ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

mtf finance

Making lending about **people** again

BOARD CHAIR'S WELCOME

On behalf of the Board of Directors, I am pleased to present MTF Finance's 2022 Annual Report.

Before we reflect on both the year that was, and forecast ahead, I'd like to take this opportunity to acknowledge the history and success of MTF Finance. Covid-19 hindered our ability to celebrate our golden jubilee, 50 years in business, but finally we have been able to celebrate and capture our rich history in a special book.

'The Journey', marking 52 years of a unique New Zealand Company, is a book that covers some of the real characters and giants of our sector, and some of the live-or-die moments that the business has seen. MTF Finance has gone through several phases in its lifetime. The hugely successful dealer recourse model, the beauty of the securitisation model, followed by the rise of the franchise model which literally saved the company.

We are now seeing the next stage for the business with an array of new initiatives. From liberalising the franchise ownership model and going back to our roots with an invigoration of the dealer channel, to preparing for digital channels, through to the launch of the first new products since MTF Finance was founded. We are reconnecting with our dealer originators like never before, and for the first time in 52 years, taking Board meetings outside Dunedin to increase the Board's availability to shareholders increasing engagement.

As we sit here today the future looks really bright with abundant opportunities to continue to carve out MTF Finance's place in the world. While there is no doubt some challenging times ahead in the short to medium term, MTF Finance continues to be resilient and determined to deliver to our many and varied stakeholders.

On behalf of the Board, I'd like to thank our originators and shareholders for their continued trust and support as we progress on our strategic intent to ultimately deliver greater value to all stakeholders. A further thank you to the MTF Finance team for another busy year full of change and disruption. We all have our part to play to continue to make MTF Finance the unique company it is.

Mark Darrow

Mark Darrow
Board Chair

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REPORT FROM THE CEO

This year has been a time of change for most New Zealanders as we have grappled with the reality of Covid-19 and the impact it has had on how we work, live and travel, war in Europe and an inflationary economy. We have not even had the normally rock solid All Blacks to rely on.

For me personally it has been a changeable year, but an incredibly rewarding one. I am loving working for a NZ owned company that is absolutely committed to doing the right thing always and with more potential for growth to change how New Zealanders experience finance than any company I have ever worked for.

Despite a very challenging economic and business environment, coupled with rising interest rates, we've delivered a record year for sales, which included the biggest month in MTF Finance history (September). This is the outcome of a year of investment in new products (unsecured personal loans and non-recourse for dealers), marketing and improving technology.

This increased investment is also reflected in a drop in distributions to dealers and our Franchise network, down 3.7% percent, as well as impacting our National Office profitability (UPAT), dropping 11.3% percent to $6.6m.

We will continue to focus on long-term growth, which will impact short-term profitability for National Office, but will deliver increased returns to our originators over time.

A real highlight is joining an amazing team, both in National Office, and across our franchise and dealer network. The sophistication I have seen in how Dealer Principals and Franchise Owner/Operators run their businesses, as well as the care they show for all their customers, is phenomenal. As Allan Dick says in recently published history of MTF Finance (The Journey), cars form a key part of our social fabric, without them our social networks would be a lot smaller.

I am proud to be part of an industry that enables this. At the same time I am excited about MTF Finance branching out into personal lending, financing other assets other than vehicles and increasingly supporting small businesses.

A few highlights for this year have been:

- A global leading net promoter score of 79
- Launching personal lending and being able to offer customers a greater range of products
- The strong growth off the back of a lot of hard work by the team
- The strong and ongoing partnership with Trade Me, and adding MTA, AMI and Tower to that mix.

Looking to the next financial year, MTF Finance will be continuing its focus on reinvigorating the dealer network, and looking how we partner with dealers to grow their business and, in particular, the growth of the F&I industry.

For our owner/operated Franchises it is about three things:

1. Making it easier to do business – more leads through continually improved marketing, simpler business processes and improved systems.
2. More ways to help customers – our community based model is a key contributor to our market leading customer satisfaction scores. We will be significantly increasing our product range.
3. Lifting our customer management process – we've delivered great customer service through really strong service ethic. We plan to improve our CRM to scale this and create a more unified customer experience across the network.

I would like to acknowledge the leadership of the Board in creating this strong result, the commitment, loyalty and hard work of the National Office team. In particular Kyle Cameron who took on the interim CEO role for much of the year and whose leadership, along with the rest of the Senior Leadership team, delivered the initiatives that created growth.

But most importantly, our success sits with our dealer originators for their continued support and advocacy and our franchise owner/operators for the co-operative approach to everything we do, and for continuing to provide New Zealanders proof everyday that lending can really be all about people.

Chris Lamers

Chris Lamers
Chief Executive Officer

Approved dealer loans

35%

from last year

Home improvement loans

136%

from last year

Net receivables

10%

from last year

New loans

11%

from last year

Franchise loans

31%

from last year

Franchises

50

Trustpilot rating

4.9/5

Net receivables

$737m

Net Promoter Score

79

Online loan applications

41%

from last year

Business loans

39%

from last year

OUR VALUES

THE WAY WE WORK

STRONGER *together*

- **Supporting our customers is our number one priority.** We create exceptional customer experiences through providing great support to our originators and our internal stakeholders.
- **We challenge behaviours and actions** that fall short of what is expected: it's the right thing to do.
- Wherever, and however we work, **we are engaged, responsive, and committed** to delivering quality outcomes.

curiosity IS IN OUR DNA

- We're all on a journey – being **hungry for knowledge and learning** about the world around us is critical to our work.
- **We listen to understand**, and we see the world through other people's eyes. This means when we aren't sure, we keep searching.
- **We welcome feedback** because this helps us improve.
- **We step outside our comfort zones**, because that's how we learn.

LOVE MAKING THINGS *happen*

- **We run towards change, we explore and we push** for exceptional results for ourselves, our team and our customers.
- **We challenge our status quo** because there may be a better way.
- We recognise when a job is well done, and **celebrate our achievements as a team**
- **We own our mistakes so we learn** what we need to do to get it right next time.

TOGETHER, WE'RE ON A MISSION TO HELP NEW ZEALANDERS GET AHEAD BY MAKING LENDING ABOUT PEOPLE AGAIN

PRODUCTS

Secured and unsecured personal loans

We offer two types of personal loans, secured and unsecured, so customers can choose the right loan for them. With a secured loan, our customers can borrow between $2,000 to $100,000 for assets able to be listed on the Personal Properties Security Register. With our unsecured loans, we can lend between $2,000 to $30,000 for just about anything.

Business lending

MTF Finance can lend to New Zealand businesses using secured and unsecured loans for almost any business asset. As well as funding for necessary equipment, a business loan with MTF Finance can also help free up cash flow.

Payment Waiver

Our customers can add Payment Waiver for an extra layer of protection when they take out a loan. We offer seven levels of Payment Waiver tailored to a customer's individual needs, safeguarding against insurance shortfall, redundancy, bankruptcy, disablement, terminal illness, and death.

Coming soon

MTF Finance Dealer App

We've created the MTF Finance dealer app for mobile and desktop, so our dealerships can electronically submit a finance application form from anywhere within minutes. This removes those awkward finance conversations from the dealership floor and replaces them with positive, successful experiences for all.

Benefits:

- Frees dealership staff to do what they're best at – selling vehicles
- Loan application, processing and completion is handled digitally by MTF Finance Lending Support
- Transparent and competitive pricing
- Finance sales tracking and reporting at the touch of a button

PARTNERSHIPS

We continue to benefit from a successful relationship with iconic Kiwi brand Trade Me. This initiative was rolled out in January 2019 and in its first year delivered $12.6million in sales and created a complementary digital channel for future growth of the business. This has now become a trusted customer journey which delivers a seamless experience for users and a valuable revenue stream with $34.0million in sales this year.

Our long-standing and rewarding partnership with Autosure continues with exclusivity to their Mechanical Breakdown Insurance (MBI) as well as adding Funeral Cover and Quick Cover (Life Insurance) to our suite of risk protection products.

Introducer agreements have been signed with leading New Zealand insurers

- AMI
- Tower Insurance

These relationships are a welcome and complementary addition to Autosure providing access to an extended range of products. Our franchise channel will be able to introduce this offering from early December 2022.

A Memorandum of Understanding has been agreed between MTF Finance and MTA to pilot and develop a business case for:

- Servicelane Finance. A referral app that allows MTA repairer members to introduce customers that require finance for automotive products and services to their local MTF Finance office.
- Dealer Finance. A co-branded version of our non-recourse product for MTA dealers to offer customers requiring vehicle finance.

MEET OUR LEADERSHIP TEAM

Chris Lamers
Chief Executive Officer

Kyle Cameron
Deputy Chief Executive

Hayley Guest
Legal Counsel, Head of Risk & Compliance

Jane Stumbles
Head of People & Culture

Brent Dunshea
National Franchise Manager

Dan Wilkinson
Chief Technology Officer

Yoel George
Head of Product

Gus Geary
Head of Marketing

SUPPORTING OUR COMMUNITIES

When we look back to where it all started in 1970, our desire to 'help New Zealanders do more' means much more to us than just our slogan. MTF Finance has a long history of getting stuck in and helping out our communities. As we live and breathe this value through the way we work - you won't be surprised to see it as a core part of our strategy.

With this sentiment in mind, the **Future Legends Scholarship** was launched in 2021. Providing young Kiwis with the opportunity to further develop their knowledge and skill, so they can take on new challenges and experiences that may not otherwise be available.

Celebrating sporting legends, leaders and entrepreneurs, music and the arts - MTF Finance is proud to support New Zealand's talented tamariki with six individual $5,000 scholarships throughout the year.

2021 winners

Meet our Future Legends

Claudia Kelly – Sport

At 19 years of age, surf lifesaver Claudia Kelly is at the top of her game, crowned World Junior Ironwoman Champion, captaining the Junior Black Fins for the past three years and being named in the open Black Fins training squad for this coming season.

Cory Newman – Music

Cory Newman is the lead singer of the band Sit Down In Front. His musical style has been described as 'infectiously fun' and akin to that of a young Johnny Rotten. Over the next 12 months, Cory's goal is to record an EP and go on tour to promote it. He would eventually like to be a full-time musician, turning his passion into his career.

John Hopcroft – Entrepreneur

John is a teenager with opinions, and he likes to share them. He is the Founder and CEO of The Cosmos Championship, a global debate platform that is changing what debating means to high school students around the globe, with over 5,000 registrations from 108 countries.

Charlotte Print and Nandini Singh – Entrepreneur

Charlotte Print and Nandini Singh developed a programme to empower, educate and enable students to reach their academic dreams, and break the cycle of lower education rates across low-decile families.

Analise Tremlow – Music

Analise was featured as one of the leads in the TVNZ series Unbreakable. Her story of overcoming a disability in a bid to follow their dream gave her the confidence to perform to live audiences as a singer.

Cormac Buchanan – Sport

Cormac currently represents New Zealand in Europe's Red Bull MotoGP Rookies Cup. He is the 2021 New Zealand champion for the 300 SuperSport and 150 SuperSport, winning the titles at the New Zealand Superbike Championship series – the youngest rider in history.

FINANCIAL SUMMARY

Year ended 30 September 2022	2022 $m	2021 $m
Operating result		
New loans	606.5	546.9
Profit after tax	8.4	8.0
Underlying profit after tax [1]	6.6	7.5
Total assets	845.2	761.4
Total paid to originators	67.3	68.7
Performance indicators		
Net interest income/average finance receivables	3.3%	2.9%
Expenses/average total assets under management [2]	3.1%	2.7%
Impaired asset expense/average finance receivables	0.03%	0.02%
Credit risk allowance/average finance receivables	0.55%	0.65%
Capital percentage	11.79%	12.32%
Shareholder value (per ordinary share)		
Adjusted net asset backing [3]	$2.95	$2.67
Underlying profit after tax [4]	$0.29	$0.32
Dividend for the year (net)	$0.0783	$0.0980

1 Underlying profit after tax (UPAT) removes the volatility of unrealised fair value movements and adjustment to credit risk assessment, to provide a more consistent measure of company performance.
2 Expenses excludes bad debt.
3 Adjusted net assets comprises net assets less perpetual preference shares.
4 Excludes dividends paid to perpetual preference shareholders.

	2022 $000	2021 $000
Profit after tax	8,366	8,001
Adjustments:		
Finance receivables at fair value (Note 7)	14,446	12,383
Interest rate swap derivatives at fair value (Note 7)	(16,888)	(13,148)
Total adjustments before tax	(2,442)	(765)
Tax on adjustments	684	214
Underlying profit after tax (UPAT)	6,608	7,449

REVIEW OF OPERATIONS

A record sales year of $607m has helped drive an increase in total income of 2.9% from last year to $97m. This has led to net interest income increasing 18.7% to $23.2m. As a percentage of average finance receivables, this is 3.3% (30 September 2021: 2.9%) and an improvement on last year showing the strong growth in our book on the back of the unsecured personal lending and non-recourse product offering this year.

Profit after tax has increased 4.6% to $8.4m on the back of an unrealised gain on fair value of financial instruments.

Underlying profit after tax, which removes the volatility of these movements, and provides a more consistent measure of company performance and profitability, is down 11.3% to $6.6m. The major contributing factor has been an intentional planned lift in investment in technology and marketing as signalled last year to ensure MTF Finance remains a sustainable long-term business with market leading technology, products and services.

Investment in digital transformation, national brand marketing and a non-recourse product is ensuring we address legacy technology systems, have recognition in market to compete in the fight for market share and have products our originators can sell. Collectively these initiatives will deliver long term value to all stakeholders.

Commission paid to originating shareholders decreased 3.7% to $43.7m. Total amounts paid to shareholder originators, including commission, fees and payment waiver, decreased 2.1% to $67.3m (2021: $68.7m). The last five years has seen a period of relatively stable economic conditions, with government stimulus, record low unemployment, interest rates and inflation.

