Level 6, 601 Pacific Highway
St Leonards NSW 2065

W www.eclipx.com

Eclipx Group Limited | ABN: 85 131 557 901

6 May 2021

ASX Release

Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

APPENDIX 4D AND 1H21 FINANCIAL REPORT

Eclipx Group Limited provides its Appendix 4D and Financial Report for the six months ended 31 March 2021.

This announcement has been authorised by the Board of Directors.

ENDS
Encl.

Media enquiries John Frey GRACosway jfrey@gracosway.com.au 0411361361	**Investor enquiries** Damien Berrell Eclipx Group Damien.Berrell@eclipx.com 0457357041

APPENDIX 4D
HALF-YEAR REPORT
ECLIPX GROUP LIMITED
ACN : 131 557 901

HALF-YEAR ENDED 31 MARCH 2021

1 Details of the reporting period and the previous corresponding period

Current period	1 October 2020 - 31 March 2021
Prior corresponding period	1 October 2019 - 31 March 2020

2 Results for announcement to the market

	Half-Year Ended 31 Mar 2021	Half-Year Ended 31 Mar 2020*	Change on Previous Period	Change on Previous Period
Financial Performance	**$'000**	**$'000**	**$'000**	**%**
Revenue from continuing operations	333,155	335,497	(2,342)	(0.7%)
Profit for the half-year after tax	37,766	13,195	24,571	186.2%
Net profit attributable to members	37,766	13,195	24,571	186.2%
Cash net profit after tax for the period[1]	39,348	15,527	23,821	153.4%
Earnings per share	**Cents**	**Cents**	**Cents**	**%**
Statutory earnings per share	12.04	4.17	7.87	188.7%
Diluted statutory earnings per share	11.30	4.17	7.13	171.0%
Cash earnings per share	12.54	4.91	7.63	155.4%
Number of ordinary shares used in calculating[2]	**Units**	**Units**	**Units**	**%**
Statutory earnings per share	313,709,975	316,470,114	(2,760,139)	(0.9%)
Diluted statutory earnings per share	334,314,973	316,470,114	17,844,859	5.6%
Cash earnings per share	313,709,975	316,470,114	(2,760,139)	(0.9%)

**The prior comparative period has been restated to exclude the subsequent classification of CarLoans as held-for-sale.*

1. Cash net profit after tax for the period is the statutory profit after tax, adjusted for the post tax effect of material one-off items that do not reflect the ongoing operations of the Group and the amortisation of intangible assets

2. The number of ordinary shares used in calculating earnings per share has been calculated in accordance with AASB 133 Earnings per Share where the weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back (treasury shares) or issued during the period multiplied by a time-weighting factor.

Commentary
Refer to the 2021 Half-Year Report accompanying this report for a more detailed commentary.

APPENDIX 4D
HALF-YEAR REPORT
ECLIPX GROUP LIMITED
ACN : 131 557 901

3 Dividends

Dividends	Amount per security Cents	Franked amount per security Cents
No interim dividend declared for the period ended 31 March 2021	0.00	0.00
No interim dividend declared for the period ended 31 March 2020	0.00	0.00

4 Dividend reinvestment plans

Not applicable for half-year ended 31 March 2021.

5 Net Tangible Assets Per Security

	Half-Year Ended 31 Mar 2021 cents	Half-Year Ended 31 Mar 2020 cents
Net Tangible Assets Per Ordinary Security	33.02	14.34

6 Auditor's report

The financial report has been independently reviewed and an unqualified review report has been issued.

7 Attachments

The Half-Year Report of Eclipx Group Limited for the half-year ended 31 March 2021 is attached.

8 Signed

Kerry Roxburgh
Chairman
Sydney

Date: 5 May 2021

Eclipx Group Limited

ACN 131 557 901

Interim report
for the half-year ended 31 March 2021

CONTENTS

The Directors present their report on the consolidated entity (referred to hereafter as the Group or Eclipx) consisting of Eclipx Group Limited (the Company) and the entities it controlled at the end of or for the half-year ended 31 March 2021.

1. Directors

The following persons were Directors of the Company during the whole of the half-year period and up to the date of this report, unless otherwise stated:

Kerry Roxburgh	Chairman, Independent Non-Executive Director
Gail Pemberton	Independent Non-Executive Director
Trevor Allen	Independent Non-Executive Director
Russell Shields	Independent Non-Executive Director
Linda Jenkinson	Independent Non-Executive Director

2. Review of operations

Principal activities

We are one of Australia's leading providers of fleet management services and operate in Australia and New Zealand. Our products include a comprehensive range of motor vehicle fleet services from acquisitions, leasing, in-life fleet management and remarketing.

