Half Year Report

To 31 March 2021

Helping 56,078 New Zealanders to do more

41,856
Passenger Vehicles

7,868
Utility Vehicles

6,401
Motorcycles

3,269
Vans

1,406
Caravans

1,253
Boats

990
Trucks

974
Machines

920
Trailers

801
Jet Skis

374
Buses

58
Tractors

3
Aircraft

Highlights

NEW LOANS $M	PROFIT AFTER TAX $M	TOTAL ASSETS $M
282	4.4	777.8

	6 mths to 31/3/2021 $m	6 mths to 31/3/2020 $m	12 mths to 30/9/2020 $m
Operating result			
New loans	281.9	265.0	488.5
Profit after tax	4.4	2.7	5.0
Underlying profit after tax [1]	4.0	3.9	7.5
Total assets	777.8	775.7	753.8
Total paid to originators	36.1	34.4	65.2
Performance indicators			
Net interest income/average finance receivables (annualised)	2.9%	2.9%	2.9%
Expense/average total assets (annualised) [2]	2.6%	2.9%	2.8%
Impaired asset expense/average finance receivables (annualised)	0.02%	0.04%	0.04%
Credit risk allowance/average finance receivables	0.79%	0.48%	0.93%
Capital percentage	12.8%	12.3%	12.9%
Shareholder value (per ordinary share)			
Adjusted net asset backing [3]	$2.64	$2.46	$2.54
Underlying profit after tax [4]	$0.16	$0.15	$0.28
Dividend for the period (net)	$0.04	$0.02	$0.0711

	$000	$000	$000
Profit after tax	4,430	2,653	4,960
Adjustments:			
Finance receivables at fair value (note 2)	5,157	1,187	4,394
Interest rate swap derivatives at fair value (note 2)	(5,776)	484	(862)
Total adjustments before tax	(619)	1,671	3,532
Tax on adjustments	173	(468)	(989)
Underlying profit after tax	$3,984	$3,856	$7,503

[1] Underlying profit removes the volatility of unrealised fair value movements and adjustment to credit risk assessment, to provide a more consistent measure of company performance.

[2] Expense excludes bad debt

[3] Adjusted net assets comprises net assets less perpetual preference shares

[4] Excludes dividends paid to perpetual preference shareholders

Overview

As we close off our half year result on the anniversary of New Zealand's COVID-19 lockdown, it gives us an opportunity to reflect on the year that has been and appreciate the extraordinary challenges faced as a direct result of the global pandemic.

The inability to open our doors for six weeks and the push to offer a digital lending solution for our originators and customers tested our flexibility and adaptability like never before.

The overwhelming demand from customers for help with their loans meant that credit quality took on a large focus as we mobilised to assist over 5,300 customers, representing $78.75m of loans. Many have taken up the option of support offered including payment breaks, postponed payment options and refinancing, since the pandemic began. As at the date of this report we have helped 5,022 customers recover, representing $74.25m of loans, with a further 148 having arrangements in place designed to get them back on track in the near term. We continue to be in close contact with the remaining 133 customers, representing $2.5m of loans, and are working steadily to get suitable arrangements in place, that are in the best interests of the customers while protecting our originators recourse liability.

At the date of this report, 31+ day arrears, excluding COVID-19 affected loans, stood at 0.65% (30 September 2020: 0.61%) and are continuing to be at their lowest levels for several years. When we take into account all lending, including COVID-19 affected loans, 31+ day arrears is sitting at 1.02% (30 September 2020: 1.9%).

Following lockdown, the business has seen month on month improvement with retail receivables climbing back to pre-COVID-19 levels, showing a resilience that our business should be proud of.

We are now well positioned with a strong base to look at further growth initiatives.

Financial performance

Sales for the period increased $16.9m (6.4%) from the same period last year. This is extremely encouraging as the COVID-19 lockdown did not occur until the final week of March 2020.

Profit after tax has increased 67.0%, to $4.4m from the same period last year. This is largely due to increased credit risk provisioning last year as the business prepared itself for forecasted deterioration in credit risk that was predicted across the industry. In the current period the credit risk adjustment, including a COVID-19 specific component, has reduced by $934k to $5.3m. Commission held against specific originator's ledgers to be applied to any future bad debt realised as a direct result of COVID-19 is $3.0m, with no further group retention envisaged at this time.

