TOITŪ CARBON REDUCE
ISO 14064-1 ORGANISATION

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2024

mtf
Your local money experts

KN

KangaNews New Zealand Securitisation Deal of the Year Award

Gross receivables

1.1b

10% year on year

Reduction in Gender Pay Gap

16%

year on year

Total customers

12%

year on year

Net Promoter Score

80

2024 Reader's Digest Most Trusted Car Loan Provider

Growth in website visits

18%

year on year

Franchises

54

9% **Growth in website leads**

year on year

Trustpilot rating

Trustpilot

4.9/5

13,000+ reviews

Average speed of answer National Office phone calls

28s

Public securitisation

25% on previous term deal

$350m

BOARD CHAIR'S OVERVIEW

In presenting MTF's Annual Report for FY24 on behalf of your Board of Directors, the results show the continued strength of our unique business model. If FY23 showed the potential of the business with a tailwind, FY24 showed the strength of the business in a headwind. The business delivered another year of growth in what was clearly a difficult economic environment.

The key elements that reflect the performance are:

- After reaching $1 billion in lending assets in 2023, receivables grew a further 10 percent, and finished the year at over $1.1b with total assets of over $1.2b .
- The company measures profitability through Underlying Profit after Tax (UPAT) as a more reliable measure of performance as it removes out fair value movements. In 2024 this was $9.6m compared to $11.3m the previous year.
- The net asset backing per share is $3.37 – showing our balance sheet strength.
- The Board approved total dividends of 17.41 cents per share for the period, in recognition of the company's continued strong performance.
- We distributed a total of $91.6m in commissions and fees to originators during the year, an increase of over 7% from the previous year and the highest return to date for originators.
- Customer growth was strong, reaching 71,000 customers, up from 63,500 the previous year, representing year on year growth of over 12 percent.
- We have continued with the Future Directors programme, and have now had six originators through the programme. It is great to see their enthusiasm and learnings taken, and we have committed to the programme for another year.

The national office team have worked incredibly hard in a year where the strategic plan was again executed with energy and skill, and we thank the whole team for their years' effort.

The business transformation programme is making good progress, and we are on track to deliver significant improvements over the coming 12-18 months. Transformations are difficult programmes to deliver, and to date the team are making good progress.

This year saw our first full year of operation owning The Lending People. The direct channel has not performed to expectations, but a core reason we purchased the business was the technology platform, which is forming the core of the our enhanced transformation systems. MTF has written down a portion of the brand value on the balance sheet due to under-performance. We remain focussed on growing volumes through this channel, in particular focussed on digital first consumers who we are not reaching in other channels.

As we progress through FY25, the Board will be spending time refreshing the strategic plan. In a rapidly changing world, driven by regulation, societal changes, geo-political movements, competitor activity and perhaps most of all, technology developments, the Board will be ensuring MTF remains well positioned to continue on its mission to become New Zealand's most successful lender, by making lending all about people again.

I would like to thank my Board colleagues who have worked constructively and tirelessly governing and directing the business through a challenging year while planning for the future. The Board continue to take a long term view of the MTF business to preserve and grow shareholder value. We continued to invest in the business when many competitors retreated - this has positioned the business well going into what we believe is a strengthening economy.

This Annual Report provides an opportunity to reflect the 54th year of MTF's journey, and we believe we have come a long way in recent years, executing on an ambitious plan. This paradigm shift in scale and capability sets us up well for future success.

Mark Darrow
Board Chair

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REPORT FROM THE CEO

Characterising FY24 as a game of two halves may be clichéd, but is surprisingly accurate.

Until mid-March the business continued its exponential growth from FY23, however with the market seeing a fall in car sales, and a drop in auto credit applications of 22 percent, MTF's growth slowed.

However context is critical – FY24 saw the second highest volume of new loans written, and the receivable book grew 10 percent. Arrears remained at industry lows, with arrears 31 days plus below one percent.

On behalf of shareholders, the MTF Board take a long-term view of the business. This provides Management with the ability to not have to react to every market movement, but rather take a considered response to changing trends, demographics and technology. This was evident this year, when, despite a difficult economy, investment in technology and marketing were increased.

MTF is now in its second year of a three-year business transformation programme, which will result in the team replacing or rebuilding many aspects of our technology platform. This will create efficiencies across originators, allow new products to be developed more quickly and existing products to be changed, and give customers more choice of how they interact with us. It will also ensure the systems are able to manage the continued growth of volume and customer numbers. What it won't change is MTF's focus on people, and our commitment to bricks and mortar stores.

In marketing, we have spent much of the year undertaking extensive market research and using this to develop an evolved brand position. We are committed to MTF, and the core elements of this brand, but the research clearly shows an untapped opportunity that MTF is uniquely positioned to take.

As most finance organisations focus on cost reduction through digital channels and automated credit decisions, we know that our originators who live and work in the same community they serve, are able to make a more nuanced decision. They see our customers as a person, not just a number. To put it in the words of one research participant, "you see me because you are like me". Our owner/operators go to the same supermarkets, live in the same street, are members of the local footy club and have the same challenges and joys that most New Zealanders do. This allows us to offer ultra personalised service that no one else can. If a customer needs help, they can call one of our owner/operators on their mobile phone. There isn't another finance company in New Zealand that has this model.

As we move into 2025, which we expect to be a stronger economic landscape, the national office team will focus on delivering the business transformation to set the business up for the next phase of growth, improving the performance of the Lending People, and rolling out the refreshed brand.

We expect the regulatory landscape to continue to change, with significant change occurring in 2024 that saw CCCFA changes, AML changes, FMA appointed as the new regulator and other changes proposed. This has required a degree of agility from the team, and we are expecting the pace of the regulatory change to continue. In the UK and Australia we have seen the implementation of a number of changes that are making it harder for customers to get credit, and we are pleased to see New Zealand currently taking a more practical approach.

However, the ability for MTF to deliver on its purpose will be dependent on our team. The collaboration between our originators, the national office and the Board has been key to the progress made over the past 12 months. And it is the strength of this collaboration that gives me confidence that FY25 will be a strong year for shareholders, our team and, most importantly, our customers.

Thank you to our Board who give so much time to support the business, and everyone else for the belief you have in MTF.

Chris Lamers

Chris Lamers
Chief Executive Officer

SUPPORTING OUR COMMUNITIES

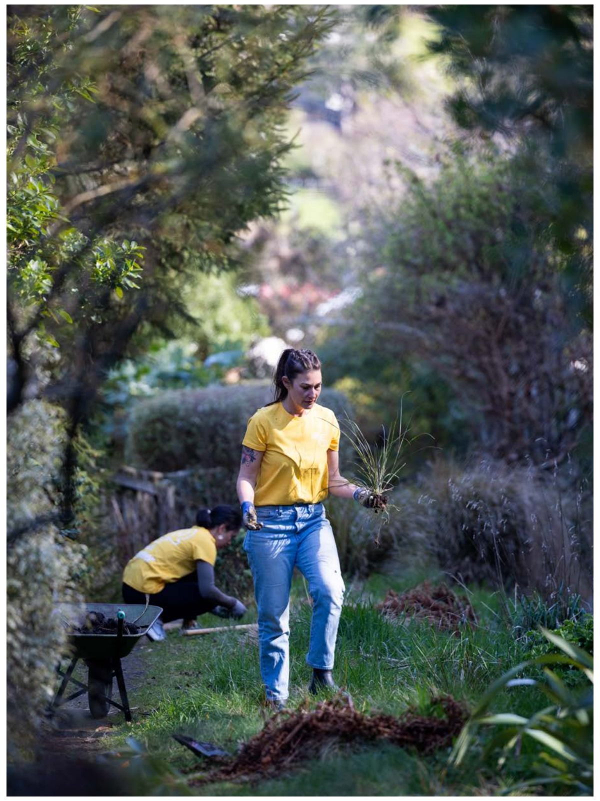
Out For Good – Volunteer Day

MTF is proud to announce the success of its annual 'Out For Good' Volunteer Day, where staff from the National Office stepped away from their desks to make a positive impact in the local community.

The initiative saw team members taking part in various hands-on activities, including car washing, gardening, sorting donations at Op Shops, and even brewing coffee for residents at retirement villages.

The day was filled with enthusiasm and a shared sense of purpose as MTF employees worked alongside community members to support local organisations and individuals. This event is part of MTF 's ongoing commitment to social responsibility and community engagement. Over the course of the day, MTF staff contributed approximately 177 hours of service, showing their commitment to the community.

The 'Out For Good' Volunteer Day shows MTF's dedication to fostering strong, positive relationships within the community. By engaging in volunteer activities, the company aims to create lasting impacts that resonate beyond just financial services.



The Tauranga Moana Community Chest

Like many other MTF franchise locations, the MTF Fraser Street team deals with various requests for sponsorship and funding from community groups throughout the year. After a spontaneous encounter with a very worthy cause in 2023, owner Lauren Silkstone decided to give back to the Tauranga Moana community in a big way.

Customers and the Tauranga general public are encouraged to nominate groups in the area to receive a funding boost from MTF Fraser Street, with many local causes benefiting from a cash injection. From rugby teams to school holiday programmes, 'new-mum' groups and the regional coastguard, Lauren's team has returned $22,000 to the locals who are out there making others' lives better.

(left to right) Lauren Silkstone, Rachael Grimstrup, Tasha Harvey and Justine Adams – the team at MTF Fraser Street

I Am Hope

The MTF Howick Pakuranga team are passionate supporters of the I Am Hope Foundation, a charity that promotes positive societal change around mental health and provides hope and a voice to young people.

For every loan written through their Elite Network affiliation, they put $200 in a fund held by I Am Hope. Later this year, they'll use those funds to bring local school initiatives to life.

Partnerships such as these play a pivotal role in providing essential support and resources to areas in need. Glen Archer, MTF Howick Pakuranga owner's, unwavering commitment to and endorsement of I Am Hope is commendable. His integrity and ethical conduct serve as invaluable assets to our mission.