Group financial performance

The Group measures financial performance adopting the following non-IFRS measures:

- Net Operating Income (NOI). This represents earnings before tax after direct costs such as interest expense on debt allocated to fleet assets and depreciation and amortisation of fleet assets. NOI also includes end of lease income.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA). This represents earnings before taxes after indirect costs such as wages, occupancy and technology costs. It also includes impairment expenses. EBITDA excludes depreciation and amortisation of non-fleet assets, share based payments and interest expense on corporate debt, other than interest expense on debt allocated to fleet assets.
- Cash net profit after taxes and amortisation (NPATA). This represents earnings of the Group after tax. It excludes significant costs deemed to be non-recurring due to the nature of the cost as well as excluding the amortisation of all intangibles.
- Cash net profit after tax (NPAT). This represents the earnings of the Group after tax excluding significant costs deemed to be non-recurring due to the nature of the cost. It also excludes the amortisation of acquired intangibles.

The ongoing COVID-19 pandemic increases the uncertainty associated with estimations made in the preparation of these consolidated half-year financial statements. Information about the Group's approach is provided in section 4 of this Directors' Report and in Note 1.3 of the Financial Statements.

With respect to the potential impacts of COVID-19, the Group made 31 March 2021 estimates based upon all information the Board considers relevant at this time. However, it is likely subsequent economic conditions may result in materially different outcomes (better or worse) than the accounting estimates used in the preparation of these financial statements.

2. Review of operations (continued)

The table below reconciles the non-IFRS measures with the statutory profit for the first half reported in the Group Statement of Profit or Loss and Other Comprehensive Income.

	First half					
31 March	**2021 Core**	**2020 Core**	**2021 Non-core**	**2020 Non-core***	**2021 Group**	**2020 Group**
Net operating income	104.7	88.9	-	7.3	104.7	96.2
Bad and doubtful debts	1.2	(2.1)	-	0.2	1.2	(1.9)
Operating expense	(39.4)	(38.4)	-	(18.7)	(39.4)	(57.1)
EBITDA	**66.5**	**48.4**	**-**	**(11.2)**	**66.5**	**37.2**
Depreciation	(2.7)	(3.4)	-	(0.8)	(2.7)	(4.2)
Share based payments	(2.4)	(2.1)	-	-	(2.4)	(2.1)
Holding company debt interest	(5.7)	(5.6)	-	(3.1)	(5.7)	(8.7)
Tax	(16.4)	(11.0)	-	4.4	(16.4)	(6.6)
Cash NPATA	**39.3**	**26.3**	**-**	**(10.7)**	**39.3**	**15.6**
Software amortisation post tax	(1.2)	(1.1)	-	-	(1.2)	(1.1)
Cash NPAT	**38.1**	**25.2**	**-**	**(10.7)**	**38.1**	**14.5**
Reconciling items to statutory profits						
Amortisation of other intangibles	(1.5)	(1.6)	-	-	(1.5)	(1.6)
Significant items	0.8	(4.3)	-	2.6	0.8	(1.7)
Tax	0.4	1.7	-	0.3	0.4	2.0
Statutory profits	**37.8**	**21.0**	**-**	**(7.8)**	**37.8**	**13.2**

** Non-core for 2020 includes Right2Drive and CarLoans which were sold post 31 March 2020.*

Net operating income

Net operating income (NOI) increased by $15.8 million compared to the Core NOI half-year ended 31 March 2020. The NOI increase was a result of:

- Higher financing margin driven by lower interest expenses.
- Higher end-of-lease income created by a combination of increased demand for used cars and record high prices for used cars largely resulting from the shortage of supply in both Australia and New Zealand.
- Offset by lower brokerage commissions and other revenue items, which were directly impacted by the effects of COVID-19 and the delay in new motor vehicle supply.

Operating expenses

Operating expenses increased by $1.0 million compared to the Core business direct and allocated costs for the half-year ended 31 March 2020. The Core business absorbed the stranded costs as the Group exited the Non-core businesses.

Bad and doubtful debts

Bad and doubtful debts expense decreased by $3.3 million compared to the Core business half-year ended 31 March 2020. $1.9 million decrease was due to the Group’s expected credit loss (ECL) model and driven by the reduction of finance leases and trade receivables balance. A $0.2 million decrease was caused by the reduction in management’s provision overlay of $2.9 million ($3.1 million Sept-20) in response to COVID-19 (refer to Note 1.3).

Cash NPATA

Cash NPATA increased by $13.0 million compared to the Core business half-year ended 31 March 2020. The Group reduced its Holding company debt interest by $3.0 million by reducing its gross debt by $42.1 million during the half-year ended 31 March 2021.

2. Review of operations (continued)

Significant items

Significant items recognised for the half-year ended 31 March 2021 were $0.8 million and primarily relate to a non-recurring income item.

It is noted that significant expense items for the half-year ended 31 March 2020 in the Core business of ($4.3 million) related to the Group's Simplification plan and included employee redundancy costs, exit costs of premises and expenses associated with the early repayment of corporate debt.