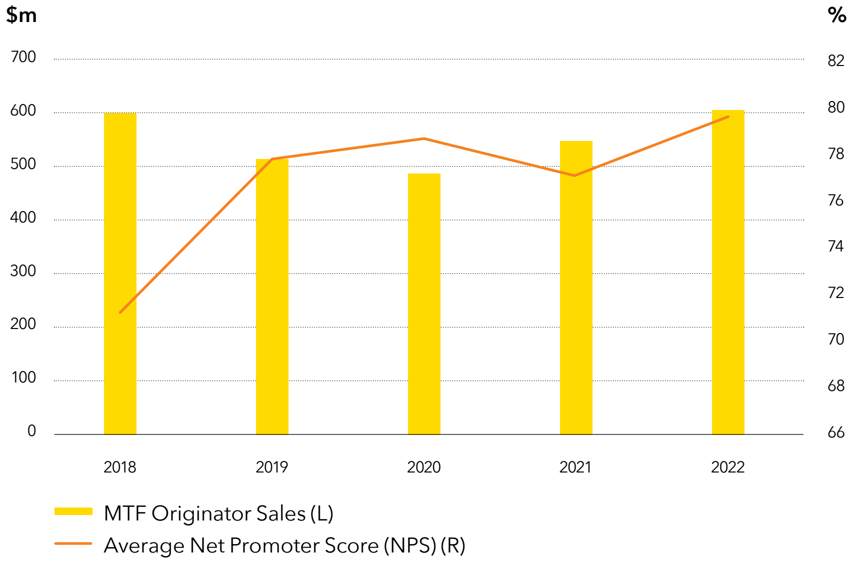
We are now facing a different economic climate, one of record inflation and consistent and significant interest rate rises, margins are being compressed which is flowing through to the profitability to our originators.

an increase of 11%
from $547m in 2021

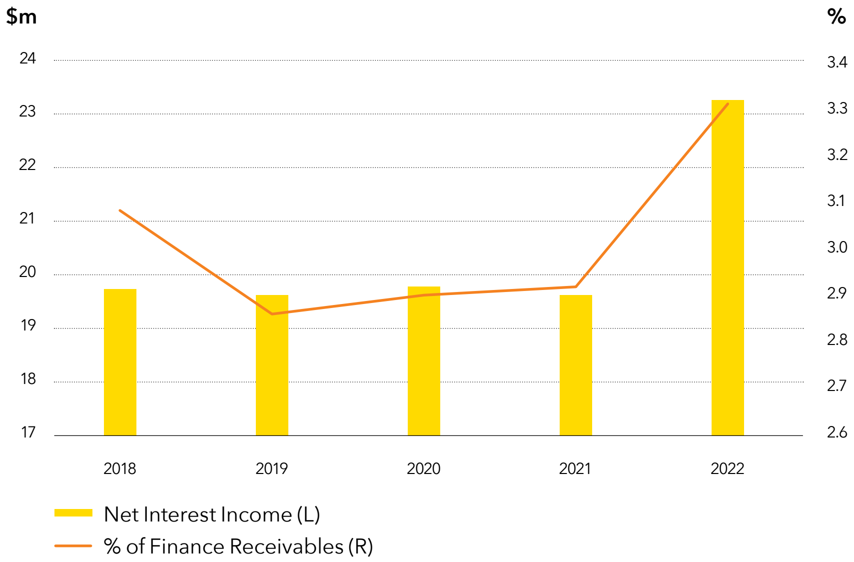
Sales for the year

$607m

New loans and net promoter score (NPS)



Net interest income/average finance receivables



FINANCIAL POSITION AND LIQUIDITY

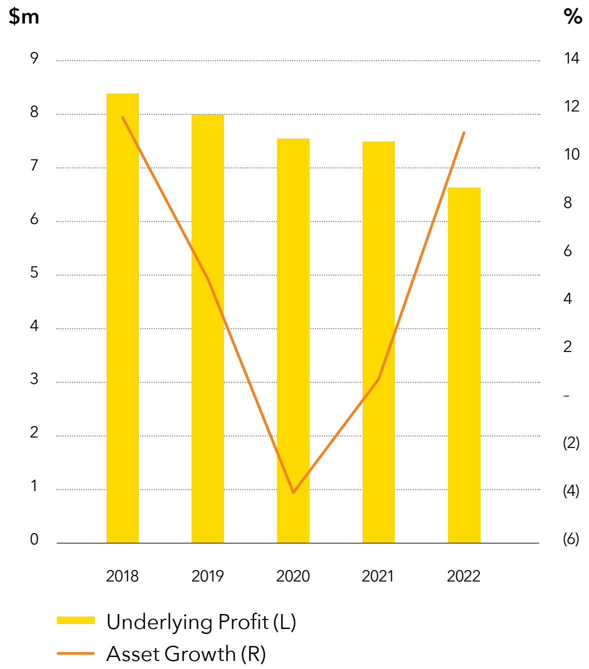
The company's balance sheet has a capital ratio of 12%, which has held steady from 2021, and continues to be in a very strong position to face any downturn in economic activity, support originators, and fund growth.

Finance receivables have hit a record high, increasing 10% to $737m, on the back of record sales and increasing vehicle prices due to constrained supply.

Funding facilities have sufficient capacity to support existing borrowing and fund growth with $136m undrawn at year end.

We intend to return to market in 2023 with the launch of what will be our seventh securitisation transaction. The success of our capital markets programme has been a key contributor to keeping our funding as efficient as possible. We look forward to engaging with our core base of supporters as well as introducing ourselves to prospective new investors in the coming months.

Underlying profit and asset growth



Assets under management

CREDIT QUALITY

As at the date of this report, 31+ day arrears stood at 0.57% (2021: 0.58%) and continues to trend low. We are well provisioned to accommodate any deterioration in credit performance for both our existing and new product offerings.

OUR STRATEGIC FOCUS

The strategic direction of the Company underpins everything we do at MTF Finance, and it is crucial we get this right, with clear plans for execution in place.

Work has begun to address legacy technology debt. We will continue to invest in our digital capability, including working with our originators to create a seamless customer onboarding experience that is humanised and adaptable to meet the needs of our future customers. The Board Digital Transformation Steering Committee is overseeing this crucial piece of work, and we acknowledge there is still significant amounts of investment required to get to the desired state.

Product range expansion has been, and continues to be, a priority as we know this is what our originators need to continue to be relevant to their customers. The unsecured lending product delivered to franchises this year has performed well. It has given our customers more reason to stay with MTF Finance, improving sales and retention.

Our non-recourse product is also showing promise, as we look to move it out of its pilot phase into full implementation in the near future. This is part of our commitment to reinvigorate the dealer market and win back some of the market share lost in recent times.

Growing paths to market through partnerships is a key focus area, and one we are enjoying some success in. The strong performance of our existing relationships in recent years has highlighted the value in partnering with like-minded companies with shared values and strong customer focus. We are pleased to announce recent partnerships with AMI, Tower Insurance, and the MTA, to complement our current relationships with Trade Me and Autosure.

We continue to look for such opportunities to partner with companies that complement the MTF Finance business model and offer synergies to our originators and their customers, to enhance not only our product offering but service level that will ultimately lead to a greater experience for customers and increased profitability to originators.

While much of what we do aims to create long term sustainable returns to our originators and shareholders, we also recognise our obligations as corporate citizens and our duty to not take the social licence we operate with for granted. This means taking a stakeholder approach to the way we operate this business. This year National Office committed to developing a baseline of carbon emissions and became certified with Toitū Envirocare as part of their Carbon Reduce Programme. This signals our dedication to reducing our greenhouse gas footprint and is the start of a wider Environmental, Social and Governance (ESG) strategy that is in the early stages of discovery.

OUR SHAREHOLDERS

Return on ordinary equity, using underlying profit after tax, is 9.2%, down from 12.3% for the same period last year. This is on the back of strategic investment in the long-term value of MTF Finance mentioned earlier.

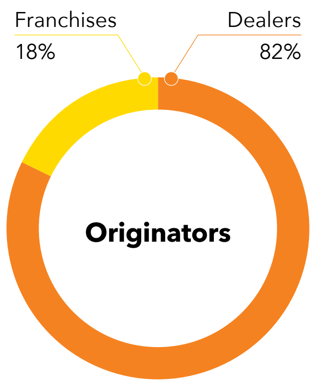
On 17 November 2022, the Board approved a final dividend of 1.85 cents per ordinary share for payment 7 December 2022. Total distribution relevant to the period will be 7.83 cents (2021: 9.80 cents per share) or $1.5m (2021: $1.9m). The Board continues to signal to shareholders of the expectation that dividends are declared at reduced levels as critical investment in the company is made in line with the strategic focus mentioned earlier. Maintaining prudent levels of capital is also crucial to our ability to fund our new products and continues to be a driving influence on the Board's consideration of appropriate distribution.

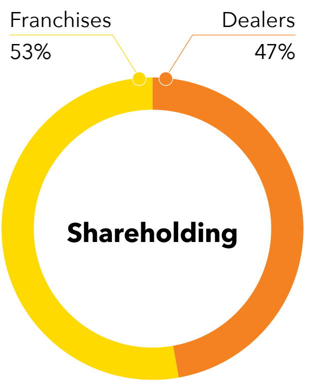
A dividend reinvestment plan (DRP) was launched during the period, allowing shareholders the ability to convert their dividends into additional shares. This is the next phase of our commitment to align originator and shareholder interests. Shareholders are encouraged to participate. Further information on the DRP can be found at www.mtf.co.nz/about/investors/.

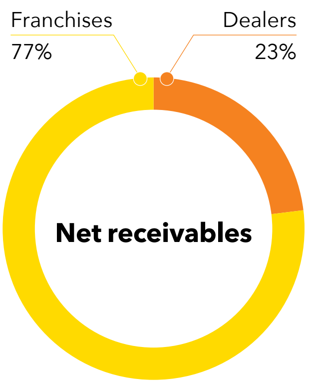
Perpetual preference share dividends totalling $1.0m (30 September 2021: $0.7m) were paid for the period. The dividend rate is set annually at 2.40% over the one-year swap rate, and was reset at 3.50% (2021: 2.52%) on 1 October 2021, for the twelve months to 30 September 2022. The rate for the 2023 financial year was reset on 1 October 2022 and is currently 7.05%.

The Board have actively held meetings and shareholder events throughout the country, priding itself on being available to shareholders and relishing in the face-to-face engagement. These events have provided incredible value, and something that will continue throughout the 2023 year.

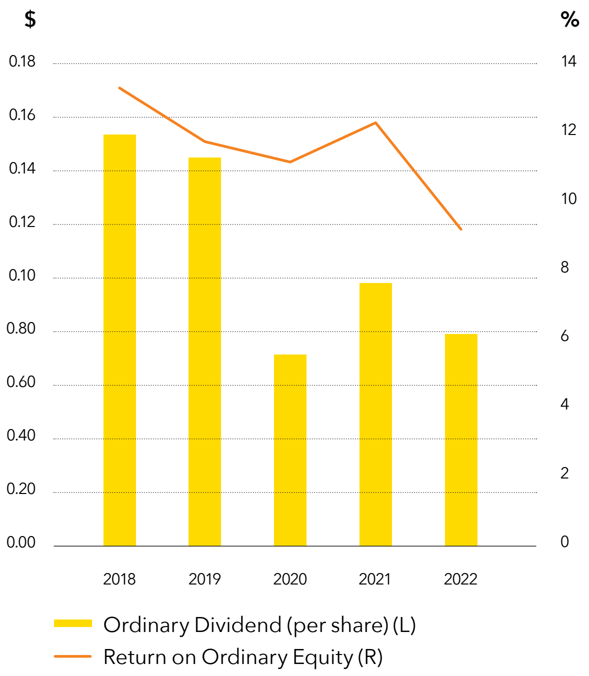
The responsibility of governance on behalf of shareholders is something the Board take seriously. Part of this is investing in the future and developing new directors from within the shareholder base. This has led to the launch of a Future Directors Programme by MTF Finance in the current period, in partnership with the Institute of Directors. Three appointed candidates have been selected to serve concurrent terms in the coming 18-month period, where they can observe board dynamics under the mentorship of the existing board.



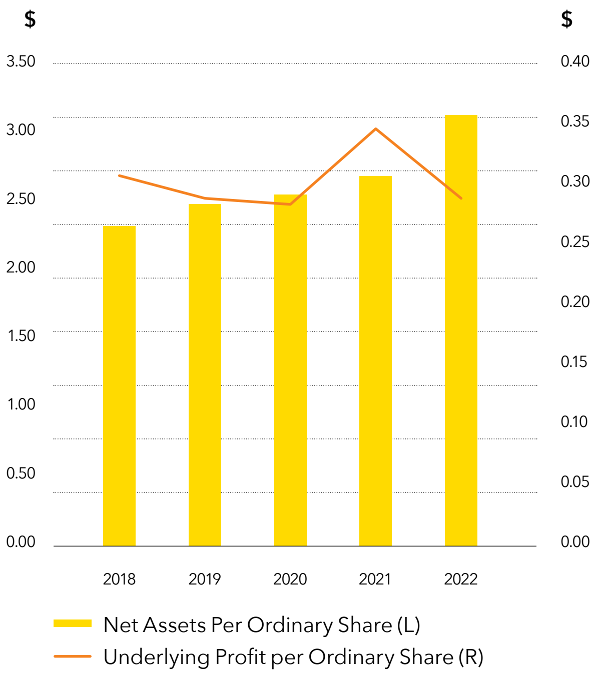




Ordinary dividend and return on ordinary equity



Net asset backing per ordinary share



OUR ORIGINATORS

Originators have received income from MTF Finance of $67.3m for the period (2021: $68.7m).

This year we hit a milestone in the franchise network, with the addition of Kerikeri and Kumeū locations to bring our total franchises sites to 50. The growth in this network underpins our ability to offer customers local lending and great personal service, while other lenders retrench and close their branch offering, we proudly buck the trend and are there for our customers when they need us.

Our renewed focus on working with vehicle dealers has been positive, as we look to take our non-recourse product offering from its pilot to market launch in the near future. Our investment in a Lending team demonstrates our commitment to winning back, and gaining new, dealer relationships.

Thank you to all our originators for your ongoing support and trust in MTF Finance. Our National Office team does not take this for granted, and we continue to push ourselves in the delivery of our strategic objectives that will ultimately add value to all.

OUR PEOPLE

MTF Finance has experienced some personnel change this year, notably in leadership.

As previously communicated, Glen Todd resigned earlier in the year after 22 years with the Company, eight of them at the helm.

Chris Lamers was appointed CEO and commenced the role in May. Chris was the Deputy Group CEO and Chief Customer Growth Officer at hummgroup, a finance company that operates across Australia, New Zealand, the United Kingdom and Canada. He has extensive experience delivering a diversified and innovative range of financial consumer finance products. Chris has the leadership, skills and experience across a wide breadth of financial services that will greatly benefit MTF Finance as we further grow the business. His significant experience includes product innovation, brand development, customer engagement, channel development and data analytics.

Dan Wilkinson joined the Company in September as Chief Technology Officer. Dan's career has been focused on leading customer-led, technology-driven transformations across a wide range of industries in New Zealand and the UK. He joins MTF Finance following 13 years of executive leadership in the New Zealand financial services sector, with a track record of delivery under brands such as AA Insurance, Suncorp, and Fidelity Life. This experience is crucial to our ability to deliver on our digital transformation goals.

Fraser Wilson was appointed as the Company's new Head of Treasury and Funding. Fraser has an impressive knowledge of securitisation and funding strategies, strong legal background, credibility and reputation within the securitisation industry, recently coming from BNZ as a Director of Securitisation Originations. This knowledge and experience brings real value to our investors and stakeholders, continuing to deliver a programme crucial to keeping our funding costs as efficient as possible.

With this injection of fresh personnel comes new ideas, perspectives and questions helping MTF Finance to challenge the status quo ensuring we do not languish in our established ways.

Recognition is made to those who have covered roles while recruitment took place, and the whole MTF Finance team for continuing to push for delivery each and every day. This attitude that we are stronger together, that curiosity is in our DNA and that we love making things happen is the core of what makes MTF Finance special.

OUTLOOK

There is no question that the 2023 year will continue to present tough trading conditions. We expect , only how severe will these be? Persistent levels of inflation will continue to force the Reserve Bank of New Zealand to continue to increase the official cash rate, putting pressures on households and businesses and stifling their ability to spend and invest.

Global supply chain issues continue to be seen in all industries, with the supply of vehicles to New Zealand, impacted by global issues and changing regulation, is a major concern. This is evidenced by barren low stock levels in car yards and wait lists for new vehicles exceeding multiple months, if not a year ahead.

