from the renewal of a franchise licence are recognised on an accruals basis. Income is recognised in full upon the sale's completion or upon the renewal of the licence as all material services and/or conditions relating to the sale or renewal have been fully performed or satisfied by the economic entity.

Continuing franchise fees/levies

Continuing franchise fees/levies in respect of particular services, are recognised as income when they become due and receivable and the costs in relation to the income are recognised as expenses when incurred.

Instalment credit loan interest

Interest received from franchisees in respect of instalment credit loans is recognised as income when earned. The effective interest rate method has been used to allocate fixed interest to accounting periods.

Personal loan interest

Interest revenue in relation to personal loans is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset net carrying amount.

Loan establishment fee revenue

Establishment fees are deferred and recognised over the life of the loans at the effective interest rate applicable so as to recognise revenue at a constant rate to the underlying principal over the expected life of the loan.

Other categories of revenue

Other categories of revenue, such as retail wholesale sales, corporate store revenue, cheque cashing commission and financial services commission, are recognised when the company has passed control of the goods to the buyer or when the services are provided. Bank interest and rent are recognised as earned on an accruals basis.

(r) SHARE-BASED PAYMENTS

All equity-settled share-based payments were granted and vested before 7 November 2002. The consolidated entity has elected not to expense these options, as permitted on first time adoption of A-IFRS.

(s) BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

1. SUMMARY OF ACCOUNTING POLICIES (continued)

(s) BUSINESS COMBINATIONS (continued)

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC where an Australian equivalent has not been made by the AASB, were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the consolidated entity's and the company's financial report:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010
• AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	30 June 2010
• AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments	1 January 2009	30 June 2010

Management is currently evaluating the impact that the initial application of the following Standards and Interpretations will have on the financial report of the consolidated entity and the company:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 123 'Borrowing Costs' (revised), AASB 2008-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
• AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2009-3 (1 July 2009)	30 June 2010
• AASB 2008-1 'Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
• AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010	30 June 2011
• AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process		

AASB 3 'Business Combinations' 2008

From 1 July 2009, the material impact of AASB 3 Business combinations (2009) will be increased volatility of the consolidated entity's earnings as transaction costs of business combinations and changes in valuation of contingent settlement arrangements will be recognised through the income statement, rather than capitalised into the investment value and recorded in goodwill.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$

2. PROFIT FROM OPERATIONS

(a) REVENUE

Revenue from continuing operations consisted of the following items:

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Revenue				
Weekly franchise fees	7,650,729	7,598,199	-	-
Initial fees	179,075	463,448	-	-
Licence fees	15,000	81,191	-	-
Ten-year renewals	412,273	162,736	-	-
Ten-year renewals – renewed at six years	-	-	-	-
Sub-franchisor licence sales	137,776	-	-	-
Advertising levies	393,650	374,826	-	-
Instalment credit loan interest	270,417	327,237	-	-
Personal loan interest	15,169,863	13,005,819	-	-
Loan establishment fees	7,708,653	6,236,861	-	-
Recovery of bad debt	884,588	549,259	-	-
Retail wholesale sales	5,308,920	6,675,497	-	-
Cheque cashing commission	1,081,461	1,145,638	-	-
Training levies	968,248	946,265	-	-
Corporate store revenue	33,564,099	17,075,801	-	-
Computer levy	1,614,406	1,412,175	-	-
Financial services commission and brokerage	18,030,950	17,452,054	-	-
Rent received	67,987	69,772	-	-
Interest revenue	475,581	654,291	-	-
	93,933,406	74,231,069	-	-
Dividend revenue from subsidiary	-	-	17,480,013	7,229,442
Management fees from controlled entity	-	-	655,295	975,000
Other revenue	464,494	174,813	-	-
	464,494	174,813	18,135,308	8,204,442
	94,397,900	74,405,882	18,135,308	8,204,442

2. PROFIT FROM OPERATIONS (continued)

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
(b) PROFIT BEFORE INCOME TAX				
Profit before income tax has been arrived at after charging the following expenses:				
Changes in inventories (cost of sales)	23,972,266	16,745,147	-	-
Area agents fees / commissions	4,941,768	5,709,839	-	-
Depreciation of plant and equipment	840,278	601,215	-	-
Amortisation of intangibles	321,790	281,097	-	-
Rental expense on operating leases	3,912,899	2,413,997	-	-
Finance costs				
Interest	1,084,969	955,470	-	-
Finance lease charges	50,256	7,558	-	-
Total finance costs	1,135,225	963,028	-	-
Provision for employee benefits	209,609	74,549	-	-
Employee expense	1,418,787	891,123	-	-
Bad debts written off				
- Trade debtors/instalment loans and personal loans	4,819,032	4,302,072	-	-
Amounts received or due and receivable, by Deloitte Touche Tohmatsu for (these amounts are paid on behalf of the Company by a controlled entity):				
- Auditing the financial statements	343,615	320,522	-	-
- Other services	206,488	71,234	-	-
- Due diligence/completion accounts	-	-	-	-
Profit before income tax has been arrived at after crediting/(charging) the following gains and losses from continuing operations:				
Loss on disposal of plant and equipment	-	(43,125)	-	-

3. INCOME TAX EXPENSE

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
(a) INCOME TAX RECOGNISED IN PROFIT OR LOSS				
Tax expense comprises:				
Current tax expense	7,176,157	6,472,689	-	-
Adjustment recognised in the current year in relation to the current tax of prior years	(38,079)	66,659	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	14,446	(115,365)	-	-
Total tax expense	7,152,524	6,423,983	-	-
Attributable to:				
Continuing operations	7,152,524	6,423,983	-	-
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:				
Profit from continuing operations	23,307,232	21,598,569	17,480,013	7,229,442
Income tax expense calculated at 30%	6,992,170	6,479,571	5,244,004	2,168,833
Non-deductible expenses	247,81	27,523	-	-
Unused tax losses and tax offsets not recognised as deferred tax assets	-	-	-	-
Utilisation of prior year tax losses not previously recognised as deferred tax assets	-	-	-	-
Intra-group dividends	-	-	(5,244,004)	(2,168,833)
Impact of items recognised through equity	-	(88,662)	-	-
Other	(87,465)	-	-	-
	7,152,524	6,418,432	-	-
Under provision of income tax in previous year	-	5,551	-	-
	7,152,524	6,423,983	-	-
(b) CURRENT TAX LIABILITIES				
Income tax payable attributable to:				
Parent entity	-	-	-	-
Entities in the tax-consolidated group	2,697,371	2,552,283	2,697,371	2,552,283
Overseas subsidiaries	600,821	196,045	-	-
	3,298,192	2,748,328	2,697,371	2,552,283
(c) DEFERRED TAX BALANCES				
Deferred tax assets comprise:				
Provisions	1,002,702	1,078,523	-	-
Deferred income	393,200	419,785	-	-
Share issue costs	172,770	260,236	172,770	260,236
Other	298,319	92,741	-	-
	1,866,991	1,851,285	172,770	260,236
Deferred tax liabilities comprise:				
Plant and equipment	137,219	70,773	-	-
Intangible assets	1,085,069	1,098,497	-	-
Other	47,412	103,698	-	-
	1,269,700	1,272,968	-	-

3. INCOME TAX EXPENSE (continued)

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
(d) INCOME TAX RECOGNISED DIRECTLY IN EQUITY				
The following deferred amounts were credited directly to equity during the period:				
Deferred tax				
Share issue expenses deductible over 5 years	-	-	-	-
(e) UNRECOGNISED DEFERRED TAX BALANCES				
The following deferred tax assets have not been brought to account as assets:				
Tax losses – revenue	166,511	180,429	-	-
Tax losses – capital	2,721,601	2,721,601	2,721,601	2,721,601
	2,888,112	2,902,030	2,721,601	2,721,601

(f) TAX CONSOLIDATION

Relevance of tax consolidation to the consolidated entity

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Cash Converters International Limited. The members of the tax-consolidated group are identified in note 22.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Cash Converters International Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognized in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