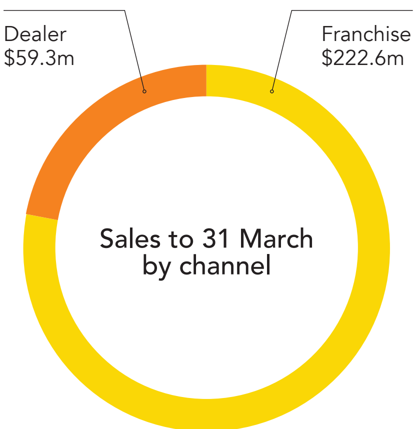
Underlying profit after tax, which removes the volatility of unrealised fair value movements, and provides a more consistent measure of company performance, increased by 3.3% to $3.98m (31 March 2020: $3.86m, 30 September 2020: $7.50m).

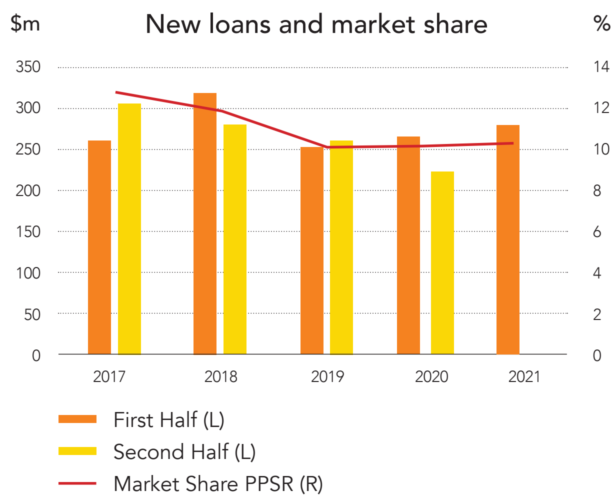
Net interest income, as a percentage of average finance receivables has held steady at 2.9% (31 March 2020: 2.9%, 30 September 2020: 2.9%) reflecting continued pressures on the lending market and uncertainty of COVID-19.

Total amounts paid to shareholder originators, including commission, fees and payment waiver, increased 4.9% to $36.1m. Commission paid to shareholder originators has increased 4.3% to $22.4m as the business continues to monitor operating expense and deliver good returns to those shareholder originators at the coal face relying on necessary cashflow in this uncertain market.

$282m in sales for the period
(an increase of 6.4% from $265m in March 2020)

Expense has decreased 10.0% primarily due to the business taking proactive measures to reduce non-critical business spend to get through the initial shock COVID-19 sent through the economy. Management continues to closely monitor expense. Cost reduction included voluntary salary sacrifice from the Board, management, and staff for an extended period.