Geopolitical issues also fuel the fire. The world is witnessing the conflict in Ukraine, political instability in the United Kingdom many parts of the world and drastic pleas for action from developing island nations at the United Nations Climate Change Conference. Further to this is the lingering tail of the impact of the Covid-19 pandemic remains. All of which creates uncertainty and negative market reaction that further pushes interest rates and prices up, leading to margin compression on our network.

However we believe we are uniquely positioned, with our community based lending approach, to grow during this time.

Originators and shareholders can be reassured that MTF Finance is in a strong financial and operating position to manage and this forecast growth in this difficult economic environment. We are not sitting back and looking to ride out the next year or two, but rather proactively aiming to launch new products and partnerships to make our business bigger and more resilient, with the overall goal of helping more New Zealanders get the things ahead they want by making lending about people again.

Mark Darrow

Mark Darrow
Board Chair

Chris Lamers

Chris Lamers
Chief Executive Officer

FIVE YEAR FINANCIAL REVIEW

	2022 $000	2021 $000	2020 $000	2019 $000	2018 $000
Financial performance					
Net interest income and fees	34,765	31,123	31,678	32,337	33,793
Commission	(43,696)	(45,371)	(42,718)	(42,519)	(40,089)
Operating expenses (excluding bad debt)	(25,140)	(20,371)	(20,796)	(20,767)	(21,314)
Bad debt	(204)	(127)	(265)	(305)	(181)
Profit (loss) after tax	8,366	8,001	4,960	11,143	8,059
Underlying profit after tax [1]	6,608	7,449	7,503	7,949	8,696
Financial position					
Assets	845,198	761,354	753,809	784,017	748,036
Liabilities	745,570	667,503	656,327	688,088	658,458
Capital	99,628	93,852	97,482	95,929	89,578
Finance receivables	736,628	672,478	669,328	692,194	677,549
Performance indicators					
Net interest income/average finance receivables	3.30%	2.92%	2.90%	2.86%	3.04%
Operating expenses (excluding bad debt)/average total assets	3.12%	2.67%	2.65%	2.59%	2.81%
Return on assets (underlying profit after tax)	0.82%	0.98%	0.98%	1.04%	1.23%
Capital percentage	11.79%	12.33%	12.93%	12.24%	11.98%

1 Underlying profit after tax removes the volatility of unrealised fair value movements and adjustment to credit risk assessment, to provide a more consistent measure of company performance. A reconciliation of profit after tax to underlying profit after tax is shown on page 18.

GOVERNANCE

Framework

The MTF Finance Board (the Board) has adopted a corporate governance framework that encourages high standards of ethical conduct and provides appropriate accountability and control systems through the application of the Financial Markets Authority (FMA) 'Principles for corporate governance' detailed below. MTF Finance was founded as a co-operative company and maintains many elements of the co-operative model, including its governance structures.

Key governance policies are available on the MTF Finance website.

Principle 1: Ethical Standards

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

The Board recognises that high ethical standards and behaviours are central to good corporate governance, and it is committed to the observance of its written Code of Conduct.

The Board are committed to the highest standards of corporate governance and Director behaviour in relation to their obligations to MTF Finance and one another, recognising that behaviours demonstrated by the Board influence the behaviour and culture of the entire organisation.

MTF Finance has adopted this code as a basis for the behaviour it expects of Directors. It is aligned with the MTF Finance staff policy and is intended to drive behaviour that is in line with the Company's values, goals, and legal obligations.

The Code is available on the Company's website.

MTF Finance has a Securities Trading Policy to mitigate the risk of insider trading in its securities by employees and Directors. Additional trading restrictions apply to Restricted Persons including Directors and certain employees. Details of Directors' shareholding are on page 99 of the annual report.

Principle 2: Board composition and performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

The Board is responsible for setting the strategic direction of the Company, overseeing the financial and operational controls of the business, putting in place appropriate risk management strategies and policies and enhancing shareholder value in accordance with good corporate governance principles.

The Board operates under a charter which:

- sets out the Board structure, role and responsibilities of Directors;
- sets procedures for the nomination, resignation and removal of Directors; and
- identifies procedures to ensure that the Board meets regularly, conducts its meetings in an efficient and effective manner and that each Director is fully empowered to perform their duties as a Director of the Company.

Day to day management of MTF Finance is undertaken by the executive team under the leadership of the Chief Executive Officer, through a set of delegated authorities which are reviewed regularly.

To perform their duties, Directors have unrestricted access to information, data and advice provided by MTF Finance's senior management and external advisers. Directors have the right, with the approval of the Board Chair or by resolution of the Board, to seek independent legal or professional advice at the expense of MTF Finance for the proper performance of their duties.

Board composition and appointment

The number of elected Directors and the procedure for their re-election or retirement at Annual Shareholder Meetings is set out in the Constitution of the Company.

A nominations committee convenes when there is a Board vacancy to fill and is comprised of the full Board. The Board takes into consideration capability, diversity and skills when reviewing Board composition and new appointments.

At each Annual Shareholder Meeting, one-third of the current Shareholder Directors retire by rotation and are eligible for re-election. Any Shareholder Directors appointed since the previous annual meeting must also retire and are eligible for election.

The Board currently comprises six Directors, being two independent Directors and four shareholder Directors. They are elected based on the value they bring to the Board and against set criteria. Independent Directors are appointed to ensure ongoing balance in the Board composition in terms of finance and wider business knowledge.

Information on each Director is available on the MTF Finance website. Directors' interests are disclosed on page 100 of this report.

The Company encourages all Directors to undertake appropriate training so that they may best perform their duties including attending technical and professional development courses.

The Board undertakes regular performance evaluation as it recognises that it is an important feature of effective governance and helps the Board achieve a greater understanding of its performance in the key areas of: role, meetings, purpose, stakeholders, conformance, performance, Management and Board, culture and capability. The evaluation assists the Board and Directors to recognise strengths and weaknesses, assess and benchmark performance and identify opportunities to improve.

Future Directors programme

Future Directors is a new programme initiated in 2022 to give up-and-coming board directors the opportunity to gain first-hand experience of the director role in preparation for taking on future directorships. Launched in conjunction with the Institute of Directors, the programme allows appointed candidates to observe board dynamics under the mentorship of the existing board. MTF Finance is committed to developing new directors from within the shareholder base with three Future Directors to serve consecutively over 18 months from 1 September 2022.

Diversity

MTF Finance believes that diversity and inclusion of background, experiences, thoughts and ways of working lead to greater creative and innovative solutions which ultimately lead to a superior outcome for its stakeholders socially, economically and environmentally.

Diversity in MTF Finance includes (but is not limited to) the following: gender, race, ethnicity and cultural background, thinking, physical capability, age, sexual orientation, and religious or political belief. Hiring policies are non-discriminatory and offer equal employment opportunities for all.

As at 30 September 2022, the gender balance of Directors and Senior Management was as follows:

	2022		2021	
	Male	**Female**	**Male**	**Female**
Directors	5	1	5	1
Senior Management	5	3	6	3

Senior Management are defined as being the Chief Executive Officer (CEO), specific direct reports of the CEO and those that hold key functional responsibility.

Board meetings and attendance

The table below sets out Directors' attendance at Board meetings during the year ended 30 September 2022. The board held ten meetings during the year.

	2022
Mark Darrow	10
Noel Johnston	10
Geoffrey Kenny	10
Stu Myles	10
Melanie Templeton	10
Grant Woolford	10

Principle 3: Board Committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

The Board has five Committees, being the Audit and Risk Committee, the Credit Committee, the Nominations Committee, the Remuneration Committee, and the Digital Transformation Steering Committee.

Committees allow issues requiring detailed consideration to be dealt with separately by members of the Board with specialist knowledge and experience, to improve the efficiency and effectiveness of the Board. The Board retains ultimate responsibility for the decisions and functions of its Committees and determines their responsibilities.

The committees meet as required and have charters to provide terms of reference, which are approved and reviewed by the Board.

Each Committee is able to seek any information it requires from employees in pursuing its duties and to obtain independent advice where necessary.

The membership of each Committee is reviewed after the Annual Shareholder Meeting.

Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in overseeing matters relating to accounting, audit and reporting of MTF Finance and its subsidiaries.

The Committee is to provide a specific governance focus on enterprise risks and the financial management, accounting, audit and reporting of MTF Finance and its subsidiaries. A charter outlines the Audit and Risk Committee's delegated authority, duties, responsibilities and relationship with the Board.

The Committee must be comprised solely of Directors of MTF Finance, have a minimum of three members, with at least one independent Director, and have at least one Director with an accounting or financial background. The Chair of the Committee cannot be Chair of the Board.

Management attend these meetings as required. To provide a forum for free and open communication, the Committee routinely has Committee-only time with the external auditors without Management present.

Members as at 30 September 2022 were Melanie Templeton (Chair), Geoff Kenny and Grant Woolford. It met seven times during the financial year. The composition of Board Committees was reviewed in November 2021 at which time Stu Myles exited from the Audit & Risk Committee and was replaced by Geoff Kenny.

Credit Committee

The Credit Committee reviews the lending and credit policies of the Company. It is also responsible for the approval of lending policies, the review of originator facility applications in line with delegated authorities.

The Credit Committee members as at 30 September 2022 were Stu Myles (Chair), Noel Johnston and Geoff Kenny. It met twenty-three times during the financial year. The composition of Board Committees was reviewed in November 2021 at which time Melanie Templeton exited from the Credit Committee and was replaced by Stu Myles. Mark Darrow attended three meetings in an ex officio capacity.

Nominations Committee

The Nominations Committee convenes to fill a Board vacancy as required to ensure appropriate Board skill sets and Director succession, and to oversee the process for identifying and recommending potential candidates for appointment as Directors.

The Nomination Committee members as at 30 September 2022 were Mark Darrow (Chair), Noel Johnston and Geoff Kenny. No meeting of the Committee was held in the current year.

Remuneration Committee

The Remuneration Committee reviews remuneration of Directors, the CEO and senior executive officers, annually.

The Remuneration Committee members as at 30 September 2022 were Mark Darrow (Chair), Stu Myles and Grant Woolford.

Digital Transformation Steering Committee

The Digital Transformation Steering Committee formed during the financial year as part of the strategic focus of the business to address the legacy technology debt and investment in digital capability.

The Digital Transformation Steering Committee members as at 30 September 2022 were Melanie Templeton (Chair), Noel Johnston and Grant Woolford. It met twelve times during the financial year.

Committee meeting attendance

	Audit and Risk		Credit		Digital Transformation		Remuneration	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mark Darrow			3	3			6	4
Noel Johnston			23	23	12	11		
Geoffrey Kenny	5*	4*	23	21				
Stu Myles	2*	2*	20*	19*			6	5
Mel Templeton	7	7	5*	5*	12	12		
Grant Woolford	7	7			12	8	6	5

* Denotes change in committee membership during the year.

Principle 4: Reporting and disclosure

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

MTF Finance Directors are committed to keeping investors and the market informed of all material information about the Company and its performance and ensures compliance with legislative requirements.

In addition to all information required by law, MTF Finance also seeks to disclose all meaningful information to ensure stakeholders and investors are well informed, including financial and non-financial information. Compliance with NZX's listing rule 10.1.1 with respect to continuous disclosure is undertaken each meeting of the Board and documented in the minutes accordingly.

The Board is responsible for ensuring the consolidated financial statements give a true and fair view of the financial position of the Company and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and for ensuring all relevant financial reporting and accounting standards have been followed.

For the financial year ended 30 September 2022, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the consolidated financial statements with the Financial Reporting Act 2013.

The Chief Executive and Chief Financial Officer have confirmed in writing to the Board that the MTF Finance financial reports present a true and fair view in all material aspects.

MTF Finance's full and half year consolidated financial statements are available on the Company's website.

Non-financial information

The Board recognises the importance of non-financial information disclosure. MTF Finance discusses its strategic objectives and its progress against these in the Chair and CEO's commentary in shareholder reports, and at the Annual Shareholder Meeting.

The Company is committed to providing fair and responsible products and services that includes adherence to the Responsible Lending Code, the Responsible Credit-Related Insurance Code, and other various Acts.

Principle 5: Remuneration

The remuneration of Directors and executives should be transparent, fair and reasonable.

Director remuneration

The level of remuneration paid to Directors is approved by Shareholders. Directors also receive reimbursement for reasonable travelling, accommodation and other expenses incurred in the course of performing their duties.

The annual fees were last approved by Shareholders at the Annual Shareholder Meeting in March 2022. Any proposed increases in Director remuneration will be put to Shareholders for approval. Director fees are reviewed by the full Board using relevant market data with Directors having access to independent advice as necessary. Where independent advice is used by the Board, it will be disclosed to Shareholders as part of the approval process.

Board role	Approved remuneration
Board Chair	$115,000
Committee Chairs	$5,000 per chair position
Director	$60,000

Details of individual Directors' remuneration are detailed on page 99 of this report.

CEO remuneration

The review of the CEO's remuneration is the responsibility of the Remuneration Committee. The Committee has access to independent advice to assess CEO remuneration against the New Zealand market. The CEO's remuneration comprises a fixed base salary, a variable short-term bonus and a variable long-term bonus. The bonuses are paid against key performance targets agreed at the commencement of the financial year.

Principle 6:
Risk management

Directors should have a sound understanding of the material risks faced by the entity and how to manage them. The Board should regularly verify that the entity has appropriate processes that identify and manage potential and material risks.

MTF Finance is committed to proactively managing risk and this is the responsibility of the entire Board. The Board provides oversight of the risk management framework and monitoring compliance with that framework.

The Board delegates day to day management of the risk management framework to the Chief Executive Officer. Senior Management are required to regularly identify major risks affecting the business and develop structures, practices and processes to manage and monitor these risks. The Board is satisfied that risk management processes effectively identify, manage and monitor the principal risks of MTF Finance.

Health and safety

The Board recognises the need to provide employees with a safe and healthy workplace. MTF Finance will make every reasonable effort in accident prevention, injury protection and promotion of the health, safety and welfare of all employees and, where appropriate, to contractors and visitors.

The Board of MTF Finance has overall responsibility for the effective management of health and safety. MTF Finance has a Health and Safety Policy which is monitored and implemented by the Human Resources Committee and reviewed annually by the Board. Health and Safety reports, including incident reports and Committee minutes are reported monthly to the Board.

Principle 7:
Auditors

The Board should ensure the quality and independence of the external audit process.

The Board's approach to the appointment and oversight of the external auditor ensures that audit independence is maintained, both in fact and appearance, such that MTF Finance's external financial reporting is viewed as being highly reliable and credible.

The Audit and Risk Committee provides additional oversight of the external auditor, reviews the quality and cost of the audit undertaken by the Company's external auditors and provides a formal channel of communication between the Board, Senior Management and external auditors. The Committee also assesses the auditor's independence on an annual basis.

For the financial year ended 30 September 2022, Deloitte Limited was the external auditor for MTF Finance. Deloitte Limited were automatically re-appointed under the Companies Act 1993 at the 2021 MTF Finance Annual Shareholder Meeting. Deloitte Limited are subject to regular partner rotations and cool off periods.