4. REMUNERATION OF AUDITORS

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Auditor of the parent entity				
Audit or review of the financial report	343,615	320,522	-	-
Taxation services	60,358	53,334	-	-
Other non-audit services	146,130	17,900	-	-
	550,103	391,756	-	-

The auditor of Cash Converters International Limited is Deloitte Touche Tohmatsu. The auditors remuneration for Cash Converters International Limited is borne by Cash Converters Pty Ltd.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$

5. CASH AND CASH EQUIVALENTS

On hand	1,006,682	460,789	38,661	-
In bank	5,996,289	15,861,413	-	-
	7,002,971	16,322,202	38,661	-

6. TRADE AND OTHER RECEIVABLES

Current				
Trade receivables (i)	6,181,129	4,590,840	-	-
Allowance for doubtful debts	-	-	-	-
	6,181,129	4,590,840	-	-
Instalment credit loans (ii)	500,425	570,755	-	-
Allowance for doubtful debts	-	-	-	-
	500,425	570,755	-	-
	6,681,554	5,161,595	-	-
Personal short term loans (iii)	27,248,628	16,450,444	-	-
Allowance for doubtful debts	(2,177,967)	(2,169,879)	-	-
	25,070,661	14,280,565	-	-
	31,752,215	19,442,160	-	-
Non-current				
Instalment credit loans (ii)	1,368,700	1,950,157	-	-
Loans to controlled entities (iv)	-	-	30,707,733	17,994,425
	1,368,700	1,950,157	30,707,733	17,994,425

(i) *Trade debtors include weekly franchise fees, sub-master licence sales and development agent fees outstanding. Where the collection of the debtor is doubtful an allowance for doubtful debts is recognised, with no allowance being recognised at either 30 June 2009 or 2008. The average credit period on sales is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter, interest is charged at 2% per annum on the outstanding balance.*

ii) *The instalment credit loans relate to Cash Converters Finance Corporation Limited and have a maximum maturity of 5 years. Interest rates are fixed at the time of entering into the contract at the rate of 12% or 13% depending on the repayment options agreed with each franchisee.*

To secure the instalments credit loans a fixed and floating charge is held over the franchisee's store. Where collection of the debtor is doubtful and the assessed value of the property is less than the amount outstanding, an allowance for doubtful debtors is recognised for the shortfall, with no allowance being recognised at either 30 June 2009 or 30 June 2008.

iii) *The credit period provided in relation to Personal short term loans varies from 30 days to 7 months. Interest is charged on these loans at a fixed rate which varies dependent on the state of origin. An allowance has been made for estimated unrecoverable amounts arising from loans already issued, which has been determined by reference to past default experience. Before accepting any new customers, the consolidated entity uses an external scoring system to assess the potential customer's credit quality and define credit limits by customer. There is no concentration of credit risk within the personal loan book.*

iv) *The loans to controlled entities have no specific terms or conditions.*

6. TRADE AND OTHER RECEIVABLES (continued)

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
Ageing of past due but not impaired				
60 – 90 days	965,114	801,599	-	-
90 – 120 days	286,526	276,847	-	-
Total	1,251,640	1,078,446	-	-
Personal short term loans: movement in the allowance for doubtful debts				
Balance at the beginning of the year	2,169,879	1,903,354	-	-
Balance recognised on acquisition of business	-	162,000		
Impairment losses recognised on receivables	3,846,170	3,811,987	-	-
Amounts written off as uncollectible	(4,819,032)	(4,302,072)	-	-
Amounts recovered during the year	980,950	594,610	-	-
Impairment losses reversed	-	-	-	-
Unwind of discount	-	-	-	-
Balance at the end of the year	2,177,967	2,169,879	-	-

In determining the recoverability of a personal loan, the consolidated entity considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Ageing of impaired personal short term loans:

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$
60 - 90 days	825,064	606,012	-	-
90 - 120 days	-	-	-	-
Total	825,064	606,012	-	-

7. INVENTORIES

New and pre-owned goods at cost	6,958,592	3,306,989	-	-

8. OTHER ASSETS

Current				
Prepayments	853,164	281,553	-	-

9. PLANT AND EQUIPMENT

	Note	Consolidated Leasehold improvements at cost $	Plant and equipment at cost $	Equipment under finance lease at cost $	Total $
Gross carrying amount					
Balance as at 1 July 2007		145,498	3,263,286	158,144	3,566,928
Acquisition through business combinations		-	1,289,540	-	1,289,540
Additions		38,287	705,405	-	743,682
Disposals		-	(105,207)	-	(105,207)
Net foreign currency exchange differences		(15,840)	(207,265)	-	(223,105)
Balance as at 30 June 2008		167,945	4,945,759	158,144	5,271,848
Acquisition through business combinations		28,629	996,390	-	1,025,019
Additions		17,558	1,843,489	-	1,861,047
Disposals		-	(360,022)	(158,144)	(518,166)
Net foreign currency exchange differences		(1,716)	(25,944)	-	(27,660)
Balance as at 30 June 2009		212,416	7,399,672	-	7,612,088
Accumulated depreciation					
Balance as at 1 July 2007		69,071	2,026,404	158,144	2,253,619
Disposals		-	(55,050)	-	(55,050)
Depreciation expense		22,800	578,415	-	601,215
Net foreign currency exchange differences		(7,296)	(100,941)	-	(108,237)
Balance as at 30 June 2008		84,575	2,448,828	158,144	2,691,547
Disposals		-	(360,022)	(158,144)	(518,166)
Depreciation expense		23,481	816,796	-	840,278
Net foreign currency exchange differences		(2,262)	(32,731)	-	(34,993)
Balance as at 30 June 2009		105,794	2,872,871	-	2,978,665
Net book value					
As at 30 June 2008		83,370	2,496,931	-	2,580,301
As at 30 June 2009		106,622	4,526,801	-	4,633,423

Note: The Company does not own any plant and equipment in its own right.

10. TRADE AND OTHER PAYABLES

	Consolidated 2009 $	2008 $	Company 2009 $	2008 $
Current				
Trade payables	3,249,157	2,503,009	-	769,296
Accruals	4,607,814	3,315,004	-	-
Unsecured notes	484,999	900,183	-	-
Other	25,000	25,000	-	-
	8,366,970	6,743,196	-	769,296

The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the allowed credit period in order to avoid the payment of interest on outstanding accounts. Unsecured notes do not earn interest and are repayable on demand should a franchisee leave the franchise network, but otherwise will be credited to the consolidated entity's income in payment of a noteholder's franchise renewal fee, at the end of the initial franchise term.

11. BORROWINGS

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
(all borrowings are secured)				
Current				
At amortised cost				
Bank overdraft [(i)]	657,933	1,037,657	-	-
Loans [(i)]	2,975,774	3,427,695	2,600,000	2,160,000
Hire purchase and lease liabilities (note 19) [(ii)]	308,605	73,673	-	-
	3,942,312	4,539,025	2,600,000	2,160,000
Non-current				
At amortised cost				
Loans [(i)]	11,830,324	7,460,000	10,559,000	7,460,000
Hire purchase and lease liabilities (note 19) [(ii)]	1,147,710	229,721	-	-
	12,978,034	7,689,721	10,559,000	7,460,000
Financing arrangements				
Unrestricted access was available at balance date to the following lines of credit:				
Credit standby arrangements				
Total facilities				
Bank overdrafts	1,376,436	1,425,000	-	-
Variable rate bill facility	13,159,000	10,700,000	13,159,000	10,700,000
Term loans	1,647,098	1,920,000	-	-
	16,182,532	14,045,000	13,159,000	10,700,000
Used at balance date				
Bank overdrafts	657,933	1,037,657	-	-
Variable rate bill facility	13,159,000	9,620,000	13,159,000	9,620,000
Term loans	1,647,098	1,267,695	-	-
	15,464,031	11,925,352	13,159,000	9,620,000
Unused at balance date				
Bank overdrafts	750,000	387,343	-	-
Variable rate bill facility	-	1,080,000	-	1,080,000
Term loans	-	652,305	-	-
	750,000	2,119,648	-	1,080,000

(i) The bank overdraft and the loans payable are secured by a fixed and floating charge over the total assets of the entity and a cross guarantee from the parent entity. There have been no breaches of loan covenants during the current or prior period.