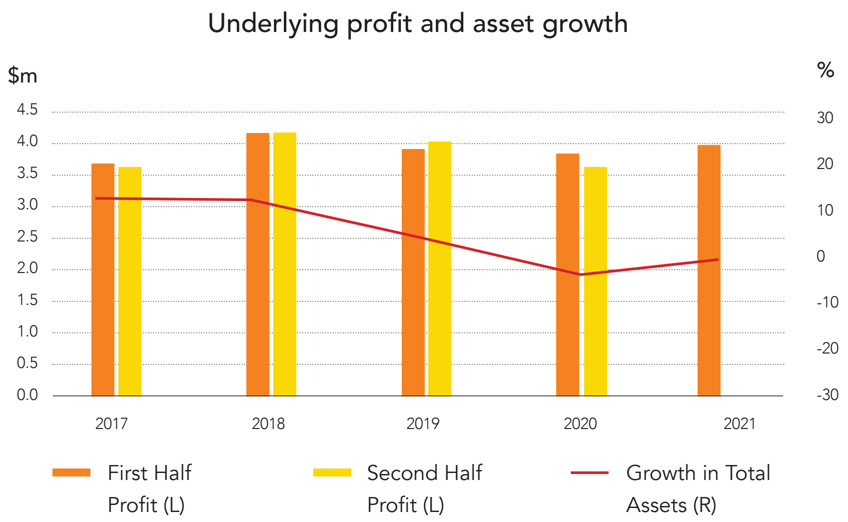


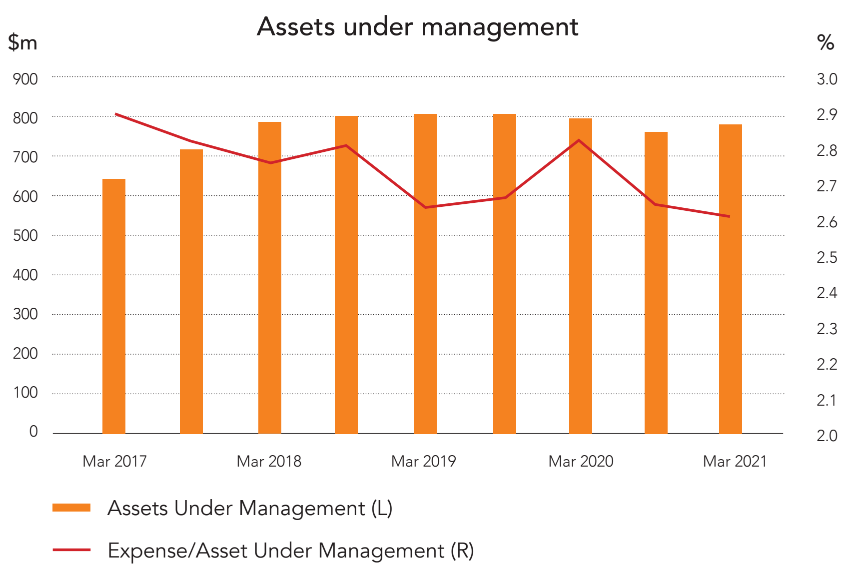
Financial position and liquidity

The company continues to maintain a strong balance sheet with a capital ratio of 12.8% and is in a healthy position to support originators through any further decline in economic activity brought about by a deepening recession, or support growth opportunities and reinvest in the business as we contribute our part to the national economic recovery.

We have a well-established and successful funding programme that continues to have the full support of our banking partners and investors. Our relationships with these parties were further enhanced during the COVID-19 crisis with regular communication taking place and a real confidence shown in the strength of our business model. We continue to provide additional capital support to give our long-term investment partners some extra comfort.

Securitisation facilities have sufficient capacity to support existing borrowing and fund growth with $59.0m undrawn at 31 March. As signalled last year, we intend to return to our New Zealand capital market issuance programme later this year.





Our strategic focus

The new Board is looking to up the pace of business adaption in a changing world, to search for innovation and ideas to improve what is already a solid business. The business operates in a competitive environment where our competitors are not staying still, and neither can we.

The Board are developing a strategy and a plan working out exactly where the risks and opportunities are, what resources and tools are needed for MTF Finance to grow and improve, and the best overall way to achieve some of those opportunities the market is presenting to us.

To ultimately win and grow in this market we will need to innovate and provide lending solutions to people through multiple channels, how they want, where they want, and when they want. Online lending will continue to grow in presence, including with key partners like TradeMe.

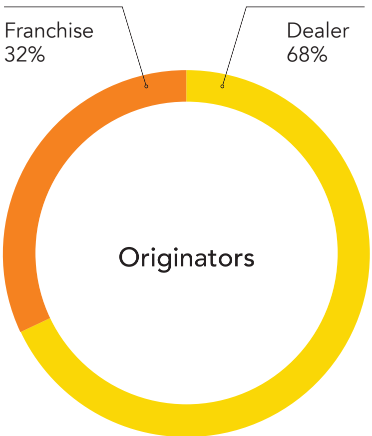
Further updates have been enacted to the Credit Contracts and Consumer Finance Act 2003, implementing changes to the Responsible Lending Code and adding supporting regulations. We are actively working on updating systems, policy and procedures for the commencement date of 1 October 2021. The more prescriptive approach inherent in the regulations means a potentially more consistent customer experience across the finance industry, which will benefit all consumers.

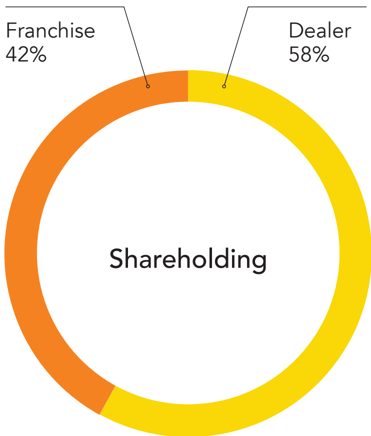
Our shareholders and originators

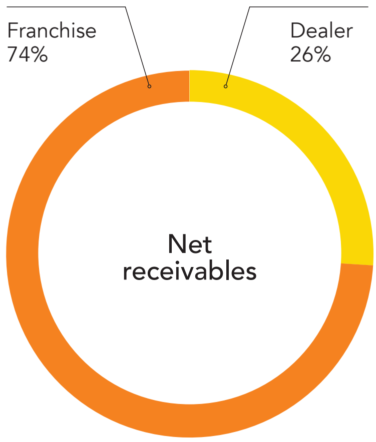
Return on ordinary equity, using underlying profit after tax, was 11.9%, and in line with the same period last year because of the factors outlined earlier.