All audit work at MTF Finance is fully separated from non-audit services, to ensure that appropriate independence is maintained. The amount of fees paid to Deloitte Limited for audit and other services is disclosed in Note 6 of this report.

Deloitte Limited has provided the Board with written confirmation that, in their view, they were able to operate independently during the year.

Deloitte Limited attends the Annual Shareholder Meeting, and the lead audit partner is available to answer any questions from Shareholders at that meeting.

Principle 8:
Shareholder relations and stakeholder interests

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the entity.

The Board is committed to open dialogue and to facilitating engagement with Shareholders.

MTF Finance has a calendar of key dates and events for Shareholders and maintains a comprehensive website which provides access to key corporate governance documents, copies of all major announcements, Company reports and presentations.

Shareholders are encouraged to attend the Annual Shareholder Meeting and may raise matters for discussion at this event. Shareholders have the ultimate control in corporate governance by voting Shareholder Directors on or off the Board.

In accordance with the Companies Act 1993 and MTF Finance's Constitution, MTF Finance refers major decisions which may change the nature of MTF Finance to Ordinary Shareholders for approval.

All Shareholders are given the option to elect to receive electronic communications from the Company. In addition to Shareholders, MTF Finance has a wide range of stakeholders and maintains open channels of communication for all audiences, including Shareholders, Originators and Investors.

This year, the Board have actively held shareholder meetings in various cities across New Zealand to enhance and foster shareholder engagement. The Board is committed to being available to shareholders and value this engagement to help deliver on all stakeholder interests.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2022	Note	2022 $000	2021 $000
Gross interest income from finance receivables	2	84,329	82,566
Commission	3	(43,696)	(45,371)
Net interest income from finance receivables		40,633	37,195
Interest income from assets measured at amortised cost	4	1,323	331
Interest expense	5	(18,721)	(17,954)
Net interest income		23,235	19,572
Payment waiver		3,665	3,555
Fees		7,865	7,996
Net interest income and fees		34,765	31,123
Expenses			
Employee		(10,878)	(8,716)
Communication and processing		(6,638)	(4,798)
Depreciation and amortisation		(1,471)	(1,599)
Administration		(6,153)	(5,258)
Bad debt		(204)	(127)
	6	(25,344)	(20,498)
Profit before net gain (loss) from financial instruments at fair value		**9,421**	**10,625**
Net gain (loss) from financial instruments at fair value	7	2,442	765
Profit before tax		**11,863**	**11,390**
Tax	8	(3,497)	(3,389)
Profit after tax		**8,366**	**8,001**
Other comprehensive income		-	-
Total comprehensive income		**$8,366**	**$8,001**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2022	Note	Ordinary shares $000	Retained earnings $000	Perpetual preference shares $000	Total equity $000
Year ended 30 September 2022					
Balance at 1 October 2021		19,437	35,449	38,966	93,852
Total comprehensive income for the year:					
Profit after tax		-	8,366	-	8,366
Total comprehensive income for the year		-	8,366	-	8,366
Transactions with shareholders:					
Ordinary share dividends	9	-	(1,714)	-	(1,714)
Perpetual preference share dividends	9	-	(1,008)	-	(1,008)
Shares cancelled on buyback	9	(20)	(26)	-	(46)
Shares issued from treasury shares	9	77	101	-	178
Total transactions with shareholders		57	(2,647)	-	(2,590)
Balance at 30 September 2022		**$19,494**	**$41,168**	**$38,966**	**$99,628**
Year ended 30 September 2021					
Balance at 1 October 2020		23,073	35,443	38,966	97,482
Total comprehensive income for the year:					
Profit after tax		-	8,001	-	8,001
Total comprehensive income for the year		-	8,001	-	8,001
Transactions with shareholders:					
Ordinary share dividends	9	-	(2,532)	-	(2,532)
Perpetual preference share dividends	9	-	(726)	-	(726)
Shares cancelled on buyback	9	(2,482)	(3,226)	-	(5,708)
Shares held as treasury shares	9	(1,154)	(1,511)	-	(2,665)
Total transactions with shareholders		(3,636)	(7,995)	-	(11,631)
Balance at 30 September 2021		**$19,437**	**$35,449**	**$38,966**	**$93,852**

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

CONSOLIDATED BALANCE SHEET

As at 30 September 2022	Note	2022 $000	2021 $000
Funds employed			
Ordinary shares	9	19,494	19,437
Retained earnings		41,168	35,449
Perpetual preference shares	9	38,966	38,966
Total shareholder equity		**99,628**	**93,852**
Liabilities			
Bank overdraft		456	367
Provision for taxation	8	-	-
Accounts payable and accrued expenses	17	9,300	9,513
Unearned payment waiver administration fees		6,264	6,020
Committed cash advance	10	48,300	6,200
Securitised funding	10	677,966	642,528
Deferred tax	8	471	-
Derivative financial instruments	13,24	-	-
Lease liability	16	2,813	3,052
Total liabilities		**745,570**	**667,680**
Total funds employed		**$845,198**	**$761,532**
Employment of funds			
Cash at bank		-	-
Cash in restricted bank accounts	23	77,261	73,480
Taxation receivable	8	2,451	2,534
Accounts receivable		2,010	2,399
Payment waiver indemnity prepayment		-	404
Finance receivables	12,13	736,628	672,478
Derivative financial instruments	13,24	21,201	4,313
Deferred tax	8	-	179
Property, plant and equipment	14	1,004	1,130
Right of use asset	16	2,564	2,869
Intangible assets	15	2,079	1,746
Total assets		**$845,198**	**$761,532**

Mark Darrow
Board Chair

Melanie Templeton
Audit & Risk Committee Chair

21 November 2022

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 September 2022	Note	2022 $000	2021 $000
Cash flow from operating activities			
Interest income		85,652	82,897
Fee income		7,863	7,988
Interest expense		(13,957)	(14,146)
Other funding and securitisation costs		(3,945)	(3,672)
Income tax paid		(2,763)	(2,701)
Commission		(43,895)	(47,601)
Payment waiver		3,826	3,600
Operating expenses		(23,252)	(18,626)
Net cash flow from operating activities before changes in operating assets and liabilities		9,529	7,739
Changes in operating assets and liabilities			
Finance receivable instalments		527,602	531,269
Increase in committed cash advance - net		42,100	(37,000)
Increase in securitised funding - net		35,063	59,616
Finance receivable advances		(606,393)	(546,929)
		(1,628)	6,956
Net cash flow from operating activities	29	**7,901**	**14,695**
Cash flow from investing activities			
Sale of property, plant and equipment		55	84
Purchase of property, plant and equipment		(447)	(395)
Purchase of intangible assets		(987)	(1,324)
Net cash flow from investing activities		**(1,379)**	**(1,635)**
Cash flow from financing activities			
Share buybacks		(46)	(8,373)
Proceeds from unpaid shares		-	21
Lease payments		(239)	(221)
Trust establishment costs		-	(672)
Dividend to perpetual preference shareholders	9	(1,008)	(726)
Dividend to ordinary shareholders	9	(1,537)	(2,532)
Net cash flow from financing activities		**(2,830)**	**(12,503)**
Net (decrease) increase in cash		3,692	557
Cash on hand at beginning of period		73,113	72,556
Cash on hand at end of period		**$76,805**	**$73,113**
Represented by:			
Cash at bank (overdraft)		(456)	(367)
Cash in restricted bank accounts		77,261	73,480
		$76,805	**$73,113**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Basis of reporting

Reporting entity

The consolidated 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 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 with transacting shareholders.

The consolidated financial statements were approved by the Board of Directors on 21 November 2022.

Basis of preparation

The consolidated 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 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.

Basis of measurement

The consolidated financial statements are based on historical cost except for the revaluation of derivative financial instruments and finance receivables measured at fair value.

Cost is based on the fair value of the consideration given in exchange for assets.

Accounting policies are applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability, ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies and computation methods used in the preparation of the consolidated financial statements have been applied consistently throughout the periods presented in the consolidated financial statements.

The consolidated financial statements have been prepared using the going concern assumption.

Functional and presentation currency

The reporting currency is New Zealand dollars which is the Group's functional currency. All financial information is rounded to the nearest thousand.

Critical judgements, estimates and assumptions

In the application of NZ IFRS, the Directors make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and factors considered reasonable under the circumstances. Actual results may differ from the estimates and assumptions.

Estimates and assumptions are regularly reviewed with any revision to accounting estimates recognised in the period the estimate is revised.

Accounting policies, and information about judgements, estimates and assumptions that have had a significant effect on the amounts recognised in the consolidated financial statements are disclosed in the relevant notes as follows:

- Determination of fair value of derivative financial instruments (Note 24)
- Consolidation of controlled entities (Note 25)
- Determination of fair value of finance receivables due to changes in accounting estimates associated with credit risk (Note 13)

Significant accounting policies

Significant accounting policies which are specific to certain transactions or balances are set out within the particular note to which they relate.

Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of MTF Finance and its subsidiaries. Subsidiaries are entities controlled by MTF Finance. Refer Note 25. Accounting policies of subsidiaries are consistent with those of the Group.

All inter-entity transactions, balances and unrealised profits or losses on transactions between Group entities are eliminated on consolidation.

New standards, interpretations and amendments on issue but not yet effective

The Group has done a preliminary assessment of the impact of the following new standards or interpretations on issue which have yet to be adopted and the impact is not expected to be significant:

- NZ IFRS 17 Insurance Contracts (effective from 2024 financial year).

Note 2: Gross interest income from finance receivables

Policy

Gross interest income on financial instruments measured at FVTPL is recognised using the effective interest method excluding origination fees, transaction costs and commission. It is not included with the net gain/(loss) from financial instruments at fair value.

The effective interest method calculates the amortised cost of a financial asset and allocates the interest income over the expected life of the financial asset. The method has the effect of recognising income evenly in proportion to the amount outstanding over the expected life of the financial asset. Refer Note 26 for full policy.

	2022 $000	2021 $000
Gross interest income from finance receivables:		
Finance receivables measured at FVTPL	84,329	82,566
	$84,329	**$82,566**
Gross interest income from finance receivables includes income from:		
Non-impaired assets	84,274	82,548
Impaired assets	55	18
	$84,329	**$82,566**

Note 3: Commission

Policy

Commission is recognised as an expense on an accrual basis in line with the recognition of gross interest income from finance receivables. Refer Note 26 for full policy.

	2022 $000	2021 $000
Commission	43,696	45,371
	$43,696	**$45,371**

Note 4: Interest income from assets measured at amortised cost

Policy

Interest income on all financial instruments measured at amortised cost is recognised in profit or loss using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset and allocates the interest income over the expected life of the financial asset. The method has the effect of recognising income evenly in proportion to the amount outstanding over the expected life of the financial asset.

	2022 $000	2021 $000
Interest income from assets measured at amortised cost:		
Cash in restricted bank accounts	1,323	331
	$1,323	**$331**

Note 5: Interest expense

Policy

Interest expense is represented by the interest cost on the committed cash advance, the senior notes issued and bank loan entered, to fund the securitisation programmes, the realised net cost of interest rate swaps to hedge the funding activities with the cash flows from finance receivables, and the direct cost of running the securitisation programmes.

Interest expense on all financial instruments measured at amortised cost is recognised in profit or loss using the effective interest method.

The effective interest method calculates the amortised cost of a financial liability and allocates the interest expense, including any directly related transaction costs that are an integral part of the effective interest rate, over the expected life of the financial liability. The method has the effect of recognising expense evenly in proportion to the amount outstanding over the expected life of the financial liability.

All other expenses are recognised in the statement of comprehensive income as incurred.

	2022 $000	2021 $000
Committed cash advance	477	106
Senior notes/bank loan	19,140	11,000
Interest rate swaps - net	(3,236)	4,441
Securitisation programme	1,251	1,387
Other	1,089	1,020
	$18,721	**$17,954**

Note 6: Expenses

Policy

Bad debts are recognised at the time when financial receivable balances from originators are known to be unrecoverable.

Transaction costs are recognised as expenses at the time of initial recognition of the finance receivable in accordance with the provisions of NZ IFRS 9 for financial instruments measured at FVTPL.

Government grants and subsidies which compensate the Group for expenses incurred are recognised in the statement of comprehensive income on a net basis in the same line as the related expense.

Includes:	2022 $000	2021 $000
Auditor		
Audit of Group financial statements	209	219
- Audit of Trust financial statements	108	67
- Tax compliance	31	30
- Other assurance fees	-	36
- Other services	13	-
Depreciation		
- Computer hardware	343	521
- Right of use asset	305	305
- Office equipment, fixtures and fittings	117	97
- Motor vehicles	52	36
Amortisation		
- Intangible assets (software and websites)	654	647
Directors fees	430	385
Payment waiver	1,369	1,366
Employee expenses include:		
Defined contribution scheme payments (Kiwisaver)	136	140
Key management remuneration of:		
- Short term employee benefits	2,709	2,093
- Post employment benefits (Kiwisaver)	66	62
- Termination benefits	276	-

Auditor

The auditor of the Group is Deloitte Limited. Other services comprise work on development of a Credit Risk Assurance Programme. Other assurance fees provided by Deloitte in 2021 comprise attendance at, and review of proxy counts prior to, the Annual General Meeting and AML/CFT risk assessment and risk programme audit.

Note 7: Net gain (loss) from financial instruments at fair value

Policy

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. Refer to Note 26 for full policy and Note 24 for Derivatives policy.

	2022 $000	2021 $000
Net gain (loss) arising on financial instruments mandatorily measured at FVTPL:		
Finance receivables	(14,446)	(12,383)
Interest rate swap derivatives (unrealised gain)	16,888	13,148
	$2,442	**$765**

Note 8: Tax

8.1 Tax expense

Policy

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly within equity, in which case income tax is recognised in other comprehensive income or in equity.

Current tax is the amount of income tax payable or recoverable on taxable profit for the period and is calculated using tax rates and tax laws applicable to the period. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid or refundable. Tax assets and liabilities are offset when the Group has a legally enforceable right to offset the recognised amounts, and intends to settle on a net basis.

	2022 $000	2021 $000
Profit before tax	**11,863**	**11,390**
Income tax expense calculated at 28% (2021: 28%)	3,322	3,189
Non-deductible expenses	17	6
Other adjustments	154	165
Under (Over) provision of taxation payable in previous year	5	(2,472)
Under (Over) provision of deferred tax asset in previous year	(1)	2,501
	$3,497	**$3,389**
Represented by:		
Current tax	2,847	(232)
Deferred tax	650	3,621
	$3,497	**$3,389**

Tax rate

The tax rate used in the reconciliation is the corporate tax rate of 28% (2021: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law for the 2022 income tax year.

Imputation credits

There were $26,117,000 imputation credits available for use as at 30 September 2022 (2021: $22,434,000).

Note 8: Tax continued...

8.2 Deferred tax

Policy

Deferred tax is recognised 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 consolidated 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.

Deferred tax assets and liabilities are measured at tax rates applicable to the period when the relevant asset and liability is expected to be realised or settled. The measurement of deferred tax liabilities and assets reflects the tax consequences that will follow from the manner in which the Group expects, at reporting date, to recover or settle the carrying amount of the assets and liabilities.