(ii) Hire purchase and lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates are variable and are currently 2% above the bank base rate.

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $

12. PROVISIONS

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current				
Employee benefits	1,123,079	820,046	-	-
Fringe benefits tax	4,499	3,002	-	-
	1,127,578	823,048	-	-

13. DEFERRED ESTABLISHMENT FEES

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Deferred establishment fees	1,310,668	1,399,282	-	-

Deferred establishment fees relate to establishment fees charged on personal loans.

14. OTHER INTANGIBLE ASSETS

	Consolidated Trade names $	Consolidated Software $	Consolidated Total $
Gross carrying amount			
Balance as at 1 July 2007	13,002,835	1,626,665	14,629,500
Acquisitions through business combinations	-	-	-
Additions	-	257,364	257,364
Disposals	-	-	-
Balance as at 1 July 2008	13,002,835	1,884,029	14,886,864
Additions	-	919,021	919,021
Disposals	-	(388,481)	(388,481)
Balance as at 30 June 2009	13,002,835	2,414,569	15,417,404
Amortisation			
Balance as at 1 July 2007	3,865,358	863,693	4,729,051
Amortisation charge	94,332	186,765	281,097
Disposals	-	-	-
Balance as at 1 July 2008	3,959,690	1,050,458	5,010,148
Amortisation charge	94,332	227,458	321,790
Disposals	-	(388,481)	(388,481)
Balance as at 30 June 2009	4,054,022	889,435	4,943,457
Net book value			
At the beginning of the financial year	9,043,145	833,571	9,876,716
At the end of the financial year	8,948,813	1,525,134	10,473,947

Note: The Company does not own any intangible assets in its own right.

Amortisation expense is included in the line item ‘depreciation and amortisation expenses’ in the income statement.

Trade names are stated at cost to the consolidated entity and relates to amounts recognised either through the buy-back of overseas sub-master licence rights, or through direct acquisition of regional sub-master rights in Australia by Cash Converters Pty Ltd. The depreciable amount of all trade names is amortised on a straight-line basis over their economic useful life, where material. The economic useful life of the trade names has been assessed on an individual asset basis but not more than 100 years from the date of acquisition. The directors review the economic useful life on a regular basis.

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $

15. GOODWILL

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Gross carrying amount					
Balance at beginning of financial year		43,650,114	34,073,651	-	-
Additional amounts recognised from business combinations occurring during the period	29	6,361,122	9,878,183	-	-
Foreign exchange movement		(138,066)	(301,720)	-	-
Balance at the end of the financial year		49,873,170	43,650,114	-	-
Accumulated impairment losses					
Balance at the beginning of the financial year		-	-	-	-
Impairment losses for the year		-	-	-	-
Balance at end of financial year		-	-	-	-
Net book value					
At the beginning of the financial year		43,650,114	34,073,651	-	-
At the end of the financial year		49,873,170	43,650,114	-	-

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Financing - MON-E
- Financing - Safrock
- Corporate Stores (Australia)
- Corporate Stores (UK)

The carrying amount of goodwill allocated to cash-generating units that are significant individually or in aggregate is as follows:

	Consolidated 2009 $	Consolidated 2008 $
MON-E	17,292,967	17,292,967
Safrock	16,780,684	16,780,684
Corporate Stores (Australia)	11,222,381	7,193,512
Corporate Stores (UK)	4,577,138	2,382,951
	49,873,170	43,650,114

MON-E

The recoverable amount for MON-E is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a one-year period, and a discount rate of 15% per annum. Cash flow projections during the budget period take into account management's assessment of the impact of the micro-lending legislation recently announced in Queensland.

Cash flows beyond the one-year period have been extrapolated using a steady 5% per annum growth rate. Management believes that any reasonably possible change in the key assumptions in which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

SAFROCK

The recoverable amount for Safrock is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a one-year period, and a discount rate of 15% per annum. Cash flow projections during the budget period take into account managements assessment of the impact of the micro-lending legislation recently announced in Queensland.

Cash flows beyond the one-year period have been extrapolated using a steady 5% per annum growth rate. Management believes that any reasonably possible change in the key assumptions in which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

CORPORATE STORES (UK & AUSTRALIA)

The recoverable amount for Corporate Stores is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a one-year period, and a discount rate of 15% per annum. Separate cash flow projections have been prepared for both the UK and Australia.

Cash flows beyond the one-year period have been extrapolated using a steady 5% per annum growth rate. Management believes that any reasonably possible change in the key assumptions in which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

16. ISSUED CAPITAL

(a)

	Company	
	2009 Shares No	2008 Shares No
Fully paid ordinary shares		
Balance at beginning of financial year	238,685,685	240,311,699
Shares issued during the year	2,833,333	2,833,333
Share buy-back	(1,509,327)	(4,459,347)
Balance at end of financial year	240,009,691	238,685,685

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Changes to the Corporate law abolished the authorised capital and per value concept in relation to the share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

(b)

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Balance at the beginning of the year	46,424,331	46,536,871	46,424,331	46,536,871
Earn-out shares issued (note 17a)	1,133,333	1,133,333	1,133,333	1,133,333
Share buy-back	(355,288)	(1,245,873)	(355,288)	(1,245,873)
Balance at the end of the financial year	47,202,376	46,424,331	47,202,376	46,424,331

Cash Converters UK securities are stapled securities. These securities are stapled to Cash Converters International shares and were issued on a one for one basis.

(c) **SHARE BUY-BACK**

On 23 November 2007 Cash Converters International Limited advised the Market that it would commence a share buy-back of its shares commencing on 10 December 2007. The buy-back was open for a 12 month timeframe with a maximum number of shares to be purchased being 24,300,000. Under this buy-back 5,968,674 were acquired for the total consideration of $1,601,161. On 10 December 2008 Cash Converters International Limited advised the Market that it would commence a buy-back of its shares commencing 28 December 2008. The buy-back will be open for a 12 month timeframe with a maximum number of shares to be purchased being 23,700,000. No shares have yet been purchased under this buy-back.

	Consolidated		Company	
	2009	2008	2009	2008
	$	$	$	$

17. RESERVES AND RETAINED EARNINGS

(a) RESERVES

Foreign currency translation reserve	(873,818)	(698,163)	-	-
Acquisition earnout reserve	1,133,333	2,266,667	1,133,333	2,266,667
Balance at the end of the financial year	259,515	1,568,504	1,133,333	2,266,667

Foreign currency translation reserve

Balance at the beginning of the financial year	(698,163)	(87,446)	-	-
Translation of foreign operations	(175,656)	(610,717)	-	-
Balance at the end of the financial year	(873,819)	(698,163)	-	-

Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian Dollars are brought to account by entries made directly to the foreign currency translation reserve.

Acquisition earnout reserve

Balance at the beginning of the financial year	2,266,667	3,400,000	2,266,667	3,400,000
Contingent consideration for Safrock acquisition	-	-	-	-
Contingent consideration agreed for the year	(1,133,333)	(1,133,333)	(1,133,333)	(1,133,333)
Balance at the end of the financial year	1,133,334	2,266,667	1,133,334	2,266,667

Under the terms of the acquisition in regard to the Safrock Group 8,500,000 earn-out shares may be issued in tranches as soon as practicable after the end of the relevant financial year subject to meeting certain earnings targets. The end of the first relevant financial period was 30 June 2007 with the earnings targets being met resulting in 2,833,333 earn-out shares being issued. A further 2,833,333 earn-out shares were issued for the period ending 30 June 2008 following the earn-out target being met. This leaves a balance of 2,833,334 earn-out shares to be issued if the future financial targets are met. The acquisition earn-out reserve is used to record a reasonable estimate of the likely equity to be issued in relation to earn-out targets pertaining to the acquisition of Safrock.