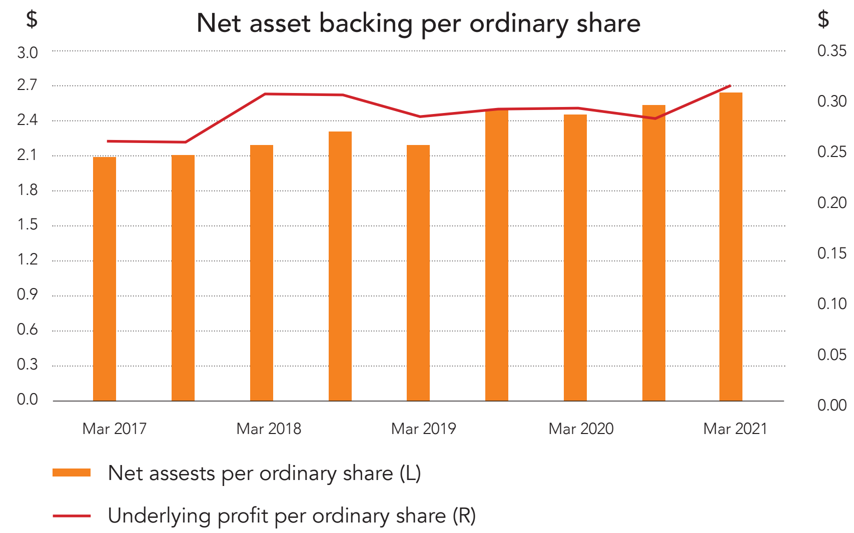
The total interim dividends for the year are 4.0 cents per share (31 March 2020: 2.0 cents). The Board reinstated ordinary dividend payments this financial year after being satisfied that the company has prudent levels of working capital to meet financial requirements, coupled with specific COVID-19 provisions to cover potential originator facility risk.

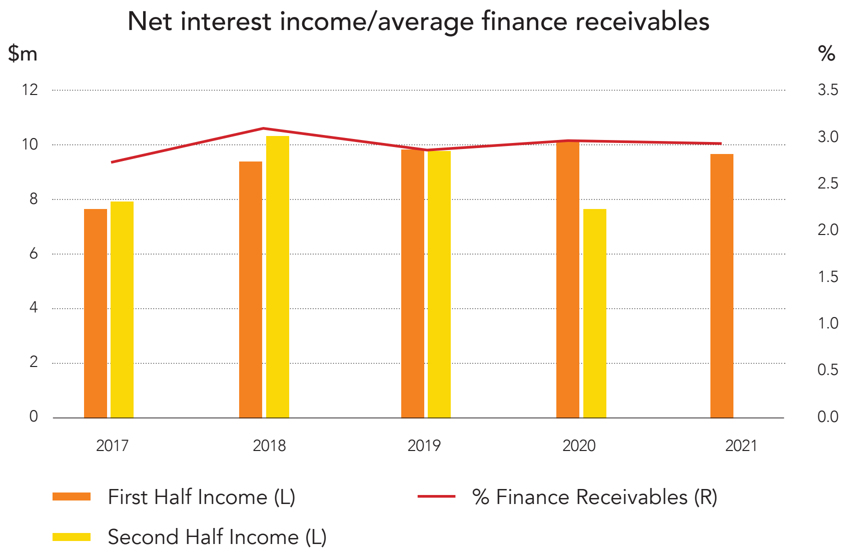
Perpetual preference share dividends have continued totalling $0.4m (31 March 2020: $0.5m, 30 September 2020: $1.0m) for the period. The dividend rate is set annually at 2.40% over the one-year swap rate and was reset at 2.52% (2020: 3.42%) on 1 October 2020, for the twelve months to 30 September 2021.











Originators have received income from MTF Finance of $36.1m for the period, up from $34.4m in the same period last year. This is a pleasing result and reflective of a concerted effort by the business to manage overheads and provide cashflow certainty to those originators relying on it to manage their day-to-day business through such uncertain times.

$36.1m PAID TO ORIGINATORS (an increase of 4.9% from $34.4m in March 2020)

Our people

The AGM was held on 18 March 2021. Incumbents Geoff Kenny and Grant Woolford offered themselves for re-election and were both unanimously re-appointed as a shareholder director. This has provided valuable continuity at the Board table.

As signalled last year, Stephen Higgs retired from the Board in December. Stephen made a substantial contribution to MTF Finance since his arrival in 2006, notably helping to guide the business though the GFC and more recently, the COVID-19 pandemic but also launching the franchise channel offering in 2008. We would like to take this opportunity to formally thank Stephen for his service to the company and wish him the very best for the future.

Melanie Templeton was appointed as an independent director on Stephen's retirement. Her background includes technology, finance, risk, and commercial skills which will add significant value to the Board.

Mark Darrow was subsequently appointed as Chair.

One of our key assets and strengths is that of our people, turning up each day through thick and thin to help make this company better. Without our team we would be unable to deliver to all our stakeholders and we wish to offer a big thank you for all the effort made over the past year. We know this effort will continue as we reshape the direction of MTF Finance through our strategy and our people will be key to the delivery of this.