Richie Barnett from I Am Hope with Glen Archer from MTF Howick Pakuranga

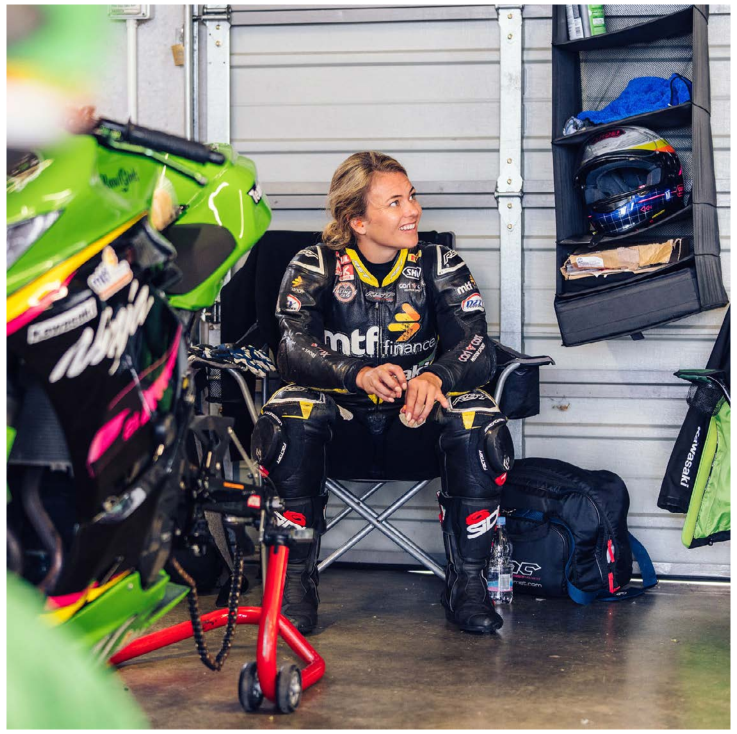
Avalon Biddle Sponsorship

MTF franchises and National Office rallied together to support Kiwi motorcycle legend, Avalon Biddle, as she returned to the global stage. Biddle competed at Round Four of the 2024 Women's World Circuit Racing Championship in Italy.

Avalon was thrilled to have the opportunity to compete, receiving full support from many former top-level competitors, including ex-World Superbike racer, Aaron Slight.

"I was incredibly excited to be competing in the World Women's Motorcycling Championship," Biddle said. "Italy holds a special place in my heart, and I was so grateful to my supporters and family who rallied around and made this event possible."

As she geared up for the event, Biddle diligently worked on and off the track to ultimately lead her to finish in 5th place overall.



RECOGNISING EXCELLENCE

2024 Reader's Digest Most Trusted Car Loan Provider Award

This year, we celebrated a significant accolade that underscores our position as New Zealand's most trusted vehicle finance company. We have been honored with the 2024 Reader's Digest Most Trusted Car Loan Provider Award, a testament to our dedication and service. This recognition is particularly meaningful as it reflects the voices and votes of those who matter most to us - our customers.

"We're stoked that New Zealanders have voted MTF the most trusted vehicle finance company. It's great recognition of the exceptional customer service provided by our franchises and dealer partners," says MTF CEO, Chris Lamers.

Our commitment to thorough research, transparent processes, and delivering top-notch service has resonated well, mirroring the trust and confidence the community has bestowed upon us.

INFINZ Awards finalist

MTF is delighted to be named as a 2024 Insitute of Finance Professionals New Zealand Awards finalist in the Excellence in Treasury category.

In the 2023 financial year, MTF experienced 32% growth in finance receivables. This level of growth, along with the introduction of new products necessitated operational innovations while alternative funding structures were being established.

The MTF Treasury team established two new transactions and restructured another, along with re-negotiating and extending a corporate bank facility. This significantly improved capital efficiency, return on equity and ensures that MTF has the funding in place for growth in the years ahead.

Equality and diversity

Management continues to focus on pay equity across the business. Strategic Pay job evaluation methodology and data is applied to analyse and benchmark their data across the business and against the general market. At the end of September 2024, MTF had reduced our gender pay gap to 2% (fixed remuneration, general staff). Embedding DEI practices into the business continues to be a strategic focus. MTF is a member of Diversity Works, we have updated our parental leave policy and published this on the New Zealand Parental Leave register (Go Crayon). We're also a member of Mind the Gap.

Recruitment and capability

As we continue to position the business for the future, we are lifting capability through recruitment. In the year ending 30 September 2024, we welcomed 30 new staff. MTF's average staff tenure is 5.4 years, (female 5.7 male 5.2). Of the nine Senior leaders, five are female.

Investing in capability through developing our people is also an important component of our transformation strategy. We have a number of our team completing formal qualifications, and this year our People team worked with PWC to develop our own Tomorrow's Leaders programme. A selection of current people leaders and staff who have aspirations of leadership were included in the first cohort. Two of the senior leadership team were amongst the 12 participants who completed the programme.

Learning and development

We also continue to develop and provide impactful and effective learning and training across our network. With a network of around 700 front line staff, the National Office team is developing digital assets to enable on-demand and scalable offerings which learners can access in their own time.

In-person learning and support remains key to our learning and development strategy, with franchise and dealership owners regularly attending onsite learning programmes for moments that matter. This includes an onboarding programme for new business owners at National Office as well as our team supporting them onsite when they start operating in their own premises.

Staff participation in our two engagement surveys sits at 95% and 100%, and overall staff engagement scores of over 70% have been maintained during significant change.

FINANCIAL SUMMARY

For the year ended 30 September 2024	2024 $m	2023 $m
Operating result		
New loans	821.5	846.4
Profit after tax	5.2	11.6
Underlying profit after tax [1]	**9.6**	**11.3**
Total assets	1,228.0	1,096.8
Total paid to originators	91.6	85.5
Performance indicators		
Net interest income/average finance receivables	2.7%	3.2%
Expenses/average total assets [2]	2.8%	3.1%
Impaired asset expense/average finance receivables	0.05%	0.04%
Credit risk allowance/average finance receivables	0.38%	0.44%
Capital percentage	8.81%	9.87%
Shareholder value (per ordinary share)		
Adjusted net asset backing [3]	$3.37	$3.40
Underlying profit after tax [4]	$0.35	$0.45
Total dividends for the year (net)	$0.1741	$0.2690

1 Underlying profit after tax (UPAT) removes the volatility of unrealised fair value movements, adjustment to credit risk assessment and brand impairment, 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.

	2024 $000	2023 $000
Profit after tax	5,211	11,555
Adjustments:		
Finance receivables at fair value (Note 12)	(29,437)	(6,300)
Adjustment to credit risk assessment	242	(88)
Interest rate swap derivatives at fair value (Note 7)	34,250	6,025
Brand impairment	990	-
Total adjustments before tax	6,045	(363)
Tax on adjustments	(1,693)	102
Underlying profit after tax (UPAT)	$9,563	$11,294

FINANCIAL PERFORMANCE

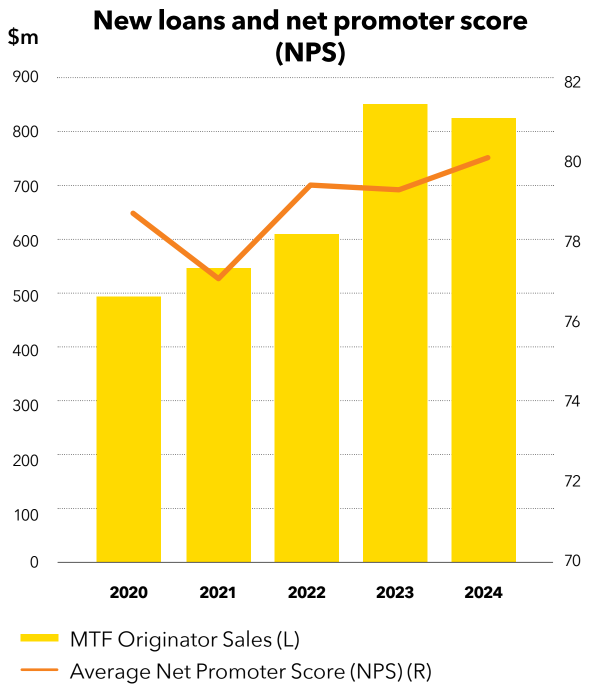
FY24 was, across most metrics, the second best year in MTF history. Receivables were up 10 percent, however higher interest rates and a slower economy saw new loan volumes drop 3 percent to $822m. Key metrics were:

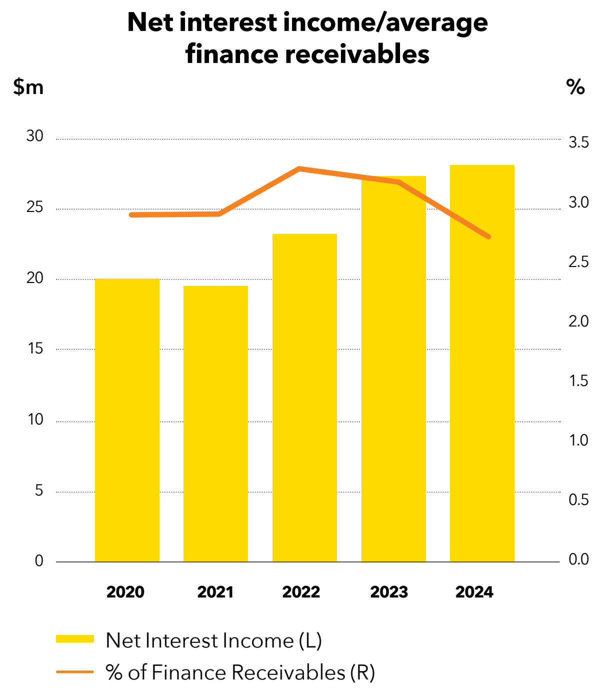
- Underlying profit after tax of $9.6m being the second best in MTF history
- Total originator earnings have increased 7% to a record $91.6m
- Arrears of 1% (31+ days) continue to be market leading
- Net Promotor Score consistently above 75 for the full year

The combination of strong sales growth and well-managed operating expense has allowed us to hold interest rates as low as possible for customers as well as deliver record returns to originators.

The result is particularly pleasing due to the challenging economic conditions experienced during the period, notably the regular increases to wholesale interest rates and persistent inflation, squeezing margins.

We were also able to continue our investment in business transformation, national brand marketing and the development of our non-recourse product, which will collectively deliver long term value to all stakeholders.