An equity reserve is used to record this amount due to a fixed number of equity instruments to be issued.

(b) RETAINED EARNINGS

Balance at the beginning of the financial year	25,773,648	17,859,689	-	-
Net profit attributable to members of the parent entity	16,164,861	15,143,403	17,480,013	7,229,442
Dividends provided for or paid (note 26)	(7,180,013)	(7,229,442)	(7,180,013)	(7,229,442)
Balance at the end of the financial year	34,758,496	25,773,648	10,300,000	-

18. FINANCIAL INSTRUMENTS

(a) CAPITAL RISK MANAGEMENT

The consolidated entity manages its capital to maximise the return to stakeholders through the optimisation of the debt and equity balance whilst ensuring that the consolidated entity is able to continue as a going concern. The consolidated entity's overall strategy remains unchanged from 2008.

The capital structure of the consolidated entity consists of debt, which includes the borrowings disclosed in note 11, cash and cash equivalents and equity attributable to holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 16 and 17 respectively.

The consolidated entity operates globally, primarily through subsidiary companies established in the markets in which the consolidated entity trades. None of the consolidated entity's operations are subject to externally imposed capital requirements.

The consolidated entity's policy is to borrow centrally, using a variety of borrowing facilities, to meet anticipated funding requirements.

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $

(b) CATEGORIES OF FINANCIAL INSTRUMENTS

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Financial assets				
Cash and cash equivalents	7,002,971	16,322,202	38,661	-
Trade and other receivables	6,681,554	5,161,595	27,798,536	17,529,498
Personable loan receivables	25,070,661	14,280,565	-	-
Financial liabilities				
Trade and other payables	8,366,970	6,743,196	-	-
Borrowings	16,920,346	12,228,746	13,159,000	10,389,296

(c) FINANCIAL RISK MANAGEMENT OBJECTIVES

The consolidated entity's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the consolidated entity. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(d) MARKET RISK

The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 18(e)) and interest rates (refer note 18(f)).

There has been no change to the consolidated entity's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(e) FOREIGN CURRENCY RISK MANAGEMENT

The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are relatively small and spot rates are normally used.

The carrying amount of the consolidated entity's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

		Liabilities 2009 $	Liabilities 2008 $	Assets 2009 $	Assets 2008 $
Payable	- Pounds Stirling	3,892,166	3,072,090	-	-
	- United States Dollars	4,794	4,026	-	-
Receivables	- Pounds Stirling	-	-	4,491,372	3,190,579

The consolidated entity is mainly exposed to Pounds Sterling, through its operations in the United Kingdom.

Consolidated entity sensitivity

At 30 June 2009, if the Australian Dollar / Pound Sterling exchange rate had changed by +/- 5% from the actual rates observed during the year, with all other variables held constant, post tax profit and equity for the year would have been $73,150 higher/lower (2008 - $16,902 higher/lower).

Parent entity sensitivity

At 30 June 2009, if the Australian Dollar / Pound Sterling exchange rate had changed by +/- 5% from the actual rates observed during the year, with all other variables held constant, post tax profit and equity for the year would have been $zero higher/lower (2008 - $zero higher/lower).

18. FINANCIAL INSTRUMENTS (continued)

(f) INTEREST RATE RISK MANAGEMENT

The company and the consolidated entity are exposed to interest rate risk as entities in the consolidated entity borrow funds at variable rates and place funds on deposit at variable rates. Personal loans issues by the consolidated entity are at fixed rates. The risk is managed by the Consolidated Entity by monitoring interest rates.

The company and the consolidated entity's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 200 basis point increase or decrease is used because this represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 200 basis points higher or lower and all other variables were held constant, the consolidated entity's:

- net profit would increase/decrease by approximately $169,000 (2008: increase/decrease by approximately $88,000). This is mainly attributable to additional borrowings this year.

The Consolidated entity's sensitivity to interest rates has increased during the current period mainly due to additional borrowings.

At reporting date, if interest rates had been 200 basis points higher or lower and all other variables were held constant, the Parent Company's:

- net profit would increase/decrease by approximately $263,180 (2008: increase/decrease by approximately $208,000). This is mainly attributable to additional borrowings this year.

The Parent Company sensitivity to interest rates has increased during the current period mainly due to additional borrowings.

(g) CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, other than its franchisees. The consolidated entity has a policy of obtaining sufficient collateral or other securities from these franchisees.

The majority of loans within the financing division relate to loans made by Safrock which makes both secured and unsecured personal loans. Credit risk is present in relation to all unsecured loans made which is managed within an agreed corporate policy on customer acceptance and on-going review of recoverability.

(h) LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements. The consolidated entity manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Included in note 11 is a listing of additional undrawn facilities that the company/consolidated entity has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

The following tables detail the Company's and the consolidated entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	1 year or less $	1 to 5 years $	More than 5 years $	Total $
CONSOLIDATED					
2009					
Non-interest bearing	-	8,366,970	-	-	8,366,970
Finance lease liability	8.52	415,913	1,310,532	-	1,726,445
Variable interest rate instruments	7.56	3,929,809	12,703,914	-	16,633,723
Financial guarantee contracts	-	-	-	-	-
		12,712,692	14,014,446	-	26,727,138
2008					
Non-interest bearing	-	6,743,196	-	-	6,743,196
Finance lease liability	9.55	80,709	286,894	-	367,603
Variable interest rate instruments	10.30	4,818,404	8,206,000	-	13,024,404
Financial guarantee contracts	-	-	-	-	-
		11,642,309	8,492,894	-	20,135,203

At the year end it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the amount included above is nil.

COMPANY					
2009					
Non-interest bearing	-	-	-	-	-
Finance lease liability	-	-	-	-	-
Variable interest rate instruments	7.25	2,788,500	11,324,528	-	14,113,028
Financial guarantee contracts	-	-	-	-	-
		2,788,500	11,324,528	-	14,113,028
2008					
Non-interest bearing	-	-	-	-	-
Finance lease liability	-	-	-	-	-
Variable interest rate instruments	10.30	3,231,013	8,206,000	-	11,437,013
Financial guarantee contracts	-	-	-	-	-
		3,231,013	8,206,000	-	11,437,013

At the year end it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the amount included above is nil.

18. FINANCIAL INSTRUMENTS (continued)

The following table details the Company's and the consolidated entity's expected maturity for its financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company/consolidated entity anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	1 year or less $	1 to 5 years $	More than 5 years $	Total $
CONSOLIDATED					
2009					
Non-interest bearing	-	5,918,063	-	-	5,918,063
Finance lease receivables	-	-	-	-	-
Variable interest rate instruments	4.10	7,290,093	-	-	7,290,093
Fixed interest rate instruments	104.04	53,725,099	1,779,310	-	55,504,409
		66,933,255	1,779,310	-	68,712,565
2008					
Non-interest bearing	-	4,590,840	-	-	4,590,840
Finance lease receivables	-	-	-	-	-
Variable interest rate instruments	6.25	17,342,339	-	-	17,342,339
Fixed interest rate instruments	96.70	34,299,322	2,532,182	-	36,831,504
		56,232,501	2,532,182	-	58,764,683
COMPANY					
2009					
Non-interest bearing	-	-	-	30,707,733	30,707,733
Finance lease receivables	-	-	-	-	-
Variable interest rate instruments	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-
		-	-	30,707,733	30,707,733
2008					
Non-interest bearing	-	-	-	17,994,425	17,994,425
Finance lease receivables	-	-	-	-	-
Variable interest rate instruments	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-
		-	-	17,994,425	17,994,425

(i) NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity and Company approximates the carrying value.