As always, we would like to acknowledge the continued support of our shareholders, originators, and their customers during such uncertain times.

Outlook

Looking at our current position there is a lot to celebrate. We are navigating the COVID-19 world extremely well, and the book is again growing, margins are solid and customer quality looks good – not something we would have predicted 12 months ago. While the current domestic business environment drives a lot of that recovery, the way the business has cautiously navigated through a high-risk period is something to acknowledge and celebrate.

Earlier this year we both undertook a virtual road show talking to some of our key stakeholders. It was heartening to see and hear what high regard MTF Finance is held in with all these stakeholders. That is a reputation we must jealously guard and protect, and even enhance over time – but is testament to many solid years MTF Finance has acted with integrity in the New Zealand market.

You can be assured that the Board have energy and ideas and are making sure management are stretching themselves in thinking and execution. The target has been set to grow the MTF Finance book beyond our recovery from COVID-19, which will give us better scale to the advantage of all originators.

It will coincide with an investment period in the business, where we will upgrade IT systems and infrastructure to deliver best in class customer experiences; often contrasted as an expensive yet vital multi-year task, and one that will certainly stretch us while ensuring we're future ready.

One of the difficult legacy issues to solve within MTF Finance is the alignment of interests between shareholders and originators, which is something that we are currently working through and hope to develop a plan and talk to shareholders further during the year.

A key initiative for the Board is to be more visible with shareholders. We want to make sure we do not resign ourselves to meeting in Dunedin every month when our originators are nationwide. We will start by holding some Board meetings in places like Auckland and Christchurch, and wider, to give us the opportunity to bring the dealers and franchisees together to hear first-hand what is happening at the coal face, get your ideas and feedback and generally develop a closer relationship.

The next six months will be both challenging and exciting as MTF Finance rolls out initiatives to ensure we continue to help more New Zealanders to do more and ultimately become their preferred finance company.

Mark Darrow
Board Chair

Glen Todd
Chief Executive Officer

Financial Statements

HALF YEAR TO 31 MARCH 2021

Consolidated statement of comprehensive income

Six months ended 31 March 2021	Note	6 mths to 31/3/2021 $000 (Unaudited)	6 mths to 31/3/2020 $000 (Unaudited)	12 mths to 30/9/2020 $000 (Audited)
Gross interest income from finance receivables		41,535	44,059	85,681
Commission		(22,411)	(21,483)	(42,718)
Net interest income from finance receivables		**19,124**	**22,576**	**42,963**
Interest income from assets measured at amortised cost		89	345	429
Interest expense		(9,547)	(12,871)	(23,659)
Net interest income		**9,666**	**10,050**	**19,733**
Payment waiver		1,774	1,852	3,593
Fees		4,164	4,661	8,352
Net interest income and fees		**15,604**	**16,563**	**31,678**
Expense				
Employee		(4,059)	(4,561)	(8,017)
Communication and processing		(2,545)	(2,765)	(4,686)
Depreciation and amortisation		(834)	(996)	(2,189)
Administration		(2,503)	(2,653)	(5,904)
Bad debt		(67)	(146)	(265)
		(10,008)	(11,121)	(21,061)
Profit before net gain (loss) from financial instruments at fair value		**5,596**	**5,442**	**10,617**
Net gain (loss) from financial instruments at fair value	2	619	(1,671)	(3,532)
Profit before tax		**6,215**	**3,771**	**7,085**
Tax		(1,785)	(1,118)	(2,125)
Profit after tax		**4,430**	**2,653**	**4,960**
Other comprehensive income		-	-	-
Total comprehensive income		**$4,430**	**$2,653**	**$4,960**

The financial statements should be read in conjunction with the accounting policies and notes on the accompanying pages.