The deferred tax balances at 30 September 2022 are represented by:	**Opening balance**	**Charged to income**	**Closing balance**
	$000	**$000**	**$000**
Deferred tax assets:			
Accounts payable and accrued expenses	632	(253)	379
Property, plant and equipment	31	9	40
	663	**(244)**	**419**
Deferred tax liabilities:			
Intangible assets	(2)	(78)	(80)
Derivative financial instruments	(1,192)	(3,490)	(4,682)
Finance and other receivables	710	3,162	3,872
	(484)	(406)	(890)
Total deferred tax	**$179**	**($650)**	**($471)**

The deferred tax balances at 30 September 2021 are represented by:	**Opening balance**	**Charged to income**	**Closing balance**
	$000	**$000**	**$000**
Deferred tax assets:			
Accounts payable and accrued expenses	595	37	632
Property, plant and equipment	-	31	31
	595	**68**	**663**
Deferred tax liabilities:			
Intangible assets	23	(25)	(2)
Derivative financial instruments	2,473	(3,665)	(1,192)
Finance and other receivables	709	1	710
	3,205	(3,689)	(484)
Total deferred tax	**$3,800**	**($3,621)**	**$179**

Note 9: Equity

9.1 Ordinary shares

Policy

Ordinary shares are classified as equity. Dividends are not guaranteed and are payable at the discretion of the Directors. Any dividend is recognised as a distribution within equity.

Ordinary shares

At 30 September 2022, there were 20,590,914 shares authorised and issued (2021: 20,590,914) with no unpaid shares outstanding (2021: nil). All fully paid ordinary shares have equal voting rights and share equally in dividends and surplus on winding up.

Dividend reinvestment plan

During the year the Group launched a dividend reinvestment plan. Participating shareholders have elected to have any ordinary dividend declared and paid converted into additional shares rather than cash. Shares have been issued from treasury shares held by the Group.

Share buy back

In 2021, the Group purchased shares from non-transacting originators as to better align the interests of originators and shareholders. The last of these transactions was completed in the 2022 year.

20,000 (2021: 3,635,748) ordinary shares were acquired at $2.31 per share.

Treasury shares

Treasury shares comprise the cost of the Company's shares held by the Group. At 30 September 2022 treasury shares held were 1,076,620 (2021: 1,153,661).

Ordinary shares:

	2022		2021	
	000	$000	000	$000
Balance at beginning of the year	19,437	19,437	23,073	23,073
Shares acquired and cancelled	(20)	(20)	(2,482)	(2,482)
Treasury shares acquired	-	-	(1,154)	(1,154)
Shares issued from treasury shares	77	77	-	-
	19,494	**$19,494**	**19,437**	**$19,437**

Ordinary share dividend:

	2022 $000	2021 $000
Fully imputed dividend declared and paid during the year:		
Final dividend paid 30 November 2021 at 2.83 cents per share (2021: 5.11 cents)	550	1,178
Interim dividend paid 1 February 2022 at 2.00 cents per share (2021: 2.00 cents)	388	461
Interim dividend paid 2 May 2022 at 2.00 cents per share (2021: 2.00 cents)	388	461
Interim dividend paid 4 August 2022 at 2.00 cents per share (2021: 2.00 cents)	388	432
	$1,714	**$2,532**

Dividend

On 17 November 2022, the Directors declared a final dividend on paid-up ordinary shares of 1.85 cents per share amounting to $361,538 (fully imputed), for the period 1 October 2021 to 30 September 2022. The dividend is due for payment on 7 December 2022.

9.2 Perpetual preference shares

Policy

Perpetual preference shares (PPS) are classified as equity. The shares are non-redeemable and carry no voting rights. Dividends are not guaranteed and are payable at the discretion of the Directors. Any dividend is recognised as a distribution within equity. MTF Finance may redeem or repurchase all or part of the perpetual preference shares.

Perpetual preference shares

In the event of liquidation of MTF Finance, payment of the issue price and any dividend on the perpetual preference shares rank:

- before rights of holders of other classes of MTF Finance shares
- before profit distribution to transacting shareholders
- after rights of secured and unsecured creditors of MTF Finance

Note 9: Equity continued...

	2022 $000	2021 $000
Face value	40,000	40,000
Issue fees and expenses	(1,034)	(1,034)
	$38,966	**$38,966**

Perpetual preference share dividend:

	2022 $000	2021 $000
Fully imputed dividend declared and paid during the year at 2.50 cents per share (2021: 1.81 cents)	1,008	726
	$1,008	**$726**

PPS dividend

The dividend payable on perpetual preference shares is based on the benchmark rate plus 2.4% and is reset annually. The benchmark rate is the one-year interest rate swap on the reset day.

Note 10: Funding (secured)

Policy

MTF Finance funds a major portion of its business by the sale of finance receivables to securitisation entities established solely for purchasing finance receivables from MTF Finance.

MTF Finance recognises transactions with securitisation entities as financing arrangements; expenditure related to securitisation programmes is recognised as a cost of funding and the securitised assets and funding from securitisation programmes are recognised respectively as assets and liabilities in the balance sheet.

Funding is at floating interest rate and is measured at amortised cost using the effective interest method.

30 September 2022	**Weighted average effective interest rate %**	**Facility expiry date**	**Limit $000**	**Undrawn $000**	**Drawn $000**	**Unamortised fees and expenses $000**	**Carrying amount $000**
Committed cash advance facility	4.91	16/12/2023	90,000	41,700	48,300	-	48,300
Securitisation:							
Senior Warehouse notes	4.74	15/03/2024	360,000	74,049	285,951	-	285,951
Senior Pantera notes	4.35	15/06/2029	278,500	-	278,500	(357)	278,143
Senior Rambler notes	4.94	15/08/2027	69,183	-	69,183	(21)	69,162
MUFG loan	4.69	15/11/2022	65,000	20,290	44,710	-	44,710
Total securitisation			772,683	94,339	678,344	(378)	677,966
Total			**862,683**	**136,039**	**$726,644**	**($378)**	**$726,266**

30 September 2021	**Weighted average effective interest rate %**	**Facility expiry date**	**Limit $000**	**Undrawn $000**	**Drawn $000**	**Unamortised fees and expenses $000**	**Carrying amount $000**
Committed cash advance facility	2.03	30/06/2022	80,000	73,800	6,200	-	6,200
Securitisation:							
Senior Warehouse notes	1.79	15/03/2023	150,000	56,553	93,447	-	93,447
Senior Pantera notes	1.42	15/06/2029	278,500	-	278,500	(609)	277,891
Senior Rambler notes	1.80	15/08/2027	230,717	-	230,717	(145)	230,572
MUFG loan	1.74	15/01/2022	50,000	9,382	40,618	-	40,618
Total securitisation			709,217	65,935	643,282	(754)	642,528
Total			**$789,217**	**$139,735**	**$649,482**	**($754)**	**$648,728**

Note 10: Funding (secured) continued...

Judgements

Under the MTF Finance securitisation programme, entities are created to purchase eligible finance receivables. Securitisation entities are consolidated where the Group has control. Controlled entities are disclosed in Note 25.

Committed bank facilities

MTF Finance has a committed bank facility provided by Bank of New Zealand. The facility is secured by a general security agreement over all unsecuritised assets, including unsecuritised finance receivables.

Securitisation programme

The activities of MTF Finance are funded through a master trust securitisation structure established on 18 June 2010. The Trust Deed provides for the creation of an unlimited number of trusts, each separate and distinct. The trusts currently active under the master trust structure are the Warehouse Trust, the Pantera Trust, the Rambler Trust and the Honda Trust (Trusts). The senior notes are funded externally by banks and other investors.

The principal components of the securitisation programme are:

The Warehouse Trust funds the purchase of qualifying finance receivables from MTF Finance. Senior Warehouse notes are issued for periods of up to 72 months past the facility expiry of 15 March 2024. The notes are rated AA(sf) (Standard & Poor's long term, structured finance rating, 26 October 2011) and are secured by a first ranking mortgage debenture over the assets of the Warehouse Trust.

The Rambler Trust funds the purchase of qualifying finance receivables from the Warehouse Trust prior to 15 August 2021. The Trust has now entered amortisation and no new qualifying finance receivables can be acquired.

The Pantera Trust funds the purchase of qualifying finance receivables from the Warehouse Trust. Senior Pantera notes are issued for periods of up to 96 months past the issue date 15 June 2021. The Pantera Trust has a revolving period of 24 months from issue date, during which the Trust may continue to acquire qualifying finance receivables from the Warehouse Trust. At the end of the Trust's revolving period, no new receivables may be acquired and the facility will amortise.

Senior Pantera and Senior Rambler notes are secured by a first ranking mortgage debenture over the assets of the Pantera Trust and Rambler Trust respectively and have structured finance (sf) ratings from Fitch Ratings.

Senior Pantera notes on issue	Fitch rating	2022	2021
		$000	$000
Class A	AAA(sf)	249,000	249,000
Class B	AA(sf)	9,600	9,600
Class C	A(sf)	7,900	7,900
Class D	BBB(sf)	5,400	5,400
Class E	BB(sf)	4,800	4,800
Class F	B(sf)	1,800	1,800
		$278,500	**$278,500**

Senior Rambler notes on issue	Fitch rating	2022	2021
		$000	$000
Class A	AAA(sf)	53,879	204,517
Class B	AA(sf)	5,958	10,200
Class C	A(sf)	4,673	8,000
Class D	BBB(sf)	2,453	4,200
Class E	BB(sf)	2,220	3,800
		$69,183	**$230,717**

The Honda Trust funds the purchase of qualifying lease finance receivables from MTF Finance and MTF Leasing Limited by way of a cash commitment facility provided by Mitsubishi UFJ Financial Group (MUFG). The facility is secured by a first ranking mortgage debenture over the assets of the Honda Trust.

Trustees Executors Limited (TEL) is appointed as the Trustee of each of the trusts.

Under contracts with transacting shareholders, MTF Finance makes loans to transacting shareholders on terms that match the advances made by transacting shareholders to customers. As security for the repayment of the transacting shareholder loan, MTF Finance is given a security interest over transacting shareholder rights under the customer contract and the underlying asset. MTF Finance assigns absolutely and unconditionally its right, title and interest in, and to, the shareholder loan (and related rights), free of security interest to the Trustee. The legal and beneficial title to each finance receivable passes to the Trustee upon payment of the relevant sale price by the Trust.

As at 30 September 2022, non-recourse loans do not meet the criteria for securisation.

MTF Finance is contracted, as Trust Manager and Trust Servicer, to administer the securitised receivables, including the liability and treasury activities.

Note 10: Funding (secured) continued...

Beneficial interest in the Trusts vests in the residual capital beneficiary and the residual income beneficiary, being MTF Treasury Limited (MTFT), a wholly owned subsidiary of MTF Finance. Net taxable annual income of the Trusts vests absolutely in MTFT, which has the right to receive distributions of that net taxable annual income, to the extent that funds are available for distribution under the prescribed cash flow allocation. The residual capital beneficiary has no right to receive distributions from the Trusts other than the right to receive the entire beneficial interest in a Trust, on the termination of that Trust.

Finance receivables securitised at balance date with the Trusts:

	2022 $000	2021 $000
Honda Trust	40,691	38,733
Rambler Trust	60,998	206,380
Pantera Trust	241,332	252,517
Warehouse Trust	294,139	101,828
	$637,160	**$599,458**

Amortisation

The establishment fees and expenses represent the cost incurred in setting up the securitisation programmes and are amortised over the life of each facility.
For the year ended 30 September 2022, $374,000 (2021: $335,000) of amortisation is included in interest expense in the Consolidated statement of comprehensive income.

Note 11: Asset quality disclosures

	2022 $000	2021 $000
Asset quality - finance receivables		
Current	741,079	662,439
1-30 days past due	17,860	16,429
31-90 days past due	2,477	3,149
More than 90 days past due	1,305	1,840
Managed transacting shareholders	340	608
	763,061	684,465
Adjustments:		
Fair value adjustment	(22,534)	(7,544)
Credit risk adjustment	(3,899)	(4,443)
Total carrying amount	**$736,628**	**$672,478**

Credit risk adjustment

Credit risk is the risk of financial loss to MTF Finance if a transacting shareholder fails to meet its contractual obligations under an MTF Finance contract. MTF Finance has a range of credit enhancements against the transacting shareholder including, but not limited to, future commission payments (refer Notes 13 and 19).

In the current period MTF Finance launched a non-recourse product. The risk of financial loss of this product is carried by MTF Finance.

Past due

A financial asset is considered past due when a counterparty has failed to make payment when contractually obligated. All customer loss is for the account of the transacting shareholder; payment is contractually due to MTF Finance, from the transacting shareholder, when a customer account has been in arrears for 91 days or more. The same criteria of past due is applied to MTF Finance's non-recourse product.

Past due > 90 days

Of total finance receivables at 30 September 2022, 0.18% (2021: 0.27%) had repayments that are past due more than 90 days.

Material restructured assets

The Group does not have any assets acquired through the enforcement of security (2021: Nil).

As part of the response to Covid-19 the Group offered customers payment options including payment holidays, postponed payment plans. A total of $16.6m of loans are categorised as affected by Covid-19 at 30 September 2022 (30 September 2021: $36.6m). Of these, the Group had restructured $14.0m at the customer's request (30 September 2021: $26.4m).

The remaining $2.6m are considered to be at a higher risk of default (30 September 2021: $10.2m). Of this, $1.4m of finance receivables have payment arrangements in place that allow the customer to make up their payments without the need to formally restructure the loans. A further $0.1m of these loans are categorised as on hold where payment holidays have been granted. These Covid-19 affected loans have been considered as part of the Covid-19 credit allowance per Note 13.

While MTF Finance is working together with originators and their customers to provide support to help each party meet their debt obligations, full recourse on these Covid-19 impacted finance receivables remains with each originator.

Note 12: Finance receivables

Policy

Finance receivables are measured at fair value through profit or loss (FVTPL) as the business model and contractual cash flow characteristics of these assets do not meet the criteria for measurement at amortised cost or fair value through other comprehensive income as per NZ IFRS 9.

	2022 $000	2021 $000
Receivable within 12 months	206,803	206,304
Receivable beyond 12 months	529,825	466,174
Total finance receivables	**$736,628**	**$672,478**

Details of changes in the fair value recognised on the finance receivables on account of credit and market risk are:

	2022 $000	2021 $000
Finance receivables at FVTPL gain/(loss) due to credit risk	544	1,864
Finance receivables at FVTPL gain/(loss) due to market risk	(14,990)	(14,247)
	($14,446)	**($12,383)**

Finance receivables

Finance receivables include securitised and non-securitised finance receivables.

Finance receivables are economically hedged by a combination of floating rate debt and interest rate swaps as part of a documented risk management strategy.

Fair value

Refer to Note 13 for disclosure on fair value of finance receivables as at 30 September 2022.

Impairment of financial assets

Finance receivables are not assessed for impairment as the determination of fair value reflects the credit quality of the instrument and changes in fair value are recognised in the net gain (loss) from financial instruments at fair value in profit or loss in the consolidated statement of comprehensive income.