The net fair value of the monetary financial assets and financial liabilities is based upon market prices where a market price exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. The carrying amounts and net fair values of financial assets and liabilities at balance date are:

	2009		2008	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial instruments				
Unsecured notes	484,999	484,999	900,183	900,183
	484,999	484,999	900,183	900,183

19. LEASES

(a) FINANCE LEASES

Leasing arrangements

Finance leases relate to computer equipment and motor vehicles with lease terms of up to 5 years. The consolidated entity has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

Finance lease liabilities

	Minimum future lease payments				Present value of minimum future lease payments			
	Consolidated		Company		Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Finance lease and hire purchase expenditure contracted for at balance sheet date, payable:								
Within one year	415,913	80,709	-	-	307,988	73,751	-	-
Later than one, not later than five years	1,310,532	286,894	-	-	1,148,328	229,647	-	-
	1,726,445	367,603	-	-	1,456,316	303,394	-	-
Less future finance charges	(270,129)	(64,209)	-	-	-	-	-	-
	1,456,316	303,394	-	-	1,456,316	303,394	-	-
Included in the financial statement as:								
Current borrowings (note 11)					308,606	73,673	-	-
Non-current borrowings (note 11)					1,147,710	229,721	-	-
					1,456,316	303,394	-	-

(b) OPERATING LEASES

Leasing arrangements

Operating leases relate to office accommodation and retail premises with lease terms of between 5 to 10 years, with an option to extend for a further 5 years. All operating lease contracts contain market review clauses in the event that the consolidated entity exercises its option to renew. The consolidated entity does not have an option to purchase the leased assets at the expiry of the lease period.

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Non-cancellable operating lease commitments payable:				
Within one year	3,604,361	1,647,102	-	-
Later than one, not later than five years	9,886,547	4,181,332	-	-
Later than five years	1,484,591	1,197,069	-	-
	14,975,499	7,025,503	-	-

Operating lease commitments relate to head office premises in Australia, the regional offices in the UK and around Australia and the corporate stores in the UK and Australia. Cash Converters hold an option to renew on the Australian premises.

(c) COMMITMENT FOR CAPITAL EXPENDITURE

At 30 June 2009 capital expenditure commitments were $550,000 (2008: $nil)

20. RELATED PARTY TRANSACTIONS

(a) KEY MANAGEMENT PERSONNEL REMUNERATION

Details of key management personnel of Cash Converters International Limited during the year are:

- R. Webb (Chairman, Non-executive Director)
- P. Cumins (Managing Director, Executive)
- J. Yeudall (Non-executive Director)
- P. Cowan (Non-executive Director – appointed October 2008)
- A. Moffat (Non-executive Director – resigned October 2008)
- C. Hetherington (Non-executive Director – resigned April 2009)
- M. Cooke (Legal Counsel)
- M. Lemmon (Director of Operations UK – resigned May 2009)
- I. Day (General Manager – Australia)
- R. Groom (Company Secretary / Group Financial Controller)
- J. Spratley (Group Accountant – UK)
- R. Pilgrim (Operations Manager – UK)

The aggregate compensation of the key management personnel of the consolidated entity and the Company is set out below:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Short-term employee benefits	2,113,149	1,832,140	-	-
Long-term employee benefits	-	-	-	-
Post-employee benefits	171,483	133,542	-	-
Total	2,284,632	1,965,682	-	-

(b) KEY MANAGEMENT PERSONNEL RELATED ENTITIES

The relationships between the Company and key management personnel related entities are as follows:

Franchise holders - The directors of the Company together with their associated entities held interests in the following franchised stores:

Franchisee	Franchise	Related Party
Blackport Pty Ltd	Phoenix Park & Clarkson WA	Peter Cumins

During the period, Cash Converters Stores Pty Ltd acquired both the Phoenix Park and Clarkson WA stores, refer to note 29 for further information.

(c) LOAN TO KEY MANAGEMENT PERSONNEL

	Balance at beginning $	Interest charged $	Interest not charged $	Loan repayments received $	Balance at end $	Number in Group
2009						
Director- related entities	307,247	22,964	-	(330,211)	-	1
Other key management personnel	-	-	-	-	-	-
Total	307,247	22,964	-	(330,211)	-	1
2008						
Directors – related entities	264,526	33,420	-	-	307,247	1
Other key management personnel	-	-	-	-	-	-
Total	264,526	33,420	-	-	307,247	1

INDIVIDUALS WITH LOANS ABOVE $100,000 IN THE YEAR

	Balance at beginning $	Interest charged $	Interest not charged $	Loan repayments received $	Balance at end $	Highest in period $
2009						
P. Cumins [Blackport Pty Ltd]	307,247	22,964	-	(330,211)	-	307,247
Total	307,247	22,964	-	(330,211)	-	307,247
2008						
P. Cumins [Blackport Pty Ltd]	264,526	33,420	-	-	307,247	307,247
Total	264,526	33,420	-	-	307,247	307,247

The above loans are made through Cash Converters Finance Corporation Limited for additional working capital in developing Cash Converters franchised businesses.

Commercial rates of interest are charged on loans made to director-related entities, which are made on the same terms and conditions as those made to other franchisees.

20. RELATED PARTY TRANSACTIONS (continued)

(d) DIRECTORS' AND SPECIFIED KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Fully paid ordinary shares issued by Cash Converters International Limited

	Balance at 1 July 2008 No.	Granted as remuneration No.	Received on exercise of options No.	Acquisition /(disposal) of shares No.	Balance at 30 June 2009 No.	Balance held indirectly No.
Directors						
P. Cumins	7,637,035	-	-	70,795	7,707,830	-
R. Webb	1,112,500	-	-	-	1,112,500	-
J. Yeudall	295,668	-	-	-	295,668	-
P. Cowan	-	-	-	-	-	-
C. Hetherington	-	-	-	-	-	-
A. Moffat	-	-	-	-	-	-
Other key management personnel						
I. Day	3,949,260	-	-	-	3,949,260	-
R. Groom	2,584,618	-	-	60,000	2,644,618	-
J. Spratley	-	-	-	-	-	-
M. Lemmon	-	-	-	-	-	-
M. Cooke	5,315,000	-	-	500,000	5,815,000	-
R. Pilgrim	-	-	-	-	-	-
	20,894,081	-	-	630,795	21,524,876	-

Fully paid ordinary shares issued by Cash Converters International Limited

	Balance at 1 July 2007 No.	Granted as remuneration No.	Received on exercise of options No.	Acquisition /(disposal) of shares No.	Balance at 30 June 2008 No.	Balance held indirectly No.
Directors						
P. Cumins	7,565,575	-	-	71,460	7,637,035	-
R. Webb	1,112,500	-	-	-	1,112,500	-
A. Moffat	-	-	-	-	-	-
J. Yeudall	79,365	-	-	216,303	295,668	-
C Hetherington	-	-	-	-	-	-
Other key management personnel						
I. Day	3,314,419	-	-	634,841	3,949,260	-
R. Groom	3,271,618	-	-	(687,000)	2,584,618	-
J. Spratley	-	-	-	-	-	-
M. Lemmon	-	-	-	-	-	-
M. Cooke	5,315,000	-	-	-	5,315,000	-
	20,658,477	-	-	235,604	20,894,081	-

(e) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The profit from operations before income tax includes the following items of revenue and expense that resulted from transactions other than compensation, loans or equity holdings, with key management personnel or their related entities:

	2009 $	2008 $
Franchise fees payable in advance on the 1st of each month	68,762	107,285
Total advertising levy payable monthly in advance	95,983	157,773
Total training levies paid monthly in advance	5,080	7,920
Total miscellaneous fees payable on 30 day account	2,488	4,858
Total wholesale invoices payable on 30 day account	5,438	6,535
Total recognised as revenue	177,751	284,371

Transactions between the consolidated entity and these parties are conducted on the normal commercial terms that apply to all franchise operators.