Originator earnings

$91.6m

increase of 7% from $85.4m in 2023

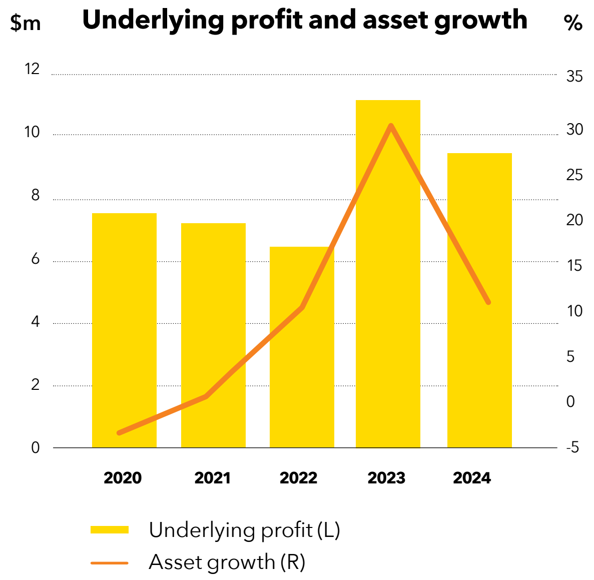
FINANCIAL POSITION AND LIQUIDITY

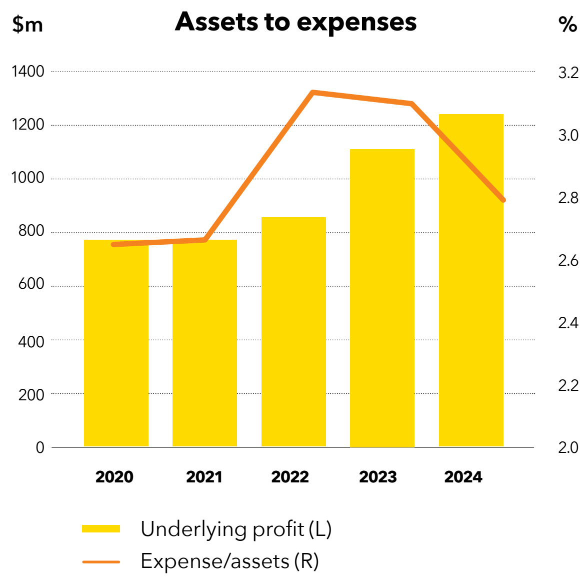
Our funding facilities remain well supported by existing banks. At year end, there was $203m of undrawn capacity across two securitisation warehouses and the corporate facility.

Fuelled by receivables growth in the 2023 calendar year, we completed our eighth and largest public term securitisation in March. MTF Navarro Trust issued $350m medium term notes to institutional investors and was well supported by repeat and new investors.

MTF remains well capitalised with excess capacity available to support growth and subscription to additional subordinated notes issued by funding Trusts.

We intend to return to market mid 2025, subject to market conditions. The success of our capital markets programme has been a key contributor to keeping our funding as efficient as possible, managing our capital and providing liquidity. We look forward to engaging with investors in the coming months.





CREDIT QUALITY

At the end of the financial year, 31+ day arrears stood at 1% (2023: 0.73%). This continues to trend at pre-covid levels and is due to the focus on customer relationships. As the economy has worsened, MTF originators have invested more time in supporting customers and understanding how rising costs impacted their financial strength.

The ability to be flexible with our customers and the strength of our payment waiver product have been the key reasons arrears performance remains well below industry averages. We continue to be well provisioned to accommodate any deterioration in credit performance of our loan book.

OUR SHAREHOLDERS

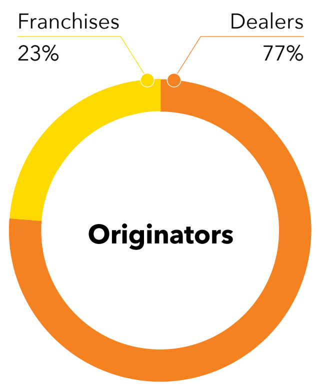
The Board and Management have continued to lift the focus on shareholder engagement, with the following outcomes:

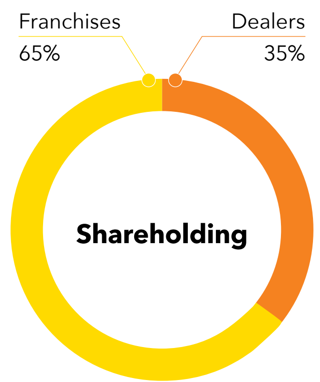
- A constitution review, led by Deputy Chair Stu Myles, was approved at the Special General Meeting in October. This change modernised and simplified the constitution, while also creating more clarity around non-originating shareholders, the ability for the Board to appoint a Director if a specific skill set is required, and aligning voting and ownership limits.
- Return on ordinary equity, using underlying profit after tax, was 10.3%, slightly down from the high of 13.4% for the same period last year, attributable to a more challenging operating environment in the second half of the period, with a reduction in the rate of sales growth recently experienced.
- We held a Shareholder Roadshow in late November. This was another great opportunity for us to communicate to shareholders the performance of MTF, and the future focus, as well as a chance for shareholders to provide direct feedback and address any questions they had.
- This year the Board continued to hold meetings across New Zealand, with meetings held in Dunedin, Auckland, Hamilton and Wellington.
- Perpetual preference share dividends totalling $2.4m (30 September 2023: $2.0m) were paid for the period. The dividend rate is set annually at 2.40% over the one-year swap rate, and was reset at 8.33% (2023: 7.05%) on 1 October 2023, for the twelve months to 30 September 2024.

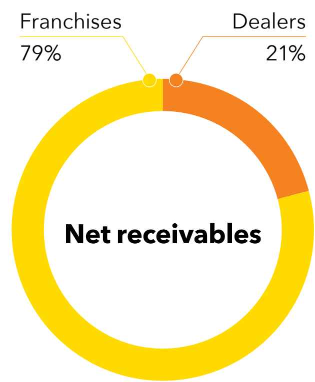
On 28 November 2024, the Board approved a final dividend of 13.24 cents per ordinary share, for payment 9 December 2024. Total distribution relevant to the period will be 17.41 cents or $3.6m (2023: $5.3m).

A reminder to all shareholders that a dividend reinvestment plan (DRP) is in place at MTF, allowing shareholders the ability to convert their dividends into additional shares. Shareholders are encouraged to participate. Further information on the DRP can be found at www.mtf.co.nz/about/investors/.

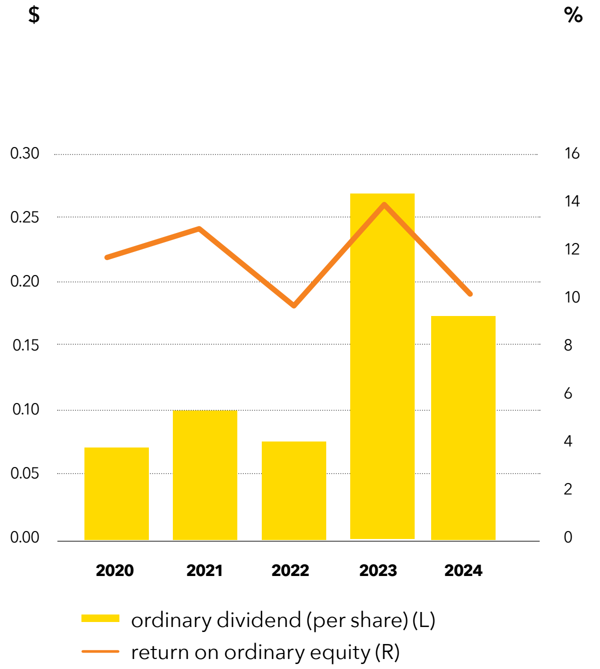
The Future Directors Programme launched in 2023 has been a great success, with three candidates within the network having the opportunity to observe board dynamics under the mentorship of the existing Board, developing a director skillset within our shareholder base for the future. The second round of this programme occurred in FY24 and we were delighted to have Chris Elles, Dean Paterson and Simon Wolfgram serve terms over the year (Dean Paterson's term will continue into FY25). The programme will continue in 2025 and we will be calling for applicants shortly.



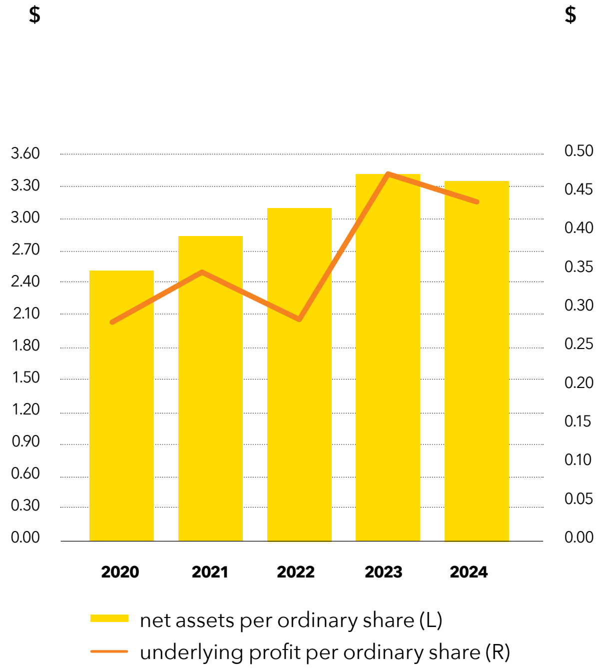




Ordinary dividend and return on ordinary equity



Net asset backing per ordinary share



OUR ORIGINATORS

Total income received by originators from MTF has increased 7% to $91.6m.

Our franchise network continued to expand, with the addition of a second franchise in Hamilton (Te Rapa), Howick/Pakuranga and Albany to bring the network to 54 locations.

Dealers have grown by 8% across recourse and non-recourse and we have expanded the OEM (Direct auto-manufacturer relationships such as Honda), relationships this year, adding new brands to this channel.

We firmly believe the combined franchise and dealer network underpins our ability to offer customers community lending and great personal service. The focus on bricks and mortar presence in communities will remain our core.

However we have added to this with an investment in The Lending People, which has created a digital channel that reaches a new market, while also supporting existing channels. The national office team are also exploring the potential of sector specific franchises, specialising in specific types of lending, on a recourse basis.

As always, the Board and the management team are aware that the strong performance of MTF is due to the strength of the origination network. The relentless focus on great customer outcomes and service underpins our brand promise and continues to set MTF apart.

The customer service our originators think of as normal, other companies struggle to even do. It is amazing to see first hand the work undertaken by franchises and dealers, the care taken in understanding and supporting customers, and deep skills all of our front line team have. Thank you for the work you do everyday.

OUR PEOPLE

Investing in our people is critical to the success of the business. We have seen franchises increase front line staff numbers by 8 percent. To support this growth, new training and people management systems have been implemented, new capability introduced, in particular a significant focus on product development and technical skills. This primarily is supporting the delivery of the business transformation programme.

In addition, Zoe Anderson was appointed to the role of Chief Credit Officer. Zoe has extensive experience in credit, particularly in auto and personal lending.

The focus on lifting capability has led to a year of change. The commitment to robust recruitment and onboarding processes has made considerable improvements, with a significant increase in the number of people applying for each role, and both the hiring experience and onboarding satisfaction scores sitting above 85%. In addition, the overall team engagement score remains strong, lifting by 4% to 76%, with participation rates sitting over 95%.

OUTLOOK

As mentioned, the Board and Shareholders take a long-term approach to MTF, with the aim of creating value over decades, not just quarter to quarter.

We remain confident that the MTF model offers a unique proposition. In particular it is well placed to leverage key trends, including:

- The changing demographic of New Zealand
- The commoditisation of banking experiences, which according to MTF research is creating a transactional relationship between banks and customers
- Continued growth in share held by non-bank lenders, with 1.7m New Zealanders having a relationship with finance companies outside of banks
- The rise of artificial intelligence and globalisation in the finance sector
- A generational change, and the unique financial challenges and attitudes to money that Gen Z and A have, and how these differ to millennials and older generations.