Consolidated statement of changes in equity

Six months ended 31 March 2021

	Note	Ordinary shares $000	Retained earnings $000	Perpetual preference shares $000	Total equity $000
6 months ended 31 March 2021 (Unaudited)					
Balance at 1 October 2020		23,073	35,443	38,966	97,482
Total comprehensive income for the period:					
Profit after tax		-	4,430	-	4,430
Total comprehensive income for period		-	4,430	-	4,430
Transactions with shareholders:					
Ordinary share dividends		-	(1,639)	-	(1,639)
Perpetual preference share dividends		-	(363)	-	(363)
Total transactions with shareholders:		-	(2,002)	-	(2,002)
Balance at 31 March 2021		**$23,073**	**$37,871**	**$38,966**	**$99,910**
6 months ended 31 March 2020 (Unaudited)					
Balance at 1 October 2019		23,073	33,890	38,966	95,929
Total comprehensive income for the period:					
Profit after tax		-	2,653	-	2,653
Total comprehensive income for the period		-	2,653	-	2,653
Transactions with shareholders:					
Ordinary share dividends		-	(2,422)	-	(2,422)
Perpetual preference share dividends		-	(492)	-	(492)
Total transactions with shareholders:		-	(2,914)	-	(2,914)
Balance at 31 March 2020		**$23,073**	**$33,629**	**$38,966**	**$95,668**
Year ended 30 September 2020 (Audited)					
Balance at 1 October 2019		23,073	33,890	38,966	95,929
Total comprehensive income for the year:					
Profit after tax		-	4,960	-	4,960
Total comprehensive income for year		-	4,960	-	4,960
Transactions with shareholders:					
Ordinary share dividends		-	(2,422)	-	(2,422)
Perpetual preference share dividends		-	(985)	-	(985)
Total transactions with shareholders:		-	(3,407)	-	(3,407)
Balance at 30 September 2020		**$23,073**	**$35,443**	**$38,966**	**$97,482**

The financial statements should be read in conjunction with the accounting policies and notes on the accompanying pages.

Consolidated balance sheet

As at 31 March 2021

	Note	31/3/2021 $000 (Unaudited)	31/3/2020 $000 (Unaudited)	30/9/2020 $000 (Audited)
Funds employed				
Ordinary shares		23,073	23,073	23,073
Retained earnings		37,871	33,629	35,443
Perpetual preference shares		38,966	38,966	38,966
Total shareholder equity		**99,910**	**95,668**	**97,482**
Liabilities				
Bank overdraft		-	20	-
Provision for taxation		-	96	398
Accounts payable and accrued expense		12,577	8,931	11,395
Unearned payment waiver administration fees		6,190	6,147	5,975
Committed cash advance	3	58,350	41,400	43,200
Securitisation funding	3	594,564	613,295	583,250
Deferred tax		10	-	-
Derivative financial instruments		3,059	10,182	8,836
Lease liability		3,165	-	3,273
Total liabilities		**$677,915**	**$680,071**	**$656,327**
Total funds employed		**$777,825**	**$775,739**	**$753,809**
Employment of funds				
Cash at bank		67	-	266
Cash in restricted bank accounts		79,656	71,409	72,505
Tax receivable		4,328	-	-
Accounts receivable		1,687	2,199	1,346
Payment waiver indemnity prepayment		629	1,079	854
Finance receivables	4	686,218	694,955	669,328
Deferred tax		-	2,904	3,800
Property, plant and equipment		1,214	1,754	1,467
Right to use asset		3,022	-	3,174
Intangible assets		1,004	1,439	1,069
Total assets		**$777,825**	**$775,739**	**$753,809**

Mark Darrow
Chair

Melanie Templeton
Director

20 May 2021

The financial statements should be read in conjunction with the accounting policies and notes on the accompanying pages.

Consolidated statement of cash flow

Six months ended 31 March 2021

	Note	6 mths to 31/3/2021 $000 (Unaudited)	6 mths to 31/3/2020 $000 (Unaudited)	12 mths to 30/9/2020 $000 (Audited)
Cash flow from operating activities				
Interest income		41,624	44,404	86,110
Fee income		4,158	4,596	8,273
Interest expense		(8,022)	(11,357)	(20,065)
Other funding and securitisation costs		(1,786)	(2,137)	(3,917)
Income tax paid		(2,701)	(2,631)	(4,233)
Commission		(21,559)	(21,339)	(40,227)
Payment waiver		2,006	1,752	3,357
Operating expense		(8,497)	(10,866)	(18,459)
Net cash flow from operating activities before changes in operating assets and liabilities		5,223	2,422	10,839
Changes in operating assets and liabilities				
Finance receivable instalments		259,779	260,936	506,728
Increase in committed cash advance – net		15,150	9,100	10,900
Increase (decrease) in securitised facilities – net		11,165	(16,205)	(46,420)
Finance receivable advances		(281,892)	(265,033)	(488,522)
		4,202	(11,202)	(17,314)
Net cash flow from operating activities	**5**	**9,425**	**(8,780)**	**(6,475)**
Cash flow from investing activities				
Sale of property, plant and equipment		10	13	14
Purchase of property, plant and equipment		(110)	(452)	(537)
Purchase of intangible assets		(264)	(223)	(369)
Net cash flow from investing activities		**(364)**	**(662)**	**(892)**
Cash flow from financing activities				
Proceeds from unpaid shares		1	-	6
Lease payments		(108)	-	(206)
Trust establishment costs		-	(83)	(83)
Dividend to perpetual preference shareholders		(363)	(492)	(985)
Dividend to ordinary shareholders		(1,639)	(2,422)	(2,422)
Net cash flow from financing activities		**(2,109)**	**(2,997)**	**(3,690)**
Net increase (decrease) in cash		6,952	(12,439)	(11,057)
Cash on hand at beginning of period		72,771	83,828	83,828
Cash on hand at end of period		**$79,723**	**$71,389**	**$72,771**
Represented by:				
Cash at bank (overdraft)		67	(20)	266
Cash in restricted bank accounts		79,656	71,409	72,505
		$79,723	**$71,389**	**$72,771**

The financial statements should be read in conjunction with the accounting policies and notes on the accompanying pages.