21. SUBSEQUENT EVENTS

Since the end of the financial year the directors are not aware of any matter or circumstance, other than those mentioned below, that has significantly or may significantly affect the operations of the Company, the results of these operations or the state of affairs of the Company in subsequent financial years.

On 8 July 2009 Cash Converters International Limited announced that it was to raise $5 million through the issuance of up to 12.5 million shares at an issue price of $0.40 per share to institutional and sophisticated investors.

On 11 August 2009 Cash Converters International Limited announced that its UK subsidiary (CCUK) acquired an existing store in Barnsley as a going concern for a total consideration of approximately £660,000 ($1.3 million). This acquisition takes the total number of corporate stores to 38, comprising of 17 in Australia and 21 in the UK.

On 18 August 2009 Cash Converters International Limited entered into a Subscription Agreement with EZCORP, Inc. to make a placement of 108,218,000 fully paid ordinary units at an issue price of A$0.50 per unit to raise approximately $54 million. This will represent 30% of the fully diluted capital of the Company after the placement has been made. This placement is subject to shareholder approval.

The funds will be utilised to grow the earnings of the Company through accelerating the acquisition of franchised stores and to increase the size of the Safrock loan books.

22(a). SUBSIDIARIES

Name of entity	Country of incorporation	Ownership interest 2009	2008
Parent entity			
Cash Converters International Limited (i)	Australia		
Directly controlled by Cash Converters International Limited			
Cash Converters Pty Ltd (ii) (iii)	Australia	100%	100%
Cash Converters UK Holdings PLC	UK	100%	100%
Cash Converters USA Limited (note 22c)	Australia	58.87%	58.87%
MON-E Pty Ltd (ii) (iii)	Australia	100%	100%
Safrock Finance Group Pty Ltd (ii) (iii)	Australia	100%	100%
Safrock Finance Corporation (QLD) Pty Ltd (ii) (iii)	Australia	100%	100%
Safrock Finance Corporation (WA) Pty Ltd (ii) (iii)	Australia	100%	100%
Finance Administrators of Australia Pty Ltd (ii) (iii)	Australia	100%	100%
Cash Converters (Stores) Pty Ltd (ii) (iii)	Australia	100%	100%
Cash Converters (Cash Advance) Pty Ltd (ii) (iii)	Australia	100%	100%
Directly controlled by Cash Converters Pty Ltd			
Cash Converters Finance Corporation Limited (refer note 22c)	Australia	36.86%	36.86%
Directly controlled by Cash Converters USA Limited			
Cash Converters USA Inc	USA	100%	100%

(i) *Cash Converters International Limited is the head entity within the tax consolidated group.*

(ii) *These companies are members of the tax consolidated group.*

(iii) *These wholly owned subsidiaries have entered into a deed of cross guarantee with Cash Converters International Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report.*

	Company 2009 $	2008 $
Investments in subsidiaries		
Non-current		
Investments in subsidiaries – at cost	43,572,916	43,572,916

22(b). SUBSIDIARIES

The consolidated income statement and balance sheet of the entities party to the cross guarantee are:

INCOME STATEMENT

	Consolidated 2009 $	Consolidated 2008 $
Revenue	62,274,572	51,971,582
Employee benefits expense	(12,969,395)	(8,782,286)
Depreciation and amortisation expenses	(763,201)	(556,412)
Finance costs	(916,869)	(683,067)
Legal fees / legal settlements	(506,175)	(477,608)
Changes in inventories	(6,911,581)	(3,970,715)
Area agents fees / commissions	(4,329,587)	(5,399,958)
Rental expense on operating leases	(2,639,143)	(1,561,344)
Motor vehicle/travel costs	(638,363)	(554,928)
Bad debts/bad debt provision	(4,819,032)	(4,279,543)
Professional and registry costs	(691,385)	(486,160)
Auditing and accounting services	(383,282)	(286,960)
Bank charges	(612,734)	(815,136)
Other expenses from ordinary activities	(4,963,092)	(3,072,841)
Profit before income tax expense	21,130,733	21,044,724
Income tax expense	(6,514,038)	(6,271,778)
Profit for the year from continuing operations	14,616,695	14,772,946
Minority interest	-	-
Equity holders of the parent	14,616,695	14,772,946
Profit for the year	14,616,695	14,772,946

22(b). SUBSIDIARIES (continued)

BALANCE SHEET

	Consolidated	
	2009	2008
	$	$
Current assets		
Cash and cash equivalents	6,451,779	13,805,551
Trade receivables	3,352,154	3,775,576
Personal loans receivable	23,408,264	11,878,839
Inventories	3,514,997	1,859,630
Other assets	853,164	281,553
Total current assets	37,580,358	31,601,149
Non-current assets		
Trade and other receivables	7,800,723	5,590,320
Other financial assets	463,480	463,480
Plant and equipment	2,828,518	1,469,399
Deferred tax assets	1,855,868	1,841,579
Goodwill	45,296,091	41,267,163
Other intangible assets	8,414,421	7,817,189
Total non-current assets	66,659,101	58,449,130
Total assets	104,239,459	90,050,279
Current liabilities		
Trade and other payables	5,564,842	2,714,969
Borrowings	2,908,606	3,002,969
Current tax payables	2,697,372	2,552,283
Deferred establishment fees	1,310,668	1,399,282
Provisions	1,108,726	807,419
Total current liabilities	13,590,214	10,476,922
Non-current liabilities		
Borrowings	11,706,710	7,689,721
Deferred tax liabilities	1,222,287	1,244,783
Total non-current liabilities	12,928,997	8,934,504
Total liabilities	26,519,211	19,411,426
Net assets	77,720,248	70,638,853
Equity		
Issued capital	47,202,376	46,424,331
Reserves	1,365,105	2,498,437
Retained earnings	29,152,767	21,716,085
Parent entity interest	77,720,248	70,638,853
Minority interests	-	-
Total equity	77,720,248	70,638,853

	Consolidated
	2009
	$
Retained earnings	
Retained earnings as at the beginning of the financial year	21,716,085
Net profit	14,616,695
Dividends provided for or paid	(7,180,013)
Retained earnings as at the end of the financial year	29,152,767

(c) OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES

Outside equity interests hold 540,029 (2008: 595,196), 50 cent ordinary shares in Cash Converters Finance Corporation Limited, being 63.14% of the ordinary issued share capital, and 63.08% of the total equity of the Company.

Cash Converters International Limited controls Cash Converters Finance Corporation Limited, because it holds 100% of the issued share capital of Cash Converters Pty Ltd, giving it control of that company which in turn controls Cash Converters Finance Corporation Limited by virtue of its 100% holding of the “A” Management shares of Cash Converters Finance Corporation Limited which confer 51% of the votes in general meetings.

Outside equity interests hold 83,936 - one cent ordinary units in Cash Converters USA Limited, being 41.13% of the total equity of the company.

	Consolidated	
	2009 $	2008 $
Outside equity interests in controlled entities comprises:		
Contributed capital	3,234,757	3,278,127
Accumulated losses	(2,965,484)	(2,998,701)
	269,273	279,426

23. CONTINGENT LIABILITIES

Cash Converters International Limited (CCIL) has provided a bank guarantee to Barrier Shelf Company (No 57) Pty Ltd as security for the head office lease.

CCUK has also provided a guarantee to Barclays Bank for a term loan of £800,000. CCIL has also provided a cross guarantee on this loan.

Cash Converters UK Limited (CCUK) has provided lease rental guarantees for franchisees of $414,907.

Cash Converters Pty Ltd (CCPL) has subordinated $780,883 of its total receivable from CCFCL.

In the course of its normal business the consolidated entity occasionally receives claims and writs for damages and other matters arising from its operations. Where in the opinion of the directors it is deemed appropriate a specific provision is made, otherwise the directors deem such matters are either without merit or of such kind or involved such amounts that would not have a material adverse effect on the operating results or financial position of the economic entity if disposed of unfavourably.