Note 13: Fair value

Policy

The Group measures certain financial instruments at fair value at each reporting date.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements recognised in the balance sheet:

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
2022				
Financial assets mandatorily measured at FVTPL				
Finance receivables	-	-	736,628	736,628
	-	**-**	**$736,628**	**$736,628**
Financial assets at FVTPL				
Derivative financial assets (held for trading)	-	21,201	-	21,201
	-	**$21,201**	**-**	**$21,201**
2021				
Financial assets mandatorily measured at FVTPL				
Finance receivables	-	-	672,478	672,478
	-	**-**	**$672,478**	**$672,478**
Financial assets at FVTPL				
Derivative financial assets (held for trading)	-	4,313	-	4,313
	-	**$4,313**	**-**	**$4,313**

Judgements

Finance receivables are mandatorily measured at FVTPL. As there is no active market, fair value is determined by the use of a discounted cash flow valuation model. To the extent possible, the model uses observable market data (interest rates). The main unobservable input to the valuation model is credit risk, which requires management to make judgements and estimates. Changes in the assumptions in the model and projections of future cash flows may affect the reported fair value of finance receivables.

Fair value of financial assets and liabilities

The carrying amount of all other financial assets and liabilities approximates fair value.

Note 13: Fair value *continued...*

Valuation techniques and assumptions for the purpose of measuring fair value

Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from observable market interest rates and adjustments for counterparty credit risk.

As there is no active market, fair value of finance receivables is measured using the present value of estimated future cash flows (net of commission), discounted based on a theoretical yield curve derived from a series of observable market interest rates and adjusted for credit risk.

Fair value hierarchy levels

Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly, i.e. as prices, or indirectly, i.e. derived from prices. Financial assets and financial liabilities fair valued based on Level 2 inputs in the Group are the interest rate swaps detailed in Note 24 of these consolidated financial statements.

Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Financial assets of the Group fair valued based on Level 3 inputs are finance receivables. This assessment is based on the absence of observable market data for the sale and purchase of finance receivables in an open market.

No financial assets or liabilities were transferred between levels during the period.

Finance receivables:

	2022 $000	2021 $000
Balance at beginning of the year	672,478	669,328
Gain/(loss) recognised in net gain (loss) from financial instruments at fair value	(14,446)	(12,383)
Sales	606,393	546,929
Settlements	(527,797)	(531,396)
Balance at end of the year	**$736,628**	**$672,478**

Significant assumptions used in determining fair value of financial assets and liabilities

Fair value of finance receivables is determined by applying a theoretical yield curve from market interest rates.

Finance receivables yield at a fixed rate comprising the swap rate plus a credit margin. It is assumed that the credit margin remains fixed throughout the term. At the valuation date, the theoretical yield curve is adjusted to reflect the current market interest rate plus the weighted average credit margin (net of commission). The change in the credit risk of the finance receivables is reflected in the fair value model as a credit risk adjustment.

A credit risk adjustment of $3,899,000 (2021: $4,443,000) is determined in line with the assumptions set out below.

No assumption is made in regard to prepayment rates within the discounted cash flow model as these are deemed not to be material. Prepayment rates are considered as part of the credit risk adjustment as discussed below.

The fair value of the finance receivables at 30 September 2022 was based on cash flows discounted using a weighted average interest rate of 5.92% (2021: 5.40%).

Refer to Note 21 for details of sensitivity analysis.

Credit risk accounting estimate

Recourse

Credit risk is the risk of financial loss to MTF Finance if a transacting shareholder fails to meet its contractual obligations under an MTF Finance contract. MTF Finance has a range of credit enhancements against the transacting shareholder including, but not limited to, future commission payments (refer Note 19).

Given the recourse arrangement differs significantly from other market participants, the model focuses on projection of losses from originators with less weighting on market factors whilst incorporating considerations and allowances for future economic forecasts.

MTF Finance monitors the credit quality and performance of each transacting shareholder to ensure that the transacting shareholder is capable of indemnifying MTF Finance against any potential loss. MTF Finance's current process is based on a projection of losses calculated using the transacting shareholders arrears roll rates and historical prepayment rates along with an estimation of the impact of changes in future economic conditions.

Where expected losses are greater than expected future commission, the transacting shareholder is deemed to be in a net loss position. The total of each net loss across all transacting shareholders is the assessment of credit risk adjustment input into the fair value model for finance receivables.

Based on the historical modelling this resulted in a collective adjustment for credit risk of 0.25% (2021: 0.25%) of net receivables. This has been applied to all finance receivables where the customer has not indicated they have been directly or indirectly impacted by Covid-19.

Non-recourse

MTF Finance launched a non-recourse product offering in the current period. Credit risk with respect to this product is the risk of financial loss if a customer fails to meet its contractual obligations under an MTF Finance contract.

Development of an expected credit loss model for this non-recourse product was in progress at balance date. Due to the immaterial total of the product in pilot at balance date, management has made a judgement provision based on Auto Backed Securities data resulting in a credit risk adjustment of 2% of non-recourse net receivables.

Note 13: Fair value continued...

Covid-19

The Group has made assumptions built using data on originator finance receivable ledgers and their specific exposure to risk associated with Covid-19. These assumptions have been applied to all finance receivables relating to customers who have contacted the Group to request assistance or to notify that they have been financially impacted by the pandemic.

At 30 September 2022, the total value of finance receivables considered to be financially impacted by Covid-19 was $16.6m (30 September 2021: $36.6m). Of this $16.6m, certain finance receivables have been restructured as discussed per Note 11. These are considered to carry a lower risk of default than those finance receivables where no refinancing has occurred, or payment plans are in place to catch up arrears.

The Group used this information to estimate the underlying bad debt risk of each originator's ledger. The Group assessed credit risk based on specific categories relating to the status of each loan in the rehabilitation process and applied a range of expected loss assumptions based on the current observable deterioration in the performance of these finance receivables during the pandemic. A greater risk weighting has been applied to the $2.6m of finance receivable loans for which there has been no rehabilitation as at balance date. Included in this calculation are estimates of the value of available layers of recourse including estimate of the recoverable value of the underlying asset and the actual cash collateral held by the Group as at the reporting date.

The Group used a number of scenarios to assess the range of possible impacts on the assessment of credit risk, which ranges between $1m and $2.7m at balance date (30 September 2021: $1.3m and $3.6m) and has taken a position that sets within the midrange of these scenarios, at $1.8m (30 September 2021: $2.6m).

Note 14: Property, plant and equipment

Policy

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss.

Property, plant and equipment are depreciated on a straight line basis at rates which write off the cost less estimated residual value over the expected useful life.

Residual values, useful life and depreciation method are reviewed and adjusted, if appropriate, at balance date.

Computer hardware	3 years
Office equipment, fixtures and fittings	5 years
Motor vehicles	5 years

Property, plant and equipment are reviewed for evidence of impairment at least annually and when events indicate that assets may have suffered impairment. The carrying amount is written down to the recoverable amount if the carrying amount is greater than the estimated recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use.

Carrying amount:

	2022 $000	2021 $000
Computer hardware	2,964	2,692
Less accumulated depreciation	(2,594)	(2,307)
Total carrying amount	**370**	**385**
Office equipment, fixtures and fittings	1,221	1,146
Less accumulated depreciation	(709)	(619)
Total carrying amount	**512**	**527**
Motor vehicles	311	410
Less accumulated depreciation	(189)	(192)
Total carrying amount	**122**	**218**
Total property, plant and equipment	**$1,004**	**$1,130**

Capital commitments

The estimated capital expenditure contracted for at balance date but not provided for is $11,818 (2021: $63,050).

Note 15: Intangible assets – computer software and websites

Policy

Computer software and websites are finite life intangible assets, recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life, usually 3-5 years.

Finite life intangible assets are subject to the same impairment process as property, plant and equipment. Impairment is recognised in profit or loss.

	2022 $000	2021 $000
Cost		
Balance at beginning of year	10,873	9,549
Additions	987	1,324
Disposals	-	-
Balance at end of year	**11,860**	**10,873**
Amortisation and impairment		
Balance at beginning of year	9,127	8,480
Amortisation	654	647
Impairment	-	-
Balance at end of year	**9,781**	**9,127**
Total intangible assets	**$2,079**	**$1,746**

Capital commitments

The estimated capital expenditure contracted for at balance date but not provided for is $27,144 (2021: Nil).

Note 16: Leases

Policy

The Group assesses whether a contract is, or contains, a lease, at the inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

Lease liabilities are initially measured at the present value of the remaining lease payments and discounted by the rate implicit in the lease. Where the rate cannot be readily determined, the Group's incremental borrowing rate (IBR) is applied. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the liability, using the effective interest method, and by reducing the carrying amount to reflect the lease payments made.

Right of use assets comprise the initial measurement of the corresponding lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use asset	2022 $000	2021 $000
Balance at 30 September	2,869	3,174
Depreciation charge for the year	(305)	(305)
Total right of use asset	**$2,564**	**$2,869**

Lease liability – maturity analysis	2022 $000	2021 $000
Lease liabilities under NZ IFRS 16:		
Less than one year	258	239
Between one and five years	1,227	1,151
More than five years	1,328	1,662
	$2,813	**$3,052**
Current	258	239
Non-current	2,555	2,813
Balance at end of the year	**$2,813**	**$3,052**

The Group leases a property under a non-cancellable lease expiring within 10 years.

	2022 $000	2021 $000
Amounts recognised in the consolidated statement of comprehensive income:		
Depreciation of right of use assets	305	305
Interest expense on lease liabilities	118	127

The total cash outflow for leases in 2022 was $357,000 (2021: $348,000).

Note 17: Accounts payable and accrued expenses

Employee entitlements

Provision is made for entitlements accruing to employees in respect of salaries and leave entitlements when it is probable that settlement will be required and can be measured reliably.

Provision for entitlements expected to be settled within twelve months is measured at nominal value using the remuneration rate expected to be applied at the time of settlement.

Standard credit terms for trade payables is 30 days with most suppliers not charging interest during this period. The Group has financial risk management policies to ensure all payables are paid within pre-agreed credit terms.

	2022 $000	2021 $000
Trade creditors	1,022	1,191
Sundry creditors and accruals	2,419	2,071
Unpaid commission	4,425	4,815
Employee entitlements	1,434	1,436
	$9,300	**$9,513**

Credit period

The average credit period for creditors and accruals is 30 days.

Commission withheld

Unpaid commission comprises accrued commission and withheld commission.

Accrued commission is commission earned by originators in the month of September but paid in the month of October. At 30 September this totalled $3.50m (2021: $3.70m).

Withheld commission is commission being retained by MTF Finance from originators. At 30 September this totalled $0.9m (2021: $1.1m).

Note 18: Related party transactions

Commission paid (during the period to 30 September) to companies (transacting shareholders) associated with the Directors:

	2022 $000	2021 $000
Noel Johnston	1,820	1,903
Geoffrey Kenny	944	876
Stu Myles	585	465
Grant Woolford	81	94
	$3,430	**$3,338**

Commission payable (as at 30 September) to companies (transacting shareholders) associated with the Directors:

	2022 $000	2021 $000
Noel Johnston	148	154
Geoffrey Kenny	66	86
Stu Myles	51	45
Grant Woolford	6	7
	$271	**$292**

Revenue received from companies (transacting shareholders) associated with the Directors:

	2022 $000	2021 $000
Noel Johnston	4,133	4,005
Geoffrey Kenny	1,956	1,755
Stu Myles	1,394	972
Grant Woolford	212	226
	$7,695	**$6,958**

Finance receivables outstanding with companies (transacting shareholders) associated with Directors:

	2022 $000	2021 $000
Noel Johnston	33,979	29,707
Geoffrey Kenny	12,628	14,911
Stu Myles	13,577	9,166
Grant Woolford	1,745	1,640
	$61,929	**$55,424**

Note 18: Related party transactions continued...

Related parties

Directors Noel Johnston, Geoffrey Kenny, Stu Myles and Grant Woolford are Directors of companies with shareholdings in MTF Finance that derive commission from the Group on the same basis as all other transacting shareholders.

Directors fees are disclosed per Note 6.

Revenue

Revenue received from companies (transacting shareholders) associated with the Directors includes interest income, fee income and payment waiver admin fee income.

Note 19: Credit risk

Maximum exposures to credit risk:

	2022 $000	2021 $000
Cash at bank	-	-
Cash in restricted bank accounts	77,261	73,480
Accounts receivable	2,010	2,222
Derivative financial instruments	21,201	4,313
Honda Trust securitised finance receivables	40,691	38,733
Rambler Trust securitised finance receivables	60,998	206,380
Pantera Trust securitised finance receivables	241,332	252,517
Warehouse Trust securitised finance receivables	294,139	101,828
Non securitised finance receivables	99,468	73,020

Finance receivables credit risk by geographical location:

	2022 $000	2021 $000
Auckland	97,364	88,747
Canterbury	94,105	76,732
Bay of Plenty	86,537	77,958
Waikato	78,378	73,733
South Auckland	74,892	68,935
Wellington/Wairarapa	61,571	58,236
Otago	60,921	57,680
Manawatū/Whanganui	32,174	32,898
Nelson/Marlborough	31,079	27,302
Hawkes Bay	23,197	22,345
Northland	19,663	16,621
Southland	19,322	17,981
Gisborne	19,192	19,712
Mid/South Canterbury	14,462	12,394
Taranaki	12,049	11,084
West Coast	11,722	10,120
Finance receivables by geographical location	**$736,628**	**$672,478**

Finance receivables credit risk by security type:

	2022 $000	2021 $000
Passenger vehicle	308,116	294,790
Commercial vehicle	211,562	177,380
Utes/Trucks/Trailers	99,368	94,679
Motorcycle	38,566	38,206
Marine	23,313	23,325
Caravans	23,426	23,014
Vans/Buses	14,994	16,292
Equipment/Aircraft/Tractors/Machinery	3,649	4,359
Unsecured loan – no security	13,634	433
Finance receivables by security type	**$736,628**	**$672,478**

Note 19: Credit risk *continued...*

Finance receivables credit risk by transacting shareholder:

	2022 $000	2021 $000
0 - $5,000,000	107,335	106,702
$5,000,000 - $10,000,000	129,591	156,090
$10,000,000 - $20,000,000	334,520	302,945
$20,000,000+	165,182	106,741
Finance receivables by transacting shareholder	**$736,628**	**$672,478**

Finance receivables credit risk by individual contract size:

	2022 $000	2021 $000
0 - $5,000	50,895	56,823
$5,001 - $10,000	119,110	126,205
$10,001 - $20,000	211,701	204,064
$20,001 - $30,000	146,140	129,289
$30,001 - $40,000	92,044	70,716
$40,001- $50,000	47,866	38,993
$50,001+	68,872	46,388
Finance receivables by contract size	**$736,628**	**$672,478**

Credit risk

Credit risk is the risk of financial loss to MTF Finance if a transacting shareholder, or counterparty to a financial instrument, fails to meet its contractual obligations. Financial instruments which potentially subject the Group to credit risk principally consist of cash at bank, cash in restricted bank accounts, accounts receivable, finance receivables and derivative financial instruments.

MTF Finance launched a non-recourse product offering in the current period. Credit risk with respect to this product is the risk of financial loss if a customer fails to meet its contractual obligations under an MTF Finance contract.

Management of credit risk

The Directors have overall responsibility for management of credit risk. This responsibility is delegated to the Credit Committee. The Credit Committee reviews credit risks, recommends credit policy and approves certain credit limits in addition to approving any large credit exposures.