Given this, the Board and management team's focus on creating a more scalable, resilient and agile organisation is critical to leveraging, and responding to, these significant sea changes in New Zealand and the world.

While MTF will release new products and create new ways to support our customers, the focus will remain on our unique community-based lending model. The intense focus on our customers, understanding their needs and making sure they can achieve their goals, is in our DNA. It's not just a brand or service promise, it is the way we think and act every day. While many organisations say this is how they operate, our research has shown that it is still what sets MTF apart. We will continue to offer hyper-personalised service to all of our customers and business partners.

And it's this relentless focus across the whole organisation, that gives us such confidence that the next 50 years will be as strong for MTF, as the last 54.

Mark Darrow
Board Chair

Chris Lamers
Chief Executive Officer

FIVE YEAR FINANCIAL REVIEW

	2024 $000	2023 $000	2022 $000	2021 $000	2020 $000
Financial performance					
Net interest income and fees	46,507	45,822	34,765	31,123	31,678
Commission	(59,318)	(51,911)	(43,696)	(45,371)	(42,718)
Operating expenses (excluding bad debt)	(32,286)	(30,017)	(25,140)	(20,371)	(20,796)
Bad debt	(535)	(333)	(204)	(127)	(265)
Profit after tax	5,211	11,555	8,366	8,001	4,960
Underlying profit after tax [1]	**9,563**	**11,294**	**6,608**	**7,449**	**7,503**
Financial position					
Assets	1,227,960	1,096,767	845,198	761,354	753,809
Liabilities	1,119,749	988,570	745,570	667,503	656,327
Capital	108,211	108,197	99,628	93,852	97,482
Finance receivables	1,116,165	990,451	736,628	672,478	669,328
Performance indicators					
Net interest income/average finance receivables	2.66%	3.16%	3.30%	2.92%	2.90%
Operating expenses (excluding bad debt)/average total assets	2.78%	3.09%	3.12%	2.67%	2.65%
Return on assets (underlying profit after tax)	0.82%	1.16%	0.82%	0.98%	0.98%
Capital percentage	8.81%	9.87%	11.79%	12.33%	12.93%

1 Underlying profit after tax (UPAT) removes the volatility of unrealised fair value movements, adjustment to credit risk assessment and brand impairment, to provide a more consistent measure of company performance..

GOVERNANCE

Framework

The MTF 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 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 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 and one another, recognising that behaviours demonstrated by the Board influence the behaviour and culture of the entire organisation.

MTF has adopted this code as a basis for the behaviour it expects of Directors. It is aligned with the MTF 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 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 89 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 is undertaken by the senior leadership 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 '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 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 has six Directors, comprising two independent Directors and four Shareholder Directors. The Shareholder Directors are elected by Shareholders. Independent Directors are appointed by the Shareholder Directors 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 website. Directors' interests are disclosed on page 90 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

This programme commenced 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 gives the opportunity for appointed candidates to observe board dynamics under the mentorship of the existing board. MTF is committed to developing new directors from within the shareholder base. Five Future Directors have successfully completed the programme, with the sixth currently on placement.

Diversity

MTF 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 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 2024, the gender balance of Directors and Senior Management was as follows:

	2024		2023	
	Male	**Female**	**Male**	**Female**
Directors	5	1	5	1
Senior Management	4	5	4	4

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 2024. The Board held 11 meetings during the year.

	2024
Mark Darrow	11
Noel Johnston	11
Geoffrey Kenny	11
Stu Myles	11
Melanie Templeton	11
Grant Woolford	11

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 four standing Committees, being the Audit and Risk Committee, the Credit Committee, the Nominations Committee and the Remuneration 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 and may delegate powers to a Committee.

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 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 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, 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 2024 were Mel Templeton (Chair), Geoff Kenny and Grant Woolford. It met 10 times during the financial year.

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 2024 were Stu Myles (Chair), Noel Johnston and Geoff Kenny. It met 11 times during the financial year.

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 2024 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 wider senior leadership team, annually.

The Remuneration Committee members as at 30 September 2024 were Mark Darrow (Chair), Stu Myles and Grant Woolford. It met 4 times during the financial year.

Committee meeting attendance

	Audit and Risk		Credit		Remuneration	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mark Darrow					4	4
Noel Johnston			11	11		
Geoffrey Kenny	10	9	11	10		
Stu Myles			11	11	4	4
Mel Templeton	10	10				
Grant Woolford	10	9			4	4

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 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 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 2024, 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 financial reports present a true and fair view in all material aspects.

MTF'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 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 for all Directors were last approved by Shareholders at the Annual Shareholder Meeting in March 2023. The Board Deputy Chair role was filled in December 2022, with remuneration for this role approved by Shareholders at the AGM in March 2024. Directors chose not the seek any further increase in FY24 and will conduct a bi-annual review in FY25. Director fees for MTF 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	$124,000
Board Deputy Chair	$84,500
Director	$65,000
Committee Chairs	$8,000 per chair position

Details of individual Directors' remuneration are detailed on page 89 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 short- and long-term 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 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. 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.

Health and safety

The Board recognises the need to provide employees with a safe and healthy workplace. MTF 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 has overall responsibility for the effective management of health and safety. MTF has a Health and Safety Policy which is monitored and implemented by the Health and Safety 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'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 2024, Deloitte Limited was the external auditor for MTF. Deloitte Limited were automatically re-appointed under the Companies Act 1993 at the 2023 MTF Annual Shareholder Meeting. Deloitte Limited are subject to regular partner rotations and cool off periods.

All audit work at MTF 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.

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 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's Constitution, MTF refers major decisions which may change the nature of MTF 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 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 continued to actively hold originator 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.

During the year the Board consulted with shareholders on updating the Company Constitution to ensure to ensure that it aligns with commercial and structural developments of the Company over time, and to make it fit for purpose for present and future business plans. A Special Meeting of shareholders was held on 15 October 2024, with the amended Constitution being overwhelmingly approved by shareholders by way of special resolution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2024	Note	2024 $000	2023 $000
Gross interest income from finance receivables	2	148,110	113,298
Commission	3	(59,318)	(51,911)
Net interest income from finance receivables		**88,792**	**61,387**
Interest income from assets measured at amortised cost	4	8,507	5,191
Interest expense	5	(69,291)	(39,331)
Net interest income		**28,008**	**27,247**
Payment waiver		5,877	4,780
Fees		10,926	10,425
Brokerage		1,696	3,370
Net interest income and fees		**46,507**	**45,822**
Expenses			
Employee		(12,447)	(12,542)
Communication and processing		(11,198)	(9,160)
Depreciation and amortisation		(1,894)	(1,809)
Administration		(6,747)	(6,506)
Impairment of assets	16	(990)	-
Bad debt		(535)	(333)
	6	(33,811)	(30,350)
Profit before net gain (loss) from financial instruments at fair value		**12,696**	**15,472**
Net gain (loss) from financial instruments at fair value	7	(4,801)	532
Profit before tax		**7,895**	**16,004**
Tax	8	(2,684)	(4,449)
Profit after tax		**5,211**	**11,555**
Other comprehensive income		-	-
Total comprehensive income		**$5,211**	**$11,555**

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 2024	Note	Ordinary shares $000	Retained earnings $000	Perpetual preference shares $000	Total equity $000
Year ended 30 September 2024					
Balance at 1 October 2023		20,386	48,845	38,966	108,197
Total comprehensive income for the year:					
Profit after tax		-	5,211	-	5,211
Total comprehensive income for the year		-	5,211	-	5,211
Transactions with shareholders:					
Ordinary share dividends	9	-	(4,787)	-	(4,787)
Perpetual preference share dividends	9	-	(2,399)	-	(2,399)
Shares issued	9	1,989	-	-	1,989
Total transactions with shareholders		1,989	(7,186)	-	(5,197)
Balance at 30 September 2024		**$22,375**	**$46,870**	**$38,966**	**$108,211**
Year ended 30 September 2023					
Balance at 1 October 2022		19,494	41,168	38,966	99,628
Total comprehensive income for the year:					
Profit after tax		-	11,555	-	11,555
Total comprehensive income for the year		-	11,555	-	11,555
Transactions with shareholders:					
Ordinary share dividends	9	-	(1,744)	-	(1,744)
Perpetual preference share dividends	9	-	(2,030)	-	(2,030)
Shares issued from treasury shares	9	892	(104)	-	788
Total transactions with shareholders		892	(3,878)	-	(2,986)
Balance at 30 September 2023		**20,386**	**$48,845**	**$38,966**	**$108,197**

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 2024	Note	2024 $000	2023 $000
Funds employed			
Ordinary shares	9	22,375	20,386
Retained earnings		46,870	48,845
Perpetual preference shares	9	38,966	38,966
Total shareholder equity		**108,211**	**108,197**
Liabilities			
Bank overdraft		536	-
Provision for taxation		589	1,560
Accounts payable and accrued expenses	18	13,461	15,602
Unearned payment waiver administration fees		8,880	8,234
Committed cash advance	10	33,300	57,100
Securitised funding	10	1,041,290	902,825
Derivative financial instruments	25	19,075	-
Lease liability	17	2,618	3,249
Total liabilities		**1,119,749**	**988,570**
Total funds employed		**$1,227,960**	**$1,096,767**
Employment of funds			
Cash at bank		29	165
Cash in restricted bank accounts	24	95,836	76,273
Accounts receivable		2,165	1,902
Finance receivables	12	1,116,165	990,451
Derivative financial instruments	13,25	-	15,175
Deferred tax	8	1,995	186
Property, plant and equipment	14	950	1,100
Right of use asset	17	2,266	2,921
Intangible assets	16	5,287	5,327
Goodwill	15	3,267	3,267
Total assets		**$1,227,960**	**$1,096,767**

Mark Darrow
Board Chair
Independent Director

Melanie Templeton
Audit & Risk Committee Chair
Independent Director

28 November 2024

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 2024	Note	2024 $000	2023 $000
Cash flow from operating activities			
Interest income		156,917	118,441
Fee income		12,729	14,370
Interest expense		(60,219)	(33,286)
Other funding and securitisation costs		(7,825)	(4,420)
Income tax paid		(5,487)	(3,046)
Commission		(59,098)	(52,186)
Payment waiver		6,547	7,010
Operating expenses		(33,604)	(23,755)
Net cash flow from operating activities before changes in operating assets and liabilities		9,960	23,128
Changes in operating assets and liabilities			
Finance receivable instalments		724,732	598,768
Increase (decrease) in committed cash advance – net		(23,800)	8,800
Increase in securitised funding – net		138,778	225,560
Finance receivable advances		(821,486)	(846,366)
		18,224	(13,238)
Net cash flow from operating activities	30	**28,184**	**9,890**
Cash flow from investing activities			
Sale of property, plant and equipment		18	20
Purchase of property, plant and equipment		(359)	(555)
Purchase of intangible assets		(2,016)	(496)
Purchase of business		-	(4,804)
Net cash flow used in investing activities		**(2,357)**	**(5,835)**
Cash flow from financing activities			
Lease payments		(349)	(295)
Trust establishment costs		(1,390)	(1,144)
Dividend to perpetual preference shareholders	9	(2,399)	(2,030)
Dividend to ordinary shareholders	9	(2,798)	(953)
Net cash flow used in financing activities		**(6,936)**	**(4,422)**
Net (decrease) increase in cash		18,891	(367)
Cash on hand at beginning of period		76,438	76,805
Cash on hand at end of period		**$95,329**	**$76,438**
Represented by:			
Cash at bank		29	165
Cash at bank (overdraft)		(536)	-
Cash in restricted bank accounts		95,836	76,273
		$95,329	**$76,438**

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

mtf finance

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) and its subsidiaries (the Group). MTF is the ultimate Parent of the Group.