Notes to consolidated financial statements

Note 1: Basis of reporting

Reporting entity

The unaudited consolidated interim financial statements presented are those of Motor Trade Finance Limited (MTF Finance) and its subsidiaries (the Group). MTF Finance is the ultimate Parent of the Group.

MTF Finance is a profit-oriented entity, domiciled in New Zealand and registered under the Companies Act 1993. MTF Finance is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and the consolidated interim financial statements comply with this Act.

The registered office of MTF Finance is Level 1, 98 Great King Street, Dunedin.

The principal activity of the Group consists of accepting finance receivables entered into by transacting shareholders.

The consolidated interim financial statements were approved by the Board of Directors on 20 May 2021.

Basis of preparation

The consolidated interim financial statements are prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP), they comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit-oriented entities. The consolidated interim financial statements also comply with International Financial Reporting Standards.

The Group is a tier 1 for-profit entity in terms of the External Reporting Board Standard A1: Application of the Accounting Standards Framework.

COVID-19 and going concern

The COVID-19 pandemic continues to create an element of uncertainty in both the New Zealand and world-wide economies with the threat of lockdown always present which ultimately leads to rapid declines in sales volume. With this comes estimation uncertainty in the interim financial statements. While pervasive across the interim financial statements, the uncertainty is predominantly related to the credit risk adjustment to the fair value of finance receivables.

Last year management took proactive measures to increase provisioning (by way of credit risk adjustment to the fair value of finance receivables) as a response to forecasted deterioration to credit risk based on the group's credit exposure. Some of this provisioning was released during the period to reflect the current operating environment recognising the impact of the pandemic on the business was not as severe as originally anticipated.

The current provisioning level is management's best estimate as the economic impact of the pandemic is still current and the prolonged effect on the New Zealand and global economies does remain uncertain.

Statement of compliance

The consolidated interim financial statements should be read in conjunction with the Annual Report for the year ended 30 September 2020.

The accounting policies and computation methods used in the preparation of the consolidated interim financial statements are consistent with those used as at 30 September 2020 and 31 March 2020.

These consolidated interim financial statements have not been audited.
The consolidated interim financial statements comply with NZ IAS 34: Interim Financial Reporting and IAS 34: Interim Financial Reporting.

Note 2:
Net gain (loss) from financial instruments at fair value

	31/3/2021 $000 (Unaudited)	31/3/2020 $000 (Unaudited)	30/9/2020 $000 (Audited)
Net gain (loss) arising on financial instruments mandatorily measured at FVTPL:			
Finance receivables	(5,157)	(1,187)	(4,394)
Interest rate swap derivatives	5,776	(484)	862
	$619	**($1,671)**	**($3,532)**

Net gain (loss) on financial instruments at FVTPL for finance receivables comprises the remaining net change in fair value of the finance receivables at FVTPL including changes in market and credit risks.

Assessment of credit impairment on financial instruments at FVTPL is included in the net gain (loss) from financial instruments at fair value and forms part of the finance receivables fair value assessment.

Note 3:
Funding (secured)

31 March 2021 (Unaudited)	Facility expiry date	Limit $000	Undrawn $000	Drawn $000	Unamortised fees and expense $000	Carrying amount $000
Committed cash advance facility	30/06/2022	80,000	21,650	58,350	-	58,350
Securitisation:						
Senior Warehouse notes	15/03/2023	305,000	58,998	246,002	-	246,002
Senior Sierra notes	15/09/2025	37,928	-	37,928	(5)	37,923
Senior Rambler notes	15/08/2027	275,200	-	275,200	(262)	274,938
MUFG loan	17/01/2022	50,000	14,298	35,702	-	35,702
Total securitisation		668,128	73,296	594,832	(268)	594,564
Total		**$748,128**	**$94,946**	**$653,182**	**($268)**	**$652,914**

Note 3:
Funding (secured) cont...