CCIL has agreed to provide ongoing financial support to CCUK, CCUSA, CCPL and CCFCL for the foreseeable future.

The directors are not aware of any other material contingent liabilities in existence at 30 June 2009 requiring disclosure in the financial statements.

	Consolidated	
	2009	2008

24. EARNINGS PER SHARE

Basic earnings per share (cents per share)	6.77	6.28
Diluted earnings per share (cents per share)	6.66	6.12

	2009 $	2008 $
Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Earnings	16,164,861	15,143,403
	Number	**Number**
Weighted average number of ordinary shares for the purpose of basic earnings per share	238,739,529	240,971,887

Earnings used in the calculation of basic earnings per share reconciles to net profit in the income statements as follows:

	$	$
Net profit	16,164,861	15,143,403
Earnings used in the calculation of basic earnings per share	16,164,861	15,143,403

Diluted earnings per share		
The earnings used in the calculation of diluted earnings per share are equal to those used in basic earnings per share		
Weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	238,739,529	240,971,887
Earnout shares (note 17)	4,044,293	6,510,474
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	242,783,822	247,482,361

The number of potential ordinary shares not included in the above calculation is Nil (2008: Nil).

25. CASH FLOW INFORMATION

(a) RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH FLOWS FOR THE OPERATING ACTIVITIES

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Profit for the year	16,154,708	15,174,586	17,480,013	7,229,442
Non-cash flows in operating profit:				
Amortisation	321,790	281,097	-	-
Depreciation	840,278	601,215	-	-
Bad debts written off	4,819,032	4,302,072	-	-
Lease and hire purchase interest	50,256	7,558	-	-
Loss on sale of plant and equipment	-	43,125	-	-
(Increase)/decrease in income taxes payable	549,864	(564,423)	-	-
Increase in future income tax benefits	15,706	(122,446)	-	-
Increase/(decrease) in deferred tax	(3,268)	123,977	-	-
Net exchange differences	(240)	1,289	-	-
Realised foreign exchange (gain)/loss	-	-	-	-
Change in assets and liabilities:				
Increase in inventories	(1,558,672)	(800,546)	-	-
(Increase)/decrease in prepayments	(622,990)	(214,369)	-	-
(Increase)/decrease in trade and term receivables	(7,874,121)	(1,201,663)	-	-
Increase in trade payables and accruals	1,518,586	927,550	-	-
Increase/(decrease) in employee and other provisions	462,264	59,054	-	-
Increase/(decrease) in fees receivable rolled into loans to/from other related entities	625,942	2,638	(10,300,000)	-
Cash flows from operations	15,299,135	18,620,714	7,180,013	7,229,442

(b) RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, net of bank overdrafts and is reconciled to the related items in the balance sheet as follows:

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash and cash equivalents	7,002,971	16,322,202	38,661	-
Bank overdraft	(657,933)	(1,037,657)	-	-
	6,345,038	15,284,545	38,661	-

(c) BUSINESS ACQUIRED

During the financial year the Group acquired two businesses. The net cash out flow on acquisition was $11,035,619 (2008: $15,756,230). Refer to note 29 for further details of these acquisitions.

(d) NON-CASH FINANCING AND INVESTING ACTIVITIES

During the current financial year the consolidated entity conducted two store fit-outs and purchased software with a fair value of $1,325,817 (2008: $181,684) under a hire purchase agreement.

26. DIVIDENDS

The directors of the Company paid a fully franked interim dividend of 1.5 (one and a half) cents per share on 31 March 2009. The directors have also declared a final fully franked dividend of 1.5 (one and a half) cents per share to be paid on 30 September 2009 to those shareholders on the register at the close of business on 16 September 2009.

The Company has Australian franking credits available of $14,564,272 on a tax paid basis (2008: $11,886,420).

	2009		2008	
	Cents per share	Total $	Cents per share	Total $
Fully paid ordinary shares				
Recognised amounts				
Interim dividend: Franked to 100% at 30%	1.5	3,599,728	1.5	3,624,765
Final dividend: Franked to 100% at 30%	1.5	3,580,285	1.5	3,604,677
Unrecognised amounts				
Final dividend: Franked to 100% at 30%	1.5	3,787,645	1.5	3,580,285

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $

27. RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES

RECEIVABLES				
Current – not hedged				
Pounds Sterling	4,491,372	3,190,579	-	-
United States Dollars	-	-	-	-
PAYABLES				
Current – not hedged				
Pounds Sterling	3,892,166	3,072,090	-	-
United States Dollars	4,794	4,026	-	-

	No.	No.		

28. EMPLOYEE NUMBERS

Average number of employees during the financial year	138	136	-	-

29. ACQUISITIONS OF BUSINESS

Acquisition of trade and assets: Seven stores in the United Kingdom and eight stores in Australia

During the period the Group acquired the trade and assets of seven stores in the UK and eight stores in Australia for total consideration of $11,980,447.

This transaction has been accounted for using the acquisition method of accounting.

The net assets acquired in the business combination, and the goodwill arising, are as follows:

	Acquiree's carrying amount before business combination $	Fair value adjustments $	Fair value $
Net assets acquired:			
Cash and cash equivalents	162,813	-	162,813
Trade and other receivables	2,093,449	473,015	2,566,464
Inventories	2,224,731	(15,293)	2,209,438
Property plant and equipment	1,025,019	-	1,025,019
Trade and other payables	(88,906)	(255,503)	(344,409)
Fair value of net identifiable assets acquired	5,417,106	202,219	5,619,325
Consideration			
Consideration satisfied by cash			11,198,432
Deferred consideration			205,000
Other consideration			577,016
Total consideration			11,980,447
Goodwill arising on acquisition			6,361,122

The initial accounting for the acquisition of the 15 stores has only been provisionally determined at reporting date.

For tax purposes the tax values of the assets are required to be reset based on market values and other factors. At the date of issuance of this report, the necessary market valuations and other calculations had not been finalised and the adjustment to deferred tax liabilities and goodwill noted above has therefore only been provisionally determined based on the directors' best estimate of the likely tax values. The market valuations obtained for tax purposes may also impact the recognised fair values of the other assets acquired as part of the business combination.

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire the 15 stores. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the 15 stores. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

Included in the net profit for the period is $917,851 attributable to the additional business generated by the 15 stores.

Had the business combinations been effected at 1 July 2008, the revenue of the Group would be $103,018,546 and net profit $17,065,382. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for future periods.

In determining the 'pro-forma' revenue and profit of the Group had the 15 stores been acquired at the beginning of the current reporting period, the directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination
- utilised the un-audited 30 June 2008 financial information of the 15 stores.

29. ACQUISITIONS OF BUSINESS (continued)

The vendors of the Phoenix and Clarkson stores that were acquired during the year included Peter Cumins. Peter Cumins owned 50% of the stores concerned and received $850,432. The purchase of the Phoenix and Clarkson stores by Cash Converters Stores Pty Ltd was conducted on an arm's length basis and was overseen by those directors without shareholdings in the stores concerned.

30. SEGMENTAL INFORMATION

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items mainly comprise income earning assets and revenue, interest bearing loans, borrowings and expense and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

BUSINESS SEGMENTS

The consolidated entity comprises the following main business segments based on the consolidated entity management reporting system:

Store operations - This involves the sale of franchises for the retail sale of second hand goods, and sales of master licences for the development of franchises in countries around the world and the corporate stores in the UK and Australia.

Financing - The financing division was originally established to provide loans to existing franchisees within Australia, for the development of their businesses. In October 2006 this division was substantially expanded with the acquisition of MON-E and the Safrock group of companies.

MON-E provides the software and back-office support for the cash advance business and Safrock provides unsecured personal loans through the franchised network.

GEOGRAPHICAL SEGMENTS

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of each business division.

Segment assets are based on geographical location of assets.