MTF is a profit-oriented entity, domiciled in New Zealand and registered under the Companies Act 1993. MTF 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 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 28 November 2024.

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 IFRS Accounting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit-oriented entities. The consolidated financial statements also comply with IFRS Accounting 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 recourse 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 judgments, 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 judgments, 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 25)
- Consolidation of controlled entities (Note 26)
- 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 and its subsidiaries. Subsidiaries are entities controlled by MTF. Refer Note 26. Accounting policies of subsidiaries are consistent with those of the Group.

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:

- Amendments to NZ IAS 1 regarding the classification of liabilities as current or non-current/non-current liabilities with covenants
- Amendments to FRS-44 regarding disclosure of fees from audit firms
- NZ IFRS 18 regarding the presentation and disclosure in financial statements

The amendments will not have a material impact on the Group, other than NZ IFRS 18 which may alter the presentation of the financial statements.

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 27 for full policy.

	2024 $000	2023 $000
Gross interest income from finance receivables:		
Finance receivables measured at FVTPL	148,110	113,298
	$148,110	**$113,298**
Gross interest income from finance receivables includes income from:		
Non-impaired assets	148,105	113,280
Impaired assets	5	18
	$148,110	**$113,298**

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 27 for full policy.

	2024 $000	2023 $000
Commission	59,318	51,911
	$59,318	**$51,911**

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.

	2024 $000	2023 $000
Interest income from assets measured at amortised cost:		
Cash in restricted bank accounts	5,635	4,193
Finance receivables measured at amortised cost	2,872	998
	$8,507	**$5,191**

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.

	2024 $000	2023 $000
Committed cash advance	2,224	3,051
Senior notes/bank loan	74,136	50,704
Interest rate swaps - net	(11,985)	(17,230)
Securitisation programme	3,869	1,605
Other	1,047	1,201
	$69,291	**$39,331**

Note 6: Expenses

Policy

Bad debts are recognised at the time when financial receivable balances from either non-recourse receivables, or 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:	2024 $000	2023 $000
Auditor		
- Audit of Group financial statements	250	245
- Audit of Trust financial statements	92	79
- Tax compliance	44	67
- AML/CFT Audit	59	-
Depreciation		
- Computer hardware	252	253
- Right of use asset	381	397
- Office equipment, fixtures and fittings	140	145
- Motor vehicles	83	61
Amortisation		
- Intangible assets (software and websites)	1,038	953
Directors fees	522	533
Payment waiver	849	920
Employee expenses include:		
Defined contribution scheme payments (Kiwisaver)	258	229
Key management remuneration of:		
- Short term employee benefits	2,410	2,135
- Post employment benefits (Kiwisaver)	72	60

Auditor

The auditor of the Group is Deloitte Limited.

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

Policy

Net gain (loss) on financial instruments at FVTPL for recourse 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 27 for full policy and Note 25 for Derivatives policy.

	2024 $000	2023 $000
Net gain (loss) arising on financial instruments mandatorily measured at FVTPL:		
Finance receivables	29,449	6,557
Interest rate swap derivatives (unrealised loss)	(34,250)	(6,025)
	($4,801)	**$532**

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.

	2024 $000	2023 $000
Profit before tax	**7,895**	**16,004**
Income tax expense calculated at 28% (2023: 28%)	2,211	4,481
Non-deductible expenses	73	74
Other adjustments	302	74
(Over) Under provision of taxation payable in previous year	150	(72)
(Under) Over provision of deferred tax asset in previous year	(52)	(108)
	$2,684	**$4,449**
Represented by:		
Current tax	4,492	4,959
Deferred tax	(1,808)	(510)
	$2,684	**$4,449**

Tax rate

The tax rate used in the reconciliation is the corporate tax rate of 28% (2023: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law for the 2024 income tax year.

Imputation credits

There were $28,980,000 imputation credits available for use as at 30 September 2024 (2023: $27,556,000).

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 2024 are represented by:	Opening balance $000	Charged to income $000	Reclassification from provision for tax $000	Business combination $000	Closing balance $000
Deferred tax assets:					
Accounts payable and accrued expenses	1,871	(248)	-	-	1,623
Derivative financial instruments	(4,207)	9,082	-	-	4,875
Property, plant and equipment	30	6	-	-	36
Tax losses	179	44	-	-	223
	(2,127)	**8,884**	**-**	**-**	**6,757**
Deferred tax liabilities:					
Intangible assets	(1,024)	351	-	-	(673)
Finance and other receivables	3,337	(7,426)	-	-	(4,089)
	2,313	(7,075)	-	-	(4,762)
Total deferred tax	**$186**	**$1,808**	**-**	**-**	**$1,995**

The deferred tax balances at 30 September 2023 are represented by:	Opening balance $000	Charged to income $000	Reclassification from provision for tax $000	Business combination $000	Closing balance $000
Deferred tax assets:					
Accounts payable and accrued expenses	379	525	967	-	1,871
Property, plant and equipment	40	(10)	-	-	30
Tax losses	-	(5)	-	184	179
	419	**510**	**967**	**184**	**2,080**
Deferred tax liabilities:					
Intangible assets	(80)	61	-	(1,005)	(1,024)
Derivative financial instruments	(4,682)	475	-	-	(4,207)
Finance and other receivables	3,872	(535)	-	-	3,337
	(890)	1	-	(1,005)	(1,894)
Total deferred tax	**$(471)**	**$511**	**$967**	**$(821)**	**$186**

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 2024, there were 20,571,847 shares authorised and issued (2023: 19,816,149). All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up.

Dividend reinvestment plan

In 2022 the Group launched a dividend reinvestment plan. Participating shareholders have elected to have all or a portion of the ordinary dividend declared and paid converted into additional shares rather than cash.

	2024		2023	
Ordinary shares:	**000**	**$000**	**000**	**$000**
Balance at beginning of the year	19,816	20,386	19,494	19,494
Shares issued	756	1,989	-	-
Shares issued from treasury shares	-	-	322	892
	20,572	**$22,375**	**19,816**	**$20,386**

Ordinary share dividend:	**2024 $000**	**2023 $000**
Fully imputed dividend declared and paid during the year:		
Final dividend paid at 6.38 cents per share (2023: 2.83 cents)	1,264	361
Special dividend paid at 13.45 cents per share (2023: N/A)	2,666	-
Interim dividend paid at 4.19 cents per share (2023: 7.07 cents)	857	1,383
	$4,787	**$1,744**

Dividend

On 28 November 2024, the Directors declared a final dividend on paid-up ordinary shares of 13.24 cents per share amounting to $2.7m (fully imputed) for the period 1 October 2023 to 30 September 2024. These dividends are due for payment on 9 December 2024.

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 may redeem or repurchase all or part of the perpetual preference shares.

Perpetual preference shares

At 30 September 2024, there were 40,000,000 perpetual preference shares (2023: 40,000,000).

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

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

	2024 $000	**2023 $000**
Face value	40,000	40,000
Issue fees and expenses	(1,034)	(1,034)
	$38,966	**$38,966**

Perpetual preference share dividend:	**2024 $000**	**2023 $000**
Fully imputed dividend declared and paid during the year at 6.00 cents per share (2023: 5.08 cents)	2,399	2,030
	$2,399	**$2,030**

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

MTF 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 2024	Weighted average effective interest rate	Maturity date [1]	Limit	Undrawn	Drawn	Unamortised fees and expenses	Carrying amount
	%		$000	$000	$000	$000	$000
Committed cash advance facility	7.01	22/12/2025	100,000	66,700	33,300	-	33,300
Securitisation:							
Senior Warehouse notes	7.23	15/11/2031	300,000	86,755	213,245	(204)	213,041
Senior Pantera notes	6.67	15/06/2029	74,846	-	74,846	(19)	74,827
Senior Opala notes	7.23	02/09/2030	277,500	-	277,500	(209)	277,291
Senior Navarro notes	6.88	15/09/2031	346,675	-	346,675	(622)	346,053
Senior Personal Loan Warehouse notes	7.41	8/09/2026	100,000	44,282	55,718	(331)	55,387
MUFG loan	6.69	15/11/2024	80,000	5,309	74,691	-	74,691
Total securitisation			1,179,021	136,346	1,042,675	(1,385)	1,041,290
Total			**$1,279,021**	**$203,046**	**$1,075,975**	**($1,385)**	**$1,074,590**

1 Refer to Note 28 for information of facility extensions subsequent to balance date.

30 September 2023	Weighted average effective interest rate	Maturity date	Limit	Undrawn	Drawn	Unamortised fees and expenses	Carrying amount
	%		$000	$000	$000	$000	$000
Committed cash advance facility	7.32	16/12/2023	115,000	57,900	57,100	-	57,100
Securitisation:							
Senior Warehouse notes	7.05	15/03/2030	520,000	219,073	300,927	-	300,927
Senior Pantera notes	6.69	15/06/2029	220,298	-	220,298	(122)	220,176
Senior Opala notes	7.54	16/09/2030	277,500	-	277,500	(534)	276,966
Senior Personal Loan Warehouse notes	7.69	08/09/2026	100,000	58,670	41,330	(416)	40,914
MUFG loan	7.00	15/11/2023	70,000	6,158	63,842	-	63,842
Total securitisation			1,187,798	283,901	903,897	(1,072)	902,825
Total			**$1,302,798**	**$341,801**	**$960,997**	**($1,072)**	**$959,925**

Judgements

Under the MTF 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 26.

Committed cash advance

MTF has a committed cash advance 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.

Note 10: Funding (secured) continued...

Securitisation programme

The activities of MTF 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 Opala Trust, the Navarro Trust, the Personal Loan Warehouse 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:

MTF Warehouse Trust No. 1 funds the purchase of eligible finance receivables from MTF. Senior Notes are issued each time eligible finance receivables are sold into the Trust. The bank facilities that are used to subscribe to the Senior Notes have an Availability Period that ends on 15 November 2025. The Senior Notes are rated AAA(sf) (Standard & Poor's long term, structured finance rating, affirmed on 14 November 2023) and are secured by a first ranking fixed and floating charge over the assets of MTF Warehouse Trust No. 1.