The MTF Finance credit and compliance teams perform key credit risk management tasks for both recourse and non-recourse products, including assessing transacting shareholder applications, reviewing transacting shareholder accounts, setting and reviewing facility limits, managing asset quality, detecting transacting shareholder fraud, recovering bad debt and perfecting security interests. MTF Finance undertakes regular independent risk reviews with the Credit Committee ensuring any recommendations arising are investigated and appropriate action taken where necessary. The findings of the credit team are reported fortnightly to the Credit Committee.

Recourse customer loss is for the account of the transacting shareholder. The credit risk assumed by MTF Finance is to the individual transacting shareholder and its capacity to meet any customer shortfall. In the event of default by a transacting shareholder under an MTF Finance contract, MTF Finance has available as security the vehicle, or goods, subject to the contract and a right of action against the defaulting customer and any guarantors. MTF Finance requires each transacting shareholder to indemnify MTF Finance against any default and the indemnity includes the right to forfeit shares, dividends and commission, current and future, of any transacting shareholder in the event that the transacting shareholder fails to meet its obligations under the recourse arrangement. MTF Finance may hold a range of additional credit enhancements against the transacting shareholder including, but not limited to, bank guarantees and personal guarantees.

MTF Finance closely monitors the credit quality, lending limits, performance and financial position of each transacting shareholder to ensure the quality of the business written meets minimum standards and that the transacting shareholder is capable of indemnifying MTF Finance against any potential loss. Transacting shareholders that are unable, or unwilling, to meet the credit and indemnity criteria have their MTF Finance facilities cancelled.

Exposure to credit risk

The credit risk on securitised finance receivables within the MTF Finance securitisation programme is limited to the subordinated notes subscribed to by MTF Finance and the Pantera notes issued to MTF Finance, in support of the credit enhancement of the securitisation programme. The balance of credit risk on MTF Finance securitised finance receivables is assumed by subscribers to the senior notes pursuant to the securitisation programme.

Note 19: Credit risk continued...

Subordinated notes on issue	Effective credit enhancement		Carrying amount	
	2022 %	2021 %	2022 %	2021 %
Rambler Trust	3.74	2.04	2,804	4,800
Pantera Trust	0.54	0.54	1,500	1,500
Warehouse Trust	11.11	15.00	35,518	16,426
			$39,822	**$22,726**

Non-securitised finance receivables under recourse are amounts owing by transacting shareholders and are secured by a specific charge over each asset held under various transacting shareholder loans. Transacting shareholders indemnify loss from default by their customers. For non-securitised finance receivables under non-recourse, MTF Finance incurs the loss from default by its customers.

Concentration of credit risk

The Group has a concentration of credit risk to its transacting shareholders for finance receivables. The position is mitigated by the limited exposure to transacting shareholders relative to the total asset base, the high number of individual loans that comprise the finance receivables and the risk assumed by the holders of senior notes on securitised finance receivables.

The credit risk above must be read in the context of the Group exposure to the securitised finance receivables being limited to the subordinated debt funding provided to the MTF Finance Trusts.

Note 20: Liquidity risk

Financial assets matched against financial liabilities at 30 September 2022 (undiscounted contractual cash flow):

	On demand $000	0 - 6 months $000	6 - 12 months $000	12 - 24 months $000	24 - 60 months $000	Total $000
Monetary assets						
Cash in restricted bank accounts(I)	77,261	-	-	-	-	77,261
Accounts receivable	-	2,010	-	-	-	2,010
Finance receivables	-	153,885	170,647	275,138	273,948	873,618
	77,261	155,895	170,647	275,138	273,948	952,889
Monetary liabilities						
Bank overdraft	456	-	-	-	-	456
Committed cash advance	48,300	-	-	-	-	48,300
Accounts payable and accrued expenses	-	9,300	-	-	-	9,300
Senior notes - secured	-	125,346	89,218	223,418	268,558	706,540
	48,756	134,646	89,218	223,418	268,558	764,596
Net liquidity gap	**$28,505**	**$21,249**	**$81,429**	**$51,720**	**$5,390**	**$188,293**
Net liquidity gap - cumulative	**$28,505**	**$49,754**	**$131,183**	**$182,903**	**$188,296**	

Financial assets matched against financial liabilities at 30 September 2021 (undiscounted contractual cash flow):

	On demand $000	0 - 6 months $000	6 - 12 months $000	12 - 24 months $000	24 - 60 months $000	Total $000
Monetary assets						
Cash in restricted bank accounts [1]	73,480	-	-	-	-	73,480
Accounts receivable	-	2,399	-	-	-	2,399
Finance receivables	-	141,361	166,426	256,323	224,950	789,060
	73,480	143,760	166,426	256,323	224,950	864,939
Monetary liabilities						
Bank overdraft	367	-	-	-	-	367
Committed cash advance	6,200	-	-	-	-	6,200
Accounts payable and accrued expenses	-	9,513	-	-	-	9,513
Senior notes - secured	-	105,408	88,882	152,768	327,799	674,857
	6,567	114,921	88,882	152,768	327,799	690,937
Net liquidity gap	**$66,913**	**$28,839**	**$77,544**	**$103,555**	**($102,849)**	**$174,002**
Net liquidity gap - cumulative	**$66,913**	**$95,752**	**$173,296**	**$276,851**	**$174,002**	

1 Not available for general use

Note 20: Liquidity risk continued...

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting contractual obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient liquid funds to meet its commitments, based on historical and forecast cash flow requirements.

The contractual maturity profile reflects the remaining period to contractual maturity of assets and liabilities at balance date. The finance receivable amount is based on undiscounted contractual cash flow and not based on the fair value amount in the balance sheet. The amounts in the liquidity profile include both interest and principal repayments. MTF Finance has unutilised facilities with its transacting shareholders at balance date; however, as MTF Finance is not contractually obligated to meet the funding obligations related to these facilities they are not included in the liquidity profile.

Liquidity risk management

Liquidity risk is managed primarily through access to the MTF Finance securitisation programme by which finance receivables are sold.

The Warehouse notes issued are subject to a credit rating by Standard and Poor's Rating Services, while Pantera and Rambler notes are subject to a credit rating by Fitch Ratings.

The Senior Warehouse note maturity date is a maximum of 72 months after the expiry date of the facility. The next facility review is 15 March 2024. Senior Pantera and Rambler notes have a maturity date of 96 months after the issue dates of 15 June 2021 and 15 August 2019, respectively. Details of the securitisation programme are contained in Note 10 of these consolidated financial statements.

Other than the MTF Finance securitisation programme, the Group has access to committed credit facilities utilised to fund finance receivables that are not eligible to be securitised.

The Group manages non-securitised assets and liabilities to ensure maturities allow an adequate margin between the requirements to fund non-securitised assets and access to funding.

The Group sets a credit facility limit for each transacting shareholder, based on criteria such as the assessed quality of receivables introduced by the transacting shareholder and the transacting shareholders assessed financial position.

Concentration of funding risk

MTF Finance has concentration of funding risk to the MTF Finance securitisation programme for the future legal sale of finance receivables, which may arise in the event that MTF Finance is unable to meet the terms and conditions of the securitisation programme or in the event the programme is unable to provide a continuous source of funding, for reasons outside the control of MTF Finance. At 30 September 2022, MTF Finance complies with all covenants of the MTF Finance securitisation programme.

Note 21: Market risk

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and price risk.

Market risk management

The objective of market risk management is to control market risk exposure, to achieve optimal returns, while maintaining risk at acceptable levels. An annual review of treasury policy and risk management is performed, with the Directors ensuring that recommendations arising are investigated and actioned where necessary.

A Risk Management Group consisting of the Chief Executive Officer, Deputy CEO, General Counsel, Risk and Compliance Manager, Chief Technology Officer, Credit Manager, Head of Treasury and Funding, and Finance Manager meets regularly to consider all risks facing the group, including balance sheet risk and management, within the framework of Director-approved Treasury Policy.

Interest rate risk

Securitisation programme funding

To economically hedge the fixed rate income from securitised receivables, the Group enters into interest rate swaps to convert the floating rate interest liability on Warehouse, Pantera and Rambler Trust senior notes and Honda Trust loan facility into fixed interest cost.

Actual loss incurred on early termination of a loan agreement is passed to the customer as part of the settlement process.

Other funding

Interest rate risk is managed by generally matching maturities on the non-securitised funding facilities with maturities on the non-securitised finance receivables. Interest rates on funding facilities are set out in Note 10.

Management monitors interest rates on an on-going basis, and from time to time, may lock in fixed rates on the next floating reset using swap contracts when it considers that interest rates will rise. At 30 September 2022, the committed cash advance facility had interest rate maturity of less than 90 days.

The committed cash advance is renegotiated at market rates upon maturity.

Management may economically hedge the perpetual preference share interest rate reset, which occurs annually on 30 September. The effect is to lock in fixed rates on the next rate reset, using swap contracts, when it considers that interest rates may rise.

Note 21: Market risk continued...

Financial assets

Interest rates applicable to finance receivables are fixed for the term of the finance receivables. The weighted average interest rate applicable to finance receivables at 30 September 2022 was 5.92% (2021: 5.40%).

Cash at bank and cash in restricted bank accounts are at call with interest rate maturities of less than 30 days. The weighted average interest rate applicable to cash balances at 30 September 2022 was 3.00% (2021: 0.25%).

Interest rate sensitivity

The sensitivity analysis is based on the exposure to interest rates for both derivative and non-derivative instruments at balance date. A change in interest rates impacts the fair value of fixed rate assets and interest rate swaps. Fair value changes impact profit and loss only where the fixed rate assets are measured at FVTPL.

A 100 bp change (2021: 100 bp) represents the Group's best estimate of a reasonably possible change in interest rates and is considered appropriate for interest rate sensitivity based on historical and current economic forecasts.

Impact on profit (loss) after tax:

	2022 $000	2021 $000
100 bp increase in interest rates (2021: 100 bp)	2	313
100 bp decrease in interest rates (2021: 100 bp)	(4)	696

Impact on equity:

	2022 $000	2021 $000
100 bp increase in interest rates (2021: 100 bp)	2	313
100 bp decrease in interest rates (2021: 100 bp)	(4)	696

Note 22: Capital risk management

Capital structure:

	2022 $000	2021 $000
Ordinary shares	19,494	19,437
Retained earnings	41,168	35,449
Perpetual preference shares	38,966	38,966
Total capital for capital management purposes	**$99,628**	**$93,852**

Capital structure

The Group manages its capital to ensure that it will continue as a going concern, while optimising the return to transacting shareholders through an efficient mix of debt and equity instruments. For purposes of capital management, the capital structure of the Group consists of ordinary shares, retained earnings and perpetual preference shares.

In 2021, the Group purchased shares from non-transacting originators as to better align the interests of originators and shareholders. The last of these transactions was completed in the 2022 year.

20,000 (2021: 3,635,748) ordinary shares were acquired at $2.31 per share.

Covenants

The Group is subject to externally imposed capital requirements through a variety of covenants under banking, securitisation and trustee arrangements. These covenants monitor capital as a percentage of securitised finance receivables, unsecuritised finance receivables, total net tangible assets and total assets, at a Group level.

These covenants are reflected in the Group treasury policy and performance is reported weekly to Management and monthly to the Directors and external funding parties. During the period, the Group complied with all covenants.

Risk management

The Directors are responsible for the Group system of risk management. The Directors regularly monitor the operational and financial risk aspects of the Group and, through the audit committee, consider the recommendations and advice of external advisors.

Note 23: Cash in restricted bank accounts

Cash in restricted bank accounts

Payments received from customers with respect to securitised finance receivables are paid into bank accounts maintained within the securitisation programme and are credited against the applicable securitised receivable account monthly in accordance with the programme payment cycle. Included in cash in restricted bank accounts is liquidity support required for the securitisation programme and cash required under the payment waiver programme.

Note 24: Derivative financial instruments

Policy

The Group enters into various financial instruments for the primary purpose of reducing exposure to fluctuations in interest rates. Derivative financial instruments, consisting of interest rate swap agreements, are classified as held for trading and are used to economically hedge the cash flows of the securitisation funding of finance receivables and perpetual preference share dividends. While these financial instruments are subject to risk that market rates may change subsequent to acquisition, such changes are usually offset by opposite effects on the items being economically hedged.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

Fair value:

	2022	2021
	$000	$000
Interest rate swaps	21,201	4,313
	$21,201	**$4,313**

Interest rate swaps:

	Average contracted interest rate		Notional principal amount		Fair value	
	2022	2021	2022	2021	2022	2021
	%	%	$000	$000	$000	$000
Less than 1 year	2.60	0.91	312,740	260,754	9,040	1,622
1 to 2 years	2.92	0.89	255,425	202,286	7,243	1,362
2 to 3 years	3.27	0.93	135,940	121,035	3,410	890
3 to 4 years	3.70	1.05	59,184	46,940	1,275	361
4 to 5 years	4.21	1.54	14,485	10,107	233	78
			$777,774	**$641,122**	**$21,201**	**$4,313**

Judgements

The fair value of derivative financial instruments is based on discounted cash flow using observable market data. The fair value includes adjusting for counterparty credit risk.

Interest rate swaps

The above table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding at reporting date.

The interest rate swaps have been entered into with trading banks. The Group exposure to credit risk from these financial instruments is limited because it does not expect non-performance of the obligations contained therein due to the credit rating of the financial institutions concerned. The Group does not require collateral or other security to support these financial instruments.

Note 25: Investment in subsidiaries

Policy

Subsidiaries are entities controlled by MTF Finance. MTF Finance controls an entity when it has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Securitisation entities are designed so that their activities are not governed by way of voting rights. In assessing whether the Group has power over such entities, the Group considers factors such as:

- purpose and design of the entity
- ability to direct the relevant activities of the entity
- nature of the relationship with the entity; and
- size of its exposure to the variability of returns of the entity.

MTF Finance reassesses whether it controls an investee if facts and circumstances indicate that there have been changes to one or more elements of control.

Name of entity	Principal activity	Percentage held	
		2022	2021
MTF Leasing Limited	Leasing	100%	100%
MTF Securities Limited	Non-trading	100%	100%
MTFS Holdings Limited	Non-trading	100%	100%
MTF Finance Limited	Non-trading	100%	100%
MTF Direct Limited	Non-trading	100%	100%
MTF Limited	Non-trading	100%	100%
MTF Treasury Limited	Securitisation	100%	100%
MTF Warehouse Trust No.1	Securitisation	-	-
MTF Rambler Trust 2019	Securitisation	-	-
MTF Pantera Trust 2021	Securitisation	-	-
Honda Trust	Securitisation	-	-

Judgements

The Group consolidates the securitisation entities, MTF Warehouse Trust No.1 (Warehouse Trust), MTF Rambler Trust 2019 (Rambler Trust), MTF Pantera Trust 2021 (Pantera Trust) and Honda Trust on its balance sheet.

Management make judgements about MTF Finance's power over the securitisation entities, its exposure to variable returns and its ability to affect those returns by exercising its power.

Subsidiaries

Each subsidiary and controlled entity has a balance date of 30 September and is domiciled in New Zealand.

Note 26: Categories of financial instruments

Policy

Financial assets and derivative financial instruments are classified into one of the following categories at initial recognition:

- financial assets measured at amortised cost
- fair value through profit or loss

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Financial assets measured at amortised cost

Cash at bank and in restricted bank accounts and accounts receivable are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, net of provisions for impairment.