PRIMARY REPORTING - BUSINESS SEGMENTS

	External Sales		Inter-segment		Total	
	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$
SEGMENT REVENUES						
Store operations	65,273,844	43,257,441	-	-	65,273,844	43,257,441
Financing	28,727,086	30,494,150	-	-	28,727,086	30,494,150
Total of all segments	94,000,930	73,751,591	-	-	94,000,930	73,751,591
Eliminations					-	-
Unallocated					396,970	654,291
Consolidated revenue					94,397,900	74,405,882

	Total	
	2009	2008
	$	$
SEGMENT RESULTS		
Store operations	7,234,263	4,348,261
Financing	16,122,541	17,299,880
Total of all segments	23,356,804	21,648,141
Eliminations	-	-
Unallocated	(49,572)	(49,572)
Profit before income tax expense	23,307,232	21,598,569
Income tax expense	(7,152,524)	(6,423,983)
Profit for the period	16,154,708	15,174,586

	Assets		Liabilities	
	2009	2008	2009	2008
	$	$	$	$
SEGMENT ASSETS & LIABILITIES				
Store operations	51,165,829	45,573,210	16,141,762	17,244,573
Financing	63,617,285	53,688,267	16,151,692	7,970,995
Total of all segments	114,783,114	99,261,477	32,293,454	25,215,568
Consolidated	114,783,114	99,261,477	32,293,454	25,215,568

	Store operations		Financing	
	2009	2008	2009	2008
	$	$	$	$
OTHER SEGMENT INFORMATION				
Acquisition of segment assets	1,281,984	691,157	58,665	69,002
Depreciation and amortisation of segment assets	1,023,210	765,593	138,858	137,147
Significant expenses:				
Bad debts/bad debt provision	852,955	427,290	3,966,077	3,852,253

30. SEGMENTAL INFORMATION (continued)

SECONDARY REPORTING - GEOGRAPHICAL SEGMENTS

	Revenue from external customers 2009 $	Revenue from external customers 2008 $	Segment assets 2009 $	Segment assets 2008 $	Acquisition of segment assets 2009 $	Acquisition of segment assets 2008 $
Geographical segments						
Australia	61,927,167	51,361,575	100,145,761	88,939,361	805,857	448,408
UK Division	32,110,057	22,710,115	14,635,893	10,318,133	534,792	311,751
US Division	13,270	9,446	1,460	3,983	-	-
Rest of the World	347,406	324,746	-	-	-	-
Consolidated	94,397,900	74,405,882	114,783,114	99,261,477	1,340,649	760,159

1. *Intersegment pricing is based upon an agreed interest rate between Cash Converters Pty Ltd and Cash Converters Finance Corporation Limited.*
2. *Under the geographical segment the revenue included under the 'rest of the world' is the percentage revenue due to the consolidated entity from the sub-master franchisors at a contracted percentage rate of their revenue generated from operations in their countries.*

31. COMPANY DETAILS

Cash Converters International Limited is a listed public company, incorporated in Australia.

Registered office & Principal place of business:

Level 18, 37 St Georges Terrace

PERTH WA 6000

Telephone: +61 8 9221 9111

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity; and

(c) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 22 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

Reginald Webb

Director

Perth, Western Australia

Date: 22 September 2009

Deloitte.

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Independent Auditor's Report to the members of Cash Converters International Limited

Report on the Financial Report

We have audited the accompanying financial report of Cash Converters International Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 28 to 73.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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Member of
Deloitte Touche Tohmatsu

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Cash Converters International Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 20 to 23 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Cash Converters International Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M. Gover

Mark Gover
Partner
Chartered Accountants
Perth, 22 September 2009

Deloitte Touche Tohmatsu
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The Board of Directors
Cash Converters International Limited
Level 18
37 St Georges Terrace
Perth WA 6000

22 September 2009

Dear Board Members

Auditors Independence Declaration to Cash Converters International Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cash Converters International Limited.

As lead audit partner for the audit of the financial statements of Cash Converters International Limited for the financial year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M. Gover

Mark Gover
Partner
Chartered Accountants

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Member of
Deloitte Touche Tohmatsu

Shareholder Information

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 11 SEPTEMBER 2009

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders (5% or above) in the Company and the number of equity securities in which they have an interest are set out below:

Name	Number of ordinary shares	Percentage of issued shares
HSBC Custody Nominees	19,411,593	7.69
J P Morgan Nominees Australia Limited	16,215,228	6.42

DISTRIBUTION OF EQUITY

	Holders
Distribution schedule of holdings:	
1 - 1,000	285
1,001 - 5,000	1327
5,001 - 10,000	1030
10,001 - 100,000	1919
100,001 and over	221
Total number of holders	4782
Number of holders of less than a marketable parcel	144

TWENTY LARGEST EQUITY SECURITY HOLDERS

Name	Number of ordinary shares	Percentage of issued shares
HSBC Custody Nominees	19,411,593	7.69
J P Morgan Nominees Australia Limited	16,215,228	6.42
Alli Nominees Pty Ltd	11,976,097	4.74
Benos Nominees Pty Ltd	10,915,870	4.32
Hosking Financial Investments Pty Ltd	10,765,369	4.26
RBC Dexia Investor Services Australia Nominees Pty Ltd	9,159,334	3.63
Rand Holdings Pty Ltd	6,241,720	2.47
Australian Executor Trustees Limited	5,406,676	2.14
Mrs Heather Janette Hubbard & Mr Russell Leonard Tyrrell	4,163,694	1.65
Fawngrove Pty Ltd	4,136,880	1.64
Merle Cooke & Simon James Cooke	3,591,000	1.42
National Nominees Limited	3,335,806	1.32
Fawngrove Pty Ltd	2,900,000	1.15
Cogent Nominees Pty Limited	2,638,280	1.04
Jagen Nominees Pty Ltd	2,500,000	0.99
Citicorp Nominees Pty Limited	1,898,182	0.75
Mrs Andreana Debra Groom	1,883,000	0.75
Riolane Holdings Pty Ltd	1,781,406	0.71
Mr Michael Edward Constable	1,733,801	0.69
Mrs Merle Cooke	1,724,000	0.68
	122,377,936	48.46

VOTING RIGHTS

All shares are of one class with equal voting rights.

SHAREHOLDER INFORMATION

The Shareholder information set out above was applicable as at 11 September 2009.

SAFROCK EARN-OUT SHARES

In September 2006, the Company acquired the Safrock Group of Companies (comprising Safrock Finance Corporation (Qld) Pty Ltd, Safrock Finance Corporation (WA) Pty Ltd, Safrock Finance Group Pty Ltd and Financial Administrators of Australia Pty Ltd). The Company paid the sellers consideration of $14.1 million (in cash and fully paid ordinary shares in the Company issued at $0.40 per share). In addition to this, the Company has agreed to issue the sellers up to 8,500,000 additional fully paid ordinary shares in the Company (at $0.40 per share up to a maximum value of $3.4 million) as an earn-out if the Safrock Group of Companies exceeds certain EBIT hurdles over the 2 years and 9 months following completion of the acquisition. The hurdles will be measured, and shares potentially issued, at intervals during this period.

At a general meeting on 29 September 2006, the Company obtained a number of shareholder approvals, including approval under ASX Listing Rule 7.1 to the issue of these additional earn-out shares. ASX Listing Rule 7.3.2 would usually require these shares to be issued within 3 months of the date of such shareholder approval. However, given the length of the EBIT target periods for the Safrock earn-out, ASX has granted the Company a waiver of the requirement in Listing Rule 7.3.2 to allow the earn-out shares to be issued no later than 31 October 2009.

It is a condition of the ASX Listing Rule waiver that the Company state, in each annual report released during the period when earn-out remain to be issued, the number of earn-out shares issued in the relevant year, and the number that remain to be issued. To date, 5,666,666 earn-out shares have been issued to the sellers of the Safrock Group of Companies, and a maximum number of 2,833,334 fully paid ordinary shares in the Company could still be issued, subject to the Safrock Group of Companies exceeding the relevant EBIT performance hurdles.

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