MTF Personal Loan Warehouse Trust funds the purchase of eligible finance receivables from MTF. Senior Notes are issued each time eligible finance receivables are sold into the Trust. The bank facilities that are used to subscribe to the Senior Notes have an Availability Period that ends on 8 September 2025. The Senior Notes are not rated by an external rating agency. The Senior Notes are secured by a first ranking fixed and floating charge over the assets of the Personal Loan Warehouse Trust.

The Pantera Trust funded the purchase of qualifying finance receivables from the Warehouse Trust prior to 15 June 2023. The Trust has now entered amortisation and no new qualifying finance receivables can be acquired.

The Opala Trust funds the purchase of qualifying finance receivables from the Warehouse Trust. Senior Opala notes are issued for periods of up to 90 months past the issue date of 2 March 2023. The Opala Trust has a revolving period of 18 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.

The Navarro Trust funds the purchase of qualifying finance receivables from the Warehouse Trust. Senior Navarro notes are issued for periods of up to 90 months past the issue date of 15 March 2024. The Navarro Trust has a revolving period of 18 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, Senior Opala and Senior Navarro notes are secured by a first ranking mortgage debenture over the assets of the Pantera Trust, Opala Trust and Navarro Trust respectively and have structured finance (sf) ratings from Fitch Ratings.

Senior Pantera notes on issue	Fitch rating	2024 $000	2023 $000
Class A	AAA(sf)	58,462	190,798
Class B	AA(sf)	5,332	9,600
Class C	A+(sf)	4,387	7,900
Class D	A+(sf)	2,999	5,400
Class E	A(sf)	2,666	4,800
Class F	BBB+(sf)	1,000	1,800
		$74,846	**$220,298**

Senior Opala notes on issue	Fitch rating	2024 $000	2023 $000
Class A	AAA(sf)	246,400	246,400
Class B	AA+(sf)	9,100	9,100
Class C	A+(sf)	9,200	9,200
Class D	BBB+ (sf)	6,400	6,400
Class E	BB+(sf)	4,800	4,800
Class F	BB(sf)	1,600	1,600
		$277,500	**$277,500**

Senior Navarro notes on issue	Fitch rating	2024 $000	2023 $000
Class A	AAA(sf)	308,000	-
Class B	AA(sf)	12,250	-
Class C	A(sf)	11,550	-
Class D	BBB+(sf)	7,350	-
Class E	BB(sf)	6,125	-
Class F	B(sf)	1,400	-
		$346,675	**-**

Note 10: Funding (secured) continued...

The Honda Trust funds the purchase of qualifying lease finance receivables from MTF 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 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 is given a security interest over transacting shareholder rights under the customer contract and the underlying asset. MTF 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 2024, non-recourse loans do not meet the criteria for securitisation.

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

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. 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:

	2024 $000	2023 $000
Honda Trust	71,457	60,459
Navarro Trust	330,281	-
Opala Trust	257,008	250,897
Pantera Trust	68,957	192,794
Personal Loan Warehouse Trust	73,623	57,490
Warehouse Trust	217,421	333,244
	$1,018,747	**$894,884**

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 2024, $1,078,000 (2023: $1,072,000) of amortisation is included in interest expense in the Consolidated statement of comprehensive income.

Note 11: Asset quality disclosures

	2024 $000	2023 $000
Asset quality - finance receivables		
Current	1,056,797	977,704
1-30 days past due	38,953	26,559
31-90 days past due	8,235	4,669
More than 90 days past due	3,013	1,473
Managed transacting shareholders	17	91
	1,107,015	1,010,496
Adjustments:		
Fair value adjustment	13,203	(16,234)
Credit risk adjustment	(3,588)	(3,600)
Expected credit losses on non-recourse loans	(465)	(211)
Total carrying amount	**$1,116,165**	**$990,451**

Credit risk adjustment

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

For the non-recourse product the risk of financial loss is carried by MTF.

Past due

A recourse 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, from the transacting shareholder, when a customer account has been in arrears for 91 days or more.

A non-recourse financial asset is considered past due when a counterparty has failed to make payment when contractually obligated.

Past due > 90 days

Of total recourse finance receivables at 30 September 2024, 0.26% (2023: 0.15%) had repayments that are past due more than 90 days. Of total non-recourse finance receivables at 30 September 2024, 0.61% (2023: 0%) 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 (2023: Nil).

Note 12: Finance receivables

Policy

Recourse 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.

Non-recourse finance receivables are measured at amortised cost.

	2024 $000	2023 $000
Receivable within 12 months	314,511	230,309
Receivable beyond 12 months	801,654	760,142
	$1,116,165	**$990,451**

Finance receivables per measurement basis:

	2024 $000	2023 $000
Finance receivables at FVTPL	1,092,170	974,877
Finance receivables at amortised cost	23,995	15,574
	$1,116,165	**$990,451**

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

	2024 $000	2023 $000
Finance receivables at FVTPL gain/(loss) due to credit risk	12	257
Finance receivables at FVTPL gain/(loss) due to market risk	29,437	6,300
	$29,449	**$6,557**

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 2024.

Credit risk accounting estimate

Non-recourse

The Group recognises a loss allowance for expected credit losses (ECL) on finance receivables that fall outside of the recourse arrangement. The amount of expected credit losses is updated at each reporting date to reflect changes since initial recognition of the non-recourse finance receivables.

The Group recognises lifetime ECL for non-recourse finance receivables.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, such as actual or expected changes in economic indicators (i.e. change in employment rates).

Definition of default
The Group considers that default has occurred when a financial asset is more than 61 days past due unless the Group has reasonable and supportable information to demonstrate that another default criteria is more appropriate.

Credit impaired financial assets
A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event; and
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write off policy
The Group writes off a financial asset when there is information indicating that the borrower is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the borrower has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance

Note 12: Finance receivables continued...

with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Sensitivity analysis
If the percentage of ECLs on performing non-recourse finance receivables were 1% higher / (lower) as at 30 September 2024, the loss allowance on non-recourse finance receivables would have been $223,000 higher/(lower) (2023: $155,000).

If the percentage of ECLs on doubtful or in default non-recourse finance receivables were 1% higher/(lower) as at 30 September 2024, the loss allowance on non-recourse finance receivables would have been $5,000 higher/(lower) (2023: $1,000).

Impairment of financial assets:

Recourse 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
2024				
Financial assets mandatorily measured at FVTPL				
Finance receivables	-	-	1,092,170	1,092,170
	-	**-**	**$1,092,170**	**$1,092,170**
Financial assets at FVTPL				
Derivative financial liabilities (held for trading)	-	(19,075)	-	(19,075)
	-	**($19,075)**	**-**	**($19,075)**
2023				
Financial assets mandatorily measured at FVTPL				
Finance receivables	-	-	974,877	974,877
	-	**-**	**$974,877**	**$974,877**
Financial assets at FVTPL				
Derivative financial assets (held for trading)	-	15,175	-	15,175
	-	**$15,175**	**-**	**$15,175**

Judgements

Recourse 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 judgments and estimates. Changes in the assumptions in the model and projections of future cash flows may affect the reported fair value of finance receivables.

Note 13: Fair value continued...

Fair value of financial assets and liabilities

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

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 1 fair value measurements are unadjusted quoted market prices in active markets for items identical to the asset being measured.

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 25 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 recourse 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.

Recourse finance receivables:

	2024 $000	2023 $000
Balance at beginning of the year	974,877	734,641
Gain/(loss) recognised in net gain (loss) from financial instruments	29,449	6,557
Originations	804,880	830,666
Settlements	(717,036)	(596,987)
Balance at end of the year	**$1,092,170**	**$974,877**

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 $3,588,000 (2023: $3,600,000) 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 2024 was based on cash flows discounted using a weighted average interest rate of 8.23% (2023: 7.50%).

Refer to Note 22 for details of sensitivity analysis.

Credit risk accounting estimate

Recourse

Credit risk is the risk of financial loss to MTF if a transacting shareholder fails to meet its contractual obligations under an MTF contract. MTF has a range of credit enhancements against the transacting shareholder including, but not limited to, future commission payments (refer Note 20).

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 monitors the credit quality and performance of each transacting shareholder to ensure that the transacting shareholder is capable of indemnifying MTF against any potential loss. MTF'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 0.27% (2023: 0.25%) of net receivables. This has been applied to all secured recourse finance receivables. To reflect heightened inherent risk in unsecured finance receivables, a 0.37% (2023: 0.35%) factor has been applied.

Due to tough economic conditions experienced, an economic overlay of 5-basis points has been applied to all recourse finance receivables. Management is satisfied this is justified and prudent in the current business and market environment. Similar overlays were made in the prior year totalling 10-basis points.

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:

	2024 $000	2023 $000
Computer hardware	3,040	2,965
Less accumulated depreciation	(2,814)	(2,692)
Total carrying amount	**226**	**273**
Office equipment, fixtures and fittings	1,405	1,434
Less accumulated depreciation	(902)	(867)
Total carrying amount	**503**	**567**
Motor vehicles	424	390
Less accumulated depreciation	(203)	(130)
Total carrying amount	**221**	**260**
Total property, plant and equipment	**$950**	**$1,100**

Capital commitments

The estimated capital expenditure contracted for at balance date but not provided for is $55,000 (2023: $nil).

Note 15: Goodwill

Policy

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable tangible and identifiable intangible assets, liabilities and contingent liabilities of the business recognised at the time of acquisition of a business. Refer to Note 26 for information about subsidaries. Goodwill is initially recognised as an asset at cost, and is subsequently measured at cost, less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Carrying amount:

	2024 $000	2023 $000
Balance at beginning of year	3,267	-
Recognised on acquisition of subsidiary	-	3,267
Balance at end of year	**3,267**	**3,267**

Allocation to CGUs:

	2024 $000	2023 $000
MTF Group:	3,267	3,267
Total Goodwill	**$3,267**	**$3,267**

Note 16: Intangible assets

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.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition, assuming finite useful life - and will be amortised over 5 years. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

	2024 $000	2023 $000
Cost		
Balance at beginning of year	16,061	11,860
Additions	2,016	301
Acquired on business combination	-	3,900
Disposals	(4,138)	-
Balance at end of year	**13,939**	**16,061**
Amortisation and impairment		
Balance at beginning of year	10,734	9,781
Amortisation	1,038	953
Impairment	990	-
Disposals	(4,110)	-
Balance at end of year	**8,652**	**10,734**
Total intangible assets	**$5,287**	**$5,327**

Capital commitments

The estimated capital expenditure contracted for at balance date but not provided for is $nil (2023: $nil).