Fair value through profit or loss

The Group measures all finance receivables at FVTPL, as the business model and contractual cash flow characteristics of these assets do not meet the criteria for measurement at amortised cost or fair value through other comprehensive income as per NZ IFRS 9.

The gain or loss on finance receivables measured at FVTPL is recognised in the statement of comprehensive income via the following line items:

- Gross interest income from finance receivables measured at FVTPL – is recognised using the effective interest method excluding origination fees, transaction costs and commissions.
- Commissions – are recognised on an accrual basis in line with the recognition of gross interest income.
- Fees – origination fees are recognised as revenue at the time of initial recognition of the finance receivable in accordance with the provisions of NZ IFRS 9 for financial instruments measured at FVTPL.

- Communication and processing expenses – transaction costs are recognised as expenses at the time of initial recognition of the finance receivable in accordance with the provisions of NZ IFRS 9 for financial instruments measured at FVTPL.
- Bad debts – are recognised at the time when financial receivable balances from originators are known to be unrecoverable.
- Net gain/loss on financial instruments at fair value through profit or loss comprises the remaining net change in fair value of the financial instrument at FVTPL including changes in market and credit risks.

Derivative financial instruments, together with the floating rate funding, is used to manage the interest rate risk inherent in finance receivables. The derivatives are measured at fair value with movement recognised in profit before tax.

Financial liabilities

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

Liabilities are recorded initially at fair value, net of transaction costs. Subsequently, all financial liabilities with the exception of derivative financial liabilities, are measured at amortised cost, with any difference between the initial recognised amount and the redemption value recognised in profit or loss in the consolidated statement of comprehensive income over the period of borrowing, using the effective interest rate method.

Offset financial instruments

The Group offsets financial assets and financial liabilities and reports the net balance in the consolidated balance sheet where there is a legally enforceable right to offset and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. This is not applicable in the current year.

Categorisation of financial instruments at 30 September 2022:

	Financial instruments at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
	$000	$000	$000	$000
Assets				
Cash in restricted bank accounts	-	77,261	-	77,261
Accounts receivable	-	2,010	-	2,010
Finance receivables	736,628	-	-	736,628
Derivative financial instruments (held for trading)	21,201	-	-	21,201
	$757,829	**$79,271**	**-**	**$837,100**
Liabilities				
Bank overdraft	-	-	456	456
Committed cash advance	-	-	48,300	48,300
Accounts payable and accrued expenses	-	-	9,300	9,300
Lease liability	-	-	2,813	2,813
Senior notes - secured	-	-	677,966	677,966
	-	**-**	**$738,835**	**$738,835**

Categorisation of financial instruments at 30 September 2021:

	Financial instruments at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
	$000	$000	$000	$000
Assets				
Cash in restricted bank accounts	-	73,480	-	73,480
Accounts receivable	-	2,399	-	2,399
Finance receivables	672,478	-	-	672,478
Derivative financial instruments (held for trading)	4,313	-	-	4,313
	$676,791	**$75,879**	**-**	**$752,670**
Liabilities				
Bank overdraft	-	-	367	367
Committed cash advance	-	-	6,200	6,200
Accounts payable and accrued expenses	-	-	9,513	9,513
Lease liability	-	-	3,052	3,052
Senior notes - secured	-	-	642,528	642,528
	-	**-**	**$661,660**	**$661,660**

Note 27: Events after balance date

Dividend

On 17 November 2022, the Directors declared a final dividend on paid-up ordinary shares of 1.85 cents per share amounting to $361,538 (fully imputed), for the period 1 October 2021 to 30 September 2022. The dividend is due for payment on 7 December 2022.

Honda funding facility

On 3 November 2022 the Facility Lender of the Facility Agreement agreed to both increase the total commitment limit from $65 million to $70 million and extend the expiry date through to 15 November 2023.

Note 28: Segment information

Policy

NZ IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information reported to the Group chief operating decision maker is presented in consolidated form and is not disaggregated by segment, product or geographical data.

Segments

The Group operates predominantly in one industry, being the sale of finance receivables.

The Group operates in one geographical location, New Zealand.

Note 29: Statement of cash flow

Policy

The consolidated statement of cash flow has been prepared exclusive of GST, consistent with the method used in the consolidated statement of comprehensive income.

Cash and cash equivalents

Cash reflects the balance of cash and liquid assets used in the day-to-day management of the entity.

Netting of cash flows

Certain cash flows are netted to provide more meaningful disclosure. Committed cash advances and senior notes cash flows result from the day-to-day cash management of the Group and involve the rapid turnover of financial instruments or arrangements not exceeding three months. The turnover of these cash flows is netted.

Investing activities are activities involving the acquisition and proceeds from the sale of property, plant and equipment and intangible assets.

Financing activities are activities relating to changes in equity and debt capital structure and activities relating to the cost of servicing equity capital.

Operating activities are the principal revenue activities of the Group and other activities that are not investing or finance activities.

	2022 $000	2021 $000
Reconciliation of profit after tax to net cash flow from operating activities		
Profit after tax	8,366	8,001
Depreciation and amortisation	1,471	1,599
	9,837	**9,600**
Movement in other items		
Decrease/(increase) in accounts receivable	389	(838)
Decrease in payment waiver indemnity prepayment	404	449
(Increase) in finance receivables	(64,150)	(3,151)
Increase/(decrease) in committed cash advance	42,100	(37,000)
Decrease in deferred tax	650	3,621
Decrease in tax receivable/(Increase) in provision for tax	83	(2,932)
(Decrease) in accounts payable and accrued expenses	(213)	(1,879)
Increase in unearned payment waiver fees	244	45
Increase in securitised funding	35,438	59,278
(Increase) in derivative financial assets	(16,888)	(4,313)
(Decrease) in derivative financial liabilities	-	(8,836)
	(1,943)	**4,444**
Movement in working capital items classified as investing or financing activities	7	651
Net cash surplus from operating activities	**$7,901**	**$14,695**

Deloitte.

Independent Auditor's Report

To the Shareholders of Motor Trade Finance Limited

Opinion

We have audited the consolidated financial statements of Motor Trade Finance Limited and its subsidiaries (the 'Group'), which comprise the consolidated balance sheet as at 30 September 2022, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 40 to 91, present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2022, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for the Group in the areas of taxation compliance, the audit of Trust financial statements and risk advisory services. These services have not impaired our independence as auditor of the Company and Group. In addition to this, partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Company or any of its subsidiaries.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $2,400,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Valuation of Finance Receivables

As disclosed in note 12, the Group has finance receivables of $736.6m at 30 September 2022.

The Group measures its finance receivables at fair value through profit or loss.

The Group estimates fair value using an internally developed discounted cash flow (DCF) model. At balance date, the discount rate used in the model reflects the current market interest rate and the weighted average credit margin in the finance receivable contracts (net of commission). The credit margin remains fixed throughout the term of the contract. The change in credit risk is reflected through a credit risk adjustment. The model uses a combination of observable data (market interest rates) and unobservable data (credit risk).

There has been significant judgement required to consider the current year impact of the COVID-19 pandemic alongside forward-looking information to reflect future economic impacts.

Disclosures about the fair value of finance receivables are included in note 13 of the financial statements.

The valuation of finance receivables is a key audit matter due to the size of the balance and the level of judgement applied by the Group in estimating fair value.

Our procedures focused on the appropriateness of the valuation methodology and the reasonableness of the assumptions in the model.

Our procedures included, amongst others:

- Assessing the design and implementation of the controls over the completeness and accuracy of inputs to the model;
- Selecting a sample of finance receivables and:
  - Agreeing inputs (including outstanding principal, interest rate, maturity date, payment frequency and credit margin) to underlying contracts; and
  - Recalculating the contribution of the sample to the weighted average credit margin (net of commission), and testing the mathematical accuracy of the weighted average credit margin (net of commission) calculation used in the model;
- Agreeing market interest rates to independent external market data sources;
- Selecting a sample of finance receivables and utilising an internal valuation specialist to independently calculate the value which reflects current market interest rates (using models and inputs independent of those used by the Group) and the weighted average actual credit margin (net of commission). Where necessary we then investigated variances from the fair value calculated by the Group to assess whether a systemic bias or error exists;
- Assessing the adequacy of the adjustment for credit risk by:
  - Assessing the design and implementation of controls over credit risk;
  - Assessing the internal process for credit monitoring and reviews of transacting shareholder credit quality and performance;
  - Challenging and evaluating the logic of management's credit risk methodology and the key assumptions, with a particular focus on the continuing impact of Covid-19.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Heidi Rautjoki, Partner
for Deloitte Limited
Dunedin, New Zealand
21 November 2022

STATUTORY INFORMATION

Reporting entity

Motor Trade Finance Limited (MTF Finance) is a finance company whose principal activity is the provision of motor vehicle finance facilities to its transacting shareholders.

MTF Finance is incorporated under the Companies Act 1993, with its equity shares held by ordinary and perpetual preference shareholders.

Regulatory environment

The Company is regulated by the Financial Reporting Act 2013. The Company is an issuer for the purposes of the Financial Markets Conduct Act 2013.

The Company is obliged to comply with Financial Reporting (information disclosure) Regulations.

Auditor

Deloitte Limited has continued to act as auditor of the Company and has undertaken the audit of the consolidated financial statements for the 2022 financial year.

Director indemnity and insurance

The Company has arranged policies of Directors and Officers liability insurance that, together with an indemnity provided under the Company constitution, ensures that generally Directors will incur no monetary loss as a result of actions taken by them as Directors. Certain actions are excluded, for example, penalties and fines, which may be imposed in respect of breaches of law.

Information by Directors

There were no notices from Directors requesting the use of Company information received in their capacity as Directors that would not otherwise be available to them.

Donations

The Company made a donation of $500 to Presbyterian Support Otago's Family Works Foodbank during the year.

Director remuneration and shareholdings

Remuneration and benefits paid to Directors:

	2022 $000	2021 $000
Mark Darrow	115,000	86,098
Stephen Higgs [1]	-	20,136
Noel Johnston	60,000	53,000
Geoffrey Kenny	60,000	53,000
Stu Myles	65,000	53,000
Grant Woolford	60,000	53,000
Melanie Templeton [2]	70,000	41,766
	$430,000	**$360,000**

1 Stephen Higgs ceased to be a Director on 18 December 2020.
2 Melanie Templeton was appointed Director on 18 December 2020.

The following entries are recorded in the Director interests register of the Company and its subsidiaries.

Director shareholdings

No Director owns ordinary shares in the Company. Noel Johnston, Geoffrey Kenny, Stu Myles and Grant Woolford are Directors of companies with shareholdings in MTF Finance and all four declared their interest in material matters affecting transacting shareholders of MTF Finance.

Shares held by associated companies of Directors:

	Ordinary shares	%
Noel Johnston	793,899	3.86
Geoffrey Kenny	346,376	1.68
Stu Myles	205,458	1.00
Grant Woolford	63,469	0.31
Total shares held	**1,409,202**	**6.85**
Total shares on issue	**20,570,913**	**100.00**

Director disclosure of interests

Disclosure of interest by Directors

In accordance with Section 140(2) of the Companies Act 1993, the Directors named below have made a general disclosure of interest by notice entered in the Company interest register.

Mark Darrow is also Chair of Invivo & Co, Armstrong Motor Group, Stratford Dairy and TSB Bank, and a Director of Auckland Transport where he chairs the Finance and Audit Committee. He is a member of the Risk & Assurance Committee of Inland Revenue.

Melanie Templeton is a Director of Xerra Earth Observation Institute Limited, Holmes Group Trustee Limited, TSB Bank and Booster Investment Management Limited. She is also a member of the Audit & Risk Committee of Inland Revenue.

Noel Johnston is a Director of Noel Johnston Limited, Johnston Hall Limited, Johnston Bentley Limited and Direct 2 U Cars Limited.

Geoffrey Kenny is a Director of Geoff Kenny Limited and GBK Developments Limited.

Stu Myles is a Director of Myles and Fairhall Limited and Two Dog Investments Limited, and the Chair of Nova Trust.

Grant Woolford is a Director of Motorcycle Spot Limited, Motorcycles North Limited, 4Sale Group Limited, MTA Group Investments Limited, Motor Trade Association Incorporated and Garage Café Limited.

Shareholding

Twenty largest ordinary shareholders at 30 September 2022:

Shareholder rank and name		Holding	% Total ordinary shares
1	Motor Trade Finance Limited	1,076,620	5.23
2	Honda New Zealand Limited	906,623	4.41
3	Douglas Rushbrooke Limited	739,503	3.59
4	Cheryl Renouf Limited	504,839	2.45
5	Paul A Robinson Limited	448,887	2.18
6	Troy Lister Limited	402,652	1.96
7	Noel Johnston Limited	386,654	1.88
8	Hamilton Parker Limited	352,354	1.71
9	Geoff Kenny Limited	346,376	1.68
10	Hansen And Scott Limited	333,655	1.62
11	Mark And Joy Diggelmann Limited	319,825	1.55
12	Tony Gow Limited	318,039	1.55
13	Ferguson Robertson Limited	282,335	1.37
14	Johnston Hall Limited	273,974	1.33
15	Neil Wolfgram Limited	271,707	1.32
16	Collier Sendall Limited	268,961	1.31
17	John Davidson Limited	267,389	1.30
18	Bill & Tim Hintz Limited	241,467	1.17
19	Patterson & Patterson Limited	238,691	1.16
20	Myles & Fairhall Limited	205,458	1.00
	Other shareholders	12,384,904	60.23
Total shares on issue		**20,570,913**	**100.00**

Employee remuneration

The table below shows the number of employees and former employees who, in their capacity as employees, received remuneration and other benefits during the year ended 30 September 2022 totalling at least $100,000. This remuneration includes termination payments but excludes any long-term incentives that have not been triggered.

Range	Number of employees 2022	2021
$100,000 - $109,999	5	8
$110,000 - $119,999	9	8
$120,000 - $129,999	5	3
$130,000 - $139,999	4	3
$140,000 - $149,999	4	3
$150,000 - $159,999	3	3
$160,000 - $169,999	3	1
$170,000 - $179,999	-	1
$180,000 - $189,999	2	-
$190,000 - $199,999	-	1
$200,000 - $209,999	2	1
$210,000 - $219,999	1	-
$220,000 - $229,999	-	1
$230,000 - $239,999	-	1
$330,000 - $339,999	-	1
$360,000 - $369,999	1	-
$500,000 +	1	1
	40	**36**

No remuneration is paid by subsidiaries.

DIRECTORY

Directors

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

Management

Chris Lamers (Chief Executive Officer)
Kyle Cameron (Deputy CEO)
Brent Dunshea (National Franchise Manager)
Angus Geary (Head of Marketing)
Yoel George (Head of Product)
Hayley Guest (General Counsel, Risk and Compliance Manager)
Jane Stumbles (Head of People and Culture)
Dan Wilkinson (Chief Technology Officer)

Perpetual preference share registrar

Computershare Investor Services Limited
+ 64 9 488 8777
enquiry@computershare.co.nz

Ordinary share registrar

Computershare Investor Services Limited
+ 64 9 488 8777
enquiry@computershare.co.nz

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

Deloitte Limited

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