31 March 2020 (Unaudited)	Facility expiry date	Limit	Undrawn	Drawn	Unamortised fees and expense	Carrying amount
		$000	$000	$000	$000	$000
Committed cash advance facility	23/08/2020	80,000	38,600	41,400	-	41,400
Securitisation:						
Senior Warehouse notes	15/02/2022	160,000	19,228	140,772	-	140,772
Senior Torana notes	15/09/2024	38,542	-	38,542	(4)	38,538
Senior Sierra notes	15/09/2025	131,429	-	131,429	(78)	131,351
Senior Rambler notes	15/08/2027	275,200	-	275,200	(506)	274,694
MUFG loan	15/01/2021	50,000	22,060	27,940	-	27,940
Total securitisation		655,171	41,288	613,883	(588)	613,295
Total		**$735,171**	**$79,888**	**$655,283**	**($588)**	**$654,695**

30 September 2020 (Audited)	Facility expiry date	Limit	Undrawn	Drawn	Unamortised fees and expense	Carrying amount
		$000	$000	$000	$000	$000
Committed cash advance facility	30/06/2022	80,000	36,800	43,200	-	43,200
Securitisation:						
Senior Warehouse notes	15/02/2022	280,000	77,686	202,314	-	202,314
Senior Sierra notes	15/09/2025	75,402	-	75,402	(29)	75,373
Senior Rambler notes	15/08/2027	275,200	-	275,200	(387)	274,813
MUFG loan	15/01/2021	50,000	19,250	30,750	-	30,750
Total securitisation		680,602	96,936	583,666	(416)	583,250
Total		**$760,602**	**$133,736**	**$626,866**	**($416)**	**$626,450**

Note 4:
Asset quality disclosures

	31/3/2021 $000 (Unaudited)	31/3/2020 $000 (Unaudited)	30/9/2020 $000 (Audited)
Asset quality – finance receivables			
Current	653,122	649,140	643,365
1-30 days past due	30,347	34,220	20,735
31-90 days past due	5,410	5,572	2,875
More than 90 days past due	1,908	1,973	1,349
Managed transacting shareholders	192	446	608
	$690,979	**$691,351**	**$668,932**
Adjustments			
Fair value adjustment	614	6,920	6,703
Credit risk adjustment	(5,375)	(3,316)	(6,307)
Total carrying amount	**$686,218**	**$694,955**	**$669,328**

Note 5:
Statement of cash flow

	31/3/2021 $000 (Unaudited)	31/3/2020 $000 (Unaudited)	30/9/2020 $000 (Audited)
Reconciliation of profit after tax to net cash flow from operating activities			
Profit after tax	4,430	2,653	4,960
Depreciation and amortisation	834	996	2,189
	5,264	**3,649**	**7,149**
Movement in other items			
(Increase) decrease in accounts receivable	(341)	(407)	446
(Increase) decrease in payment waiver indemnity prepayment	225	225	450
(Increase) decrease in finance receivables	(16,890)	(2,761)	22,866
Increase (decrease) in committed cash advance	15,150	9,100	10,900
(Increase) decrease in deferred tax	3,810	(2,220)	(3,116)
Increase (decrease) in provision for tax	(4,726)	705	1,007
Increase (decrease) in accounts payable and accrued expense	1,182	(1,457)	1,007
Increase (decrease) in unearned payment waiver fees	215	(123)	(295)
Increase (decrease) in securitised funding	11,314	(16,058)	(46,103)
Increase (decrease) in derivative financial liabilities	(5,777)	485	861
	4,162	**(12,511)**	**(13,699)**
Movement in working capital items classified as investing or financing activities	(1)	82	75
Net cash surplus from operating activities	**$9,425**	**($8,780)**	**($6,475)**

Note 6:
Events after balance date

Dividend

On 20 April 2021, the directors declared an interim dividend on paid-up ordinary shares of 2.00 cents per share, amounting to $461,000 (fully imputed), for the period 1 January 2021 to 31 March 2021. The dividend was paid on 30 April 2021.

Directory

Directors

Mark Darrow (Chair)
Noel Johnston
Geoffrey Kenny
Stuart Myles
Melanie Templeton
Grant Woolford

Management

Glen Todd (Chief Executive Officer)
Kyle Cameron (Chief Financial Officer)
Rowena Davenport (Treasury & Strategy Manager)
Brent Dunshea (National Franchise Manager)
Ron Frater (National Dealer Manager)
Angus Geary (Marketing & Communications Manager)
Yoel George (Manager – Credit & Compliance)
Ashley Ross (Chief Information Officer)
Nic Wood (People & Culture)

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Trustee for securitisation programme

Trustees Executors Limited

Bankers

Bank of New Zealand
Commonwealth Bank of Australia
Mitsubishi UFJ Financial Group (MUFG)
Westpac New Zealand

Solicitors

Bell Gully
Gallaway Cook Allan

Auditor

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