Impairment:

Impairment losses of $990,000 have been recognised in the current year (2023: $Nil). These losses relate to The Lending People brand which was severely impacted by the economic conditions during the period, notably impacting the volume of the brokering channel where TLP derived most of its revenue. It was assessed that the carrying value of the brand exceeded its recoverable amount.

Note 17: 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	2024 $000	2023 $000
Balance at 30 September	2,921	2,564
Additions	-	754
Disposals	(274)	-
Depreciation charge for the year	(381)	(397)
Total right of use asset	**$2,266**	**$2,921**

Lease liability - maturity analysis	2024 $000	2023 $000
Lease liabilities under NZ IFRS 16:		
Less than one year	342	360
Between one and five years	1,617	1,781
More than five years	659	1,108
	$2,618	**$3,249**
Current	342	360
Non-current	2,276	2,889
Balance at end of the year	**$2,618**	**$3,249**

The Group leases two properties under non-cancellable leases expiring within varying timeframes.

	2024 $000	2023 $000
Amounts recognised in the consolidated statement of comprehensive income:		
Depreciation of right of use assets	381	397
Interest expense on lease liabilities	158	165

The total cash outflow for leases in 2024 was $515,000 (2023: $482,000).

Note 18: 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.

	2024 $000	2023 $000
Trade creditors	1,091	2,685
Sundry creditors and accruals	6,433	6,077
Unpaid commission	5,081	5,088
Employee entitlements	856	1,752
	$13,461	**$15,602**

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 $4.22m (2023: $4.44m).

Withheld commission is commission being retained by MTF from originators. At 30 September this totalled $0.86m (2023: $0.64m).

Note 19: Related party transactions

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

	2024 $000	2023 $000
Noel Johnston	2,062	1,513
Geoffrey Kenny	765	788
Stu Myles	841	728
Grant Woolford	87	77
	$3,755	**$3,106**

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

	2024 $000	2023 $000
Noel Johnston	233	128
Geoffrey Kenny	60	66
Stu Myles	70	73
Grant Woolford	7	7
	$370	**$274**

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

	2024 $000	2023 $000
Noel Johnston	6,238	3,779
Geoffrey Kenny	1,944	1,804
Stu Myles	2,468	1,941
Grant Woolford	280	236
	$10,930	**$7,760**

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

	2024 $000	2023 $000
Noel Johnston	59,461	28,985
Geoffrey Kenny	13,010	12,892
Stu Myles	19,329	16,661
Grant Woolford	1,976	1,823
	$93,776	**$60,361**

Note 19: Related party transactions continued...

Related parties

Directors Noel Johnston, Geoffrey Kenny, Stu Myles and Grant Woolford are Directors of companies with shareholdings in MTF 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 20: Credit risk

Maximum exposures to credit risk:

	2024 $000	2023 $000
Cash at bank	29	165
Cash in restricted bank accounts	95,836	76,273
Accounts receivable	2,165	1,901
Derivative financial instruments	-	15,175
Honda Trust securitised finance receivables	71,457	60,459
Navarro Trust securitised finance receivables	330,281	-
Opala Trust securitised finance receivables	257,008	250,897
Pantera Trust securitised finance receivables	68,957	192,794
Personal Loan Warehouse Trust securitised finance receivables	73,623	57,490
Warehouse Trust securitised finance receivables	217,421	333,244
Non securitised finance receivables	97,418	95,735

Finance receivables credit risk by geographical location:

	2024 $000	2023 $000
Auckland	157,762	134,863
Canterbury	153,404	185,896
South Auckland	124,155	97,136
Waikato	117,491	106,806
Bay of Plenty	116,044	111,344
Otago	90,605	46,770
Wellington/Wairarapa	86,948	113,987
Nelson/Marlborough	49,736	44,525
Manawatū-Whanganui	44,740	24,200
Hawkes Bay	32,874	17,399
Northland	30,511	25,114
Gisborne	29,555	20,006
Southland	29,073	16,426
South Canterbury	19,515	27,474
West Coast	17,005	10,079
Taranaki	16,747	8,426
Finance receivables by geographical location	**$1,116,165**	**$990,451**

Finance receivables credit risk by security type:

	2024 $000	2023 $000
Passenger vehicle	476,122	429,645
Commercial vehicle	322,663	274,920
Utes/Trucks/Trailers	118,993	115,168
Motorcycle	40,217	41,429
Caravans	26,228	26,540
Marine	25,375	25,235
Vans/Buses	18,537	17,061
Equipment/Aircraft/Tractors/Machinery	5,326	4,513
Unsecured loan – no security	82,704	55,940
Finance receivables by security type	**$1,116,165**	**$990,451**

Note 20: Credit risk continued...

Finance receivables credit risk by transacting shareholder:

	2024 $000	2023 $000
0 - $5,000,000	100,186	98,307
$5,000,000 - $10,000,000	124,700	104,411
$10,000,000 - $20,000,000	403,392	394,476
$20,000,000+	487,887	393,257
Finance receivables by transacting shareholder	**$1,116,165**	**$990,451**

Finance receivables credit risk by individual contract size:

	2024 $000	2023 $000
0 - $5,000	64,360	52,467
$5,001 - $10,000	179,097	140,106
$10,001 - $20,000	351,605	323,113
$20,001 - $30,000	218,743	196,109
$30,001 - $40,000	122,210	117,489
$40,001- $50,000	71,286	65,267
$50,001+	108,864	95,900
Finance receivables by contract size	**$1,116,165**	**$990,451**

Credit risk

Credit risk is the risk of financial loss to MTF 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 launched a non-recourse product offering in the prior 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 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 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 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 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 contract, MTF 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 requires each transacting shareholder to indemnify MTF 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 may hold a range of additional credit enhancements against the transacting shareholder including, but not limited to, bank guarantees and personal guarantees.

MTF 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 against any potential loss. Transacting shareholders that are unable, or unwilling, to meet the credit and indemnity criteria have their MTF facilities cancelled.

Exposure to credit risk

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

Note 20: Credit risk continued...

Subordinated notes on issue	Effective credit enhancement		Carrying amount	
	2024	2023	2024	2023
	%	%	$000	$000
Navarro Trust	0.95	-	3,325	-
Opala Trust	0.89	0.89	2,500	2,500
Pantera Trust	1.06	0.68	833	1,500
Personal Loan Warehouse Trust	30.00	30.00	23,905	17,713
Warehouse Trust	1.50	10.63	3,308	38,902
			$33,871	**$60,615**

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 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 Trusts.

Note 21: Liquidity risk

Financial assets matched against financial liabilities at 30 September 2024 (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 at bank	29	-	-	-	-	29
Cash in restricted bank accounts[i]	95,836	-	-	-	-	95,836
Accounts receivable	-	2,165	-	-	-	2,165
Finance receivables	-	250,852	258,466	421,732	406,792	1,337,842
	95,865	253,017	258,466	421,732	406,792	1,435,872
Monetary liabilities						
Bank overdraft	536	-	-	-	-	536
Committed cash advance	33,300	-	-	-	-	33,300
Accounts payable and accrued expenses	-	13,461	-	-	-	13,461
Senior notes - secured	-	257,676	159,372	460,481	261,539	1,139,068
	33,836	271,137	159,372	460,481	261,539	1,186,365
Net liquidity gap	**$62,029**	**($18,120)**	**$99,094**	**($38,749)**	**$145,253**	**$249,507**
Net liquidity gap - cumulative	**$62,029**	**$43,909**	**$143,003**	**$104,254**	**$249,507**	

Financial assets matched against financial liabilities at 30 September 2023 (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 at bank	165	-	-	-	-	165
Cash in restricted bank accounts[i]	76,273	-	-	-	-	76,273
Accounts receivable	-	1,901	-	-	-	1,901
Finance receivables	-	205,831	224,348	375,689	388,241	1,194,109
	76,438	**207,732**	**224,348**	**375,689**	**388,241**	**1,272,448**
Monetary liabilities						
Committed cash advance	57,100	-	-	-	-	57,100
Accounts payable and accrued expenses	-	15,602	-	-	-	15,602
Senior notes - secured	-	176,856	157,426	418,226	266,635	1,019,143
	57,100	**192,458**	**157,426**	**418,226**	**266,635**	**1,091,845**
Net liquidity gap	**$19,338**	**$15,274**	**$66,922**	**($42,537)**	**$121,606**	**$180,603**
Net liquidity gap - cumulative	**$19,338**	**$34,612**	**$101,534**	**$58,997**	**$180,603**	

[i] Not available for general use

Note 21: 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 has unutilised facilities with its transacting shareholders at balance date; however, as MTF 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 securitisation programme. Finance receivables are sold on a regular basis.

The Warehouse notes issued are rated by Standard and Poor's Australia Pty Limited, while Pantera, Opala and Navarro notes are rated by Fitch Australia Pty Limited.

For MTF Warehouse Trust No. 1, the Senior Warehouse Note Maturity Date is a maximum of 72 months after the Expiry Date of the facility. The Expiry Date is 15 November 2025.

For MTF Personal Loan Warehouse Trust, the Senior Warehouse Note Maturity Date is a maximum of 12 months after the Expiry Date of the facility. The Expiry Date is 8 September 2025.

Senior Pantera, Opala and Navarro notes have a maturity date of 96 months, 90 months and 90 months respectively, after the issue dates of 15 June 2021, 2 March 2023 and 15 March 2024, respectively. Details of the securitisation programme are contained in Note 10 of these consolidated financial statements.

The Group has access to a cash advance facility to fund finance receivables that are not eligible to be securitised.

Concentration of funding risk

MTF has concentration of funding risk to the MTF securitisation programme for the future legal sale of finance receivables, which may arise in the event that MTF 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. At 30 September 2024, MTF complies with all covenants of the MTF securitisation programme.

Note 22: 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.

An Asset and Liability Committee (ALCO) consisting of the Chief Executive Officer, Deputy CEO/Chief Financial Officer, Head of Credit, Head of Risk and Compliance, Head of Treasury and Funding (Chair), Chief Commercial Officer and Finance Manager meets regularly to consider balance sheet risks facing the group, including the management of said risk, 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, Personal Loan Warehouse, Pantera, Opala and Navarro 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.

Note 22: Market risk continued...

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 2024, 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.

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 2024 was 8.23% (2023: 7.50%).

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 2024 was 5.25% (2023: 5.50%).

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 (2023: 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:

	2024 $000	2023 $000
100 bp increase in interest rates (2023: 100 bp)	1,755	9,095
100 bp decrease in interest rates (2023: 100 bp)	205	(9,351)

Impact on equity:

	2024 $000	2023 $000
100 bp increase in interest rates (2023: 100 bp)	1,755	9,095
100 bp decrease in interest rates (2023: 100 bp)	205	(9,351)

Note 23: Capital risk management

Capital structure:

	2024 $000	2023 $000
Ordinary shares	22,375	20,386
Retained earnings	46,870	48,845
Perpetual preference shares	38,966	38,966
Total capital for capital management purposes	**$108,211**	**$108,197**

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.

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 & Risk Committee, consider the recommendations and advice of external advisors.

Note 24: 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 25: 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:	**2024**	**2023**
	$000	**$000**
Interest rate swaps	(19,075)	15,175
	($19,075)	**$15,175**

Interest rate swaps:

	Average contracted interest rate		Notional principal amount		Fair value	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	%	**%**	**$000**	**$000**	**$000**	**$000**
Less than 1 year	3.15	4.56	2,903	365,225	37	6,444
1 to 2 years	4.30	4.81	74,851	315,440	(982)	5,149
2 to 3 years	4.74	5.03	72,360	187,921	(1,007)	2,408
3 to 4 years	5.02	5.21	122,053	87,437	(641)	972
4 to 5 years	4.73	5.43	885,105	24,120	(16,482)	202
			$1,157,272	**$980,143**	**($19,075)**	**$15,175**

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 26: Investment in subsidiaries

Policy

Subsidiaries are entities controlled by MTF. MTF 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 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**	
		2024	**2023**
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%
The Lending People Limited	Finance brokering/lending	100%	100%
MTF Warehouse Trust No.1	Securitisation	-	-
MTF Personal Loan Warehouse Trust No. 1	Securitisation	-	-
MTF Pantera Trust 2021	Securitisation	-	-
MTF Opala Trust 2023	Securitisation	-	-
MTF Navarro Trust 2024	Securitisation	-	-
Honda Trust	Securitisation	-	-

Note 26: Investment in subsidiaries continued...

Judgements

The Group consolidates the securitisation entities, MTF Warehouse Trust No.1 (Warehouse Trust), MTF Personal Loan Warehouse Trust No. 1 (Personal Loan Warehouse Trust), MTF Pantera Trust 2021 (Pantera Trust), MTF Opala Trust 2023 (Opala Trust), MTF Navarro Trust 2024 (Navarro Trust) and Honda Trust on its balance sheet.

Management make judgments about MTF'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 27: 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, accounts receivable and non-recourse finance receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, net of provisions for impairment.

For non-recourse finance receivables, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any expected credit losses. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit losses.

Note 27: Categories of financial instruments continued...

Fair value through the profit or loss

The Group measures all recourse 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 recourse 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 2024:

	Financial instruments at FVTPL $000	Financial assets at amortised cost $000	Financial liabilities at amortised cost $000	Total carrying amount $000
Assets				
Cash	-	29	-	29
Cash in restricted bank accounts	-	95,836	-	95,836
Accounts receivable	-	2,165	-	2,165
Finance receivables	1,092,170	23,995	-	1,116,165
	$1,092,170	**$122,025**	**-**	**$1,214,195**
Liabilities				
Bank overdraft	-	-	536	536
Committed cash advance	-	-	33,300	33,300
Accounts payable and accrued expenses	-	-	13,461	13,461
Lease liability	-	-	2,618	2,618
Senior notes - secured	-	-	1,041,290	1,041,290
Derivative financial instruments (held for trading)	19,075	-	-	19,075
	$19,075	**-**	**$1,091,205**	**$1,110,280**

Categorisation of financial instruments at 30 September 2023:

	Financial instruments at FVTPL $000	Financial assets at amortised cost $000	Financial liabilities at amortised cost $000	Total carrying amount $000
Assets				
Cash	-	165	-	165
Cash in restricted bank accounts	-	76,273	-	76,273
Accounts receivable	-	1,902	-	1,902
Finance receivables	974,877	15,574	-	990,451
Derivative financial instruments (held for trading)	15,175	-	-	15,175
	$990,052	**$93,914**	**-**	**$1,083,966**
Liabilities				
Committed cash advance	-	-	57,100	57,100
Accounts payable and accrued expenses	-	-	15,602	15,602
Lease liability	-	-	3,249	3,249
Senior notes - secured	-	-	902,825	902,825
	-	**-**	**$978,776**	**$978,776**

Note 28: Events after balance date

Dividend

On 28 November 2024, the Directors declared a final dividend on paid-up ordinary shares of 13.24 cents per share amounting to $2.7m (fully imputed) for the period 1 October 2023 to 30 September 2024. The dividend is due for payment on 9 December 2024.

Honda funding facility

On 7 November the Facility Lender (MUFG) agreed to extend the expiry date through to 17 November 2025. This change became effective on 15 November 2024.

Note 29: 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 30: 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 (net of bank overdrafts) 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 other cash flows resulting 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.

	2024 $000	2023 $000
Reconciliation of profit after tax to net cash flow from operating activities		
Profit after tax	5,211	11,555
Depreciation, amortisation and impairment	2,884	1,809
Deferred tax	(1,808)	(510)
	6,287	**12,854**
Movement in other items		
(Increase)/decrease in accounts receivable	(263)	108
(Increase) in finance receivables	(125,714)	(253,823)
(Decrease)/increase in committed cash advance	(23,800)	8,800
(Increase) in provision for tax/decrease in tax receivable	(971)	4,011
(Decrease)/increase in accounts payable and accrued expenses	(2,141)	6,302
Increase in unearned payment waiver fees	646	1,970
Increase in securitised funding	138,465	222,645
Decrease in derivative financial assets	15,175	6,026
Increase in derivative financial liabilities	19,075	-
	20,472	**(3,961)**
Movement in working capital items classified as investing or financing activities	1,425	997
Net cash surplus from operating activities	**$28,184**	**$9,890**

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 2024, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 30 to 83, present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2024, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

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 area of taxation compliance, AML/CFT audit and the audit of Trust financial statements. 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 $2,800,000.

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 at Fair Value Through Profit or Loss
 	
As disclosed in note 12, the Group has finance receivables measured at fair value through profit or loss of $1,092.2m at 30 September 2024.
 	
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 impact of 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 measured at fair value through profit or loss 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 measured at fair value through profit or loss 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 measured at fair value through profit or loss 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.

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-for-assurance-practitioners/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

Mike Hawken, Partner
for Deloitte Limited
Dunedin, New Zealand
28 November 2024

STATUTORY INFORMATION

Reporting entity

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

MTF 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 2024 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 donations totalling $9,600 during the year.

Director remuneration and shareholdings

Remuneration and benefits paid to Directors:

	2024 $000	2023 $000
Mark Darrow	129,833	129,833
Noel Johnston	70,833	70,833
Geoffrey Kenny	70,833	70,833
Stu Myles	98,333	78,833
Melanie Templeton	80,833	86,833
Grant Woolford	70,833	70,833
	$521,498	**$507,998**

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 and all four declared their interest in material matters affecting transacting shareholders of MTF.

Shares held by associated companies of Directors:

	Ordinary shares	%
Noel Johnston	1,041,130	5.06
Geoffrey Kenny	346,376	1.68
Stu Myles	215,458	1.05
Grant Woolford	131,136	0.64
Total shares held	**1,734,100**	**8.43**
Total shares on issue	**20,571,847**	**100.00**

Director disclosure of interests

Disclosure of interest by Directors

IIn 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 the Civil Aviation Authority, Armstrong's, Riverton Farms, TSB Bank, and the Inland Revenue Risk & Assurance Committee. He is also Director of Eastside Holdings, and a Council member of Auckland University of Technology.

Noel Johnston is a Director of Noel Johnston Limited, Noel J Johnston 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 the Chair Trustee of Nova Trust.

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 and Chair of the Audit, Risk and Compliance committee of Booster.

Grant Woolford is a Director of Motorcycle Spot Limited, 4Sale Group Limited, MTA Group Investments Limited, Motor Trade Association Incorporated and Garage Café Limited, Australian Automotive Business Solutions Limited, Sam Computer Systems Limited, Systime Automotive Solutions Limited and Cyclespot Wellington Limited.

Shareholding

Twenty largest ordinary shareholders at 30 September 2024:

Shareholder rank and name		Holding	% Total ordinary shares
1	Honda New Zealand Limited	906,623	4.41
2	Odgers and Rushbrooke Limited	652,921	3.17
3	Troy Lister Limited	652,531	3.17
4	Noel Johnston Limited	538,026	2.62
5	Cheryl Renouf Limited	537,380	2.61
6	Ferguson Robertson Limited	474,156	2.30
7	Paul A Robinson Limited	464,132	2.26
8	Simon Jackson Limited	408,835	1.99
9	Hayden and Jen Armstrong Limited	359,046	1.75
10	Hamilton Parker Limited	358,319	1.74
11	Neil Wolfgram Limited	353,628	1.72
12	Geoff Kenny Limited	346,376	1.68
13	Hansen and Scott Limited	333,655	1.62
14	Collier Sendall Limited	328,956	1.60
15	Noel J Johnston Limited	328,840	1.60
16	Craig Hall Limited	307,572	1.50
17	Lauren Te Pairi Limited	293,623	1.43
18	Neil A Wolfgram Limited	292,651	1.42
19	Bill & Tim Hintz Limited	286,245	1.39
20	Grant Cashmore Limited	276,224	1.34
	Other shareholders	12,072,108	58.68
Total shares on issue		**20,571,847**	**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 2024 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	
	2024	2023
$100,000 - $109,999	7	9
$110,000 - $119,999	5	5
$120,000 - $129,999	5	6
$130,000 - $139,999	7	3
$140,000 - $149,999	3	1
$150,000 - $159,999	4	5
$160,000 - $169,999	1	1
$170,000 - $179,999	2	-
$180,000 - $189,999	1	3
$190,000 - $199,999	-	-
$200,000 - $209,999	2	1
$210,000 - $219,999	-	1
$220,000 - $229,999	2	1
$270,000 - $279,999	-	1
$290,000 - $299,999	1	-
$310,000 - $319,999	1	-
$350,000 - $359,999	-	1
$400,000 - $409,999	1	-
$420,000 - $429,999	-	1
$430,000 - $439,999	1	-
$500,000+	1	1
	44	**40**

DIRECTORY

Directors

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

Senior Leadership Team

Chris Lamers (Chief Executive Officer)
Kyle Cameron (Deputy CEO & Chief Financial Officer)
Lauren Barnes (Business Readiness Director)
Natasha Callister (Chief Commercial Officer)
Rowena Davenport (Head of Credit)
Hayley Guest (General Counsel, Head of Risk and Compliance)
Ryan Nickelchok (Lending People General Manager)
Jane Stumbles (Chief People Officer)
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

Anderson Lloyd
Bell Gully
Dentons
Gallaway Cook Allan

Auditor

Deloitte Limited

Registered office

Level 1, 98 Great King Street, Dunedin
PO Box 885, Dunedin 9054

Enquiries

+64 3 477 0530
info@mtf.co.nz
www.mtf.co.nz