	As at		
Total Group assets and liabilities ($m)	**31-Mar-21**	**30-Sep-20**	**% Change**
Inventory	**15.5**	18.4	(16)%
Finance leases	**353.0**	370.3	(5)%
Operating leases	**840.6**	867.2	(3)%
	1,209.1	1,255.9	(4)%
Other assets	**794.1**	776.6	2%
Total assets	**2,003.2**	2,032.5	(1)%
Borrowings	**1,258.3**	1,345.0	(6)%
Other liabilities	**196.7**	179.0	10%
Total liabilities	**1,455.0**	1,524.0	(5)%

Inventory

Inventory was $15.5 million as at 31 March 2021 which is a reduction of $2.9 million compared to 30 September 2020. The combination of continued strong demand for second-hand motor vehicles and supply shortages has allowed the Group to sell down its inventory balance up to 31 March 2021.

Finance leases

Finance leases were $353.0 million as at 31 March 2021 which is a reduction of $17.3 million compared to 30 September 2020. The decrease of this balance was driven by a combination of a decrease in new business writings in the half-year ended 31 March 2021 because of the delay of new motor vehicle supplies and due to a greater portion of finance leases being funded by our principal and agency (P&A) partners as opposed to by our warehouse facilities.

Operating leases reported as property, plant and equipment

Operating leases were $840.6 million as at 31 March 2021 which is a reduction of $26.6 million compared to 30 September 2020. The decrease of this balance was driven by a decrease in new business writings because of the delay of new motor vehicle supplies and due to a greater portion of leases being funded by our P&A partners as opposed to by our warehouse facilities.

Borrowings and funding

As of 31 March 2021, borrowings include an amount of $112.9 million drawn against the holding company debt facility. This represents a $42.1 million reduction to the 30 September 2020 balance. After deducting cash and cash equivalents, the net holding company debt borrowing as of 31 March 2021 was $54.2 million representing a $45.0 million reduction to the balance at 30 September 2020.

The remaining borrowings of $1,153.1 million relates to funding directly associated with finance and operating leases that the Group provides to its customers along with the inventory of vehicles in the process of being sold. This funding is provided by a combination of warehouse and asset backed securitisation funding structures.

Warehouse facilities are so called because they can be drawn and repaid on an ongoing basis up to an agreed limit subject to conditions. A group of assets funded via a warehouse facility can be pooled together and refinanced via the creation of special purpose asset backed securitisation vehicles (backed by the assets initially financed via the warehouse) which issue debt securities to wholesale investors such as domestic and international banks and institutional funds.

The Group aims to optimise its funding facilities with committed funding facilities to cater for expected business growth. At 30 March 2021, the Group had undrawn debt facilities of $243.2 million.

2. Review of operations (continued)

Cash flows

The Group saw cash and cash equivalents, including restricted cash, increase by $15.8 million during the half-year ended 31 March 2021 compared to a decrease of $11.6 million during the prior corresponding period. The increase was driven by cash generated by the positive EBITDA result and the receipt of $4.9 million of deferred consideration from the sale of Right2Drive and CarLoans, partially offset by $42.1 million repayment of holding company debt.

As at 31 March 2021, the Group held $58.6 million of unrestricted cash and $164.9 million of restricted cash.

First half segment performance

Australia Commercial

($m)	**31-Mar-21**	**31-Mar-20**
Net operating income	63.6	52.1
Bad and doubtful debts	-	(0.2)
Operating expenses	(24.8)	(22.8)

The Australia Commercial segment specialises in fleet leasing and management that operates under the trading names of Fleetplus and FleetPartners.

Net operating income (NOI) within the Australia Commercial segment increased by $11.5 million compared to the half-year ended 31 March 2020. NOI increased because of higher end of lease income created by a combination of increased demand for second-hand vehicles and a supply shortage. NOI also increased due to higher finance margins driven by lower interest expense. These drivers were partially offset by lower brokerage commission and other revenue items, from lower new business writings (NBW) which was adversely impacted by the delay in new motor vehicle supply.

Bad and doubtful debts decreased by $0.2 million because of the reduction in credit provisions. Credit provisions decreased as a result of lower finance and trade receivables balance.

Operating expenses were higher by $2.0 million largely as a result of non-core stranded costs returning to the core business.

Novated

($m)	**31-Mar-21**	**31-Mar-20**
Net operating income	12.2	13.0
Bad and doubtful debts	-	-
Operating expenses	(7.3)	(6.3)

The Novated segment specialises in novated leasing and salary packaging. It operates in Australia under the trading names of FleetChoice, Fleetplus and FleetPartners

NOI within the Novated segment decreased by $0.8 million compared to the half-year ended 31 March 2020. NOI decreased because of fees and other revenue items associated with lower NBW which was adversely impacted by the delay in new motor vehicle supply.

Operating expenses were higher by $1.0 million because of higher employee costs and non-core stranded costs returning to the core business.

New Zealand Commercial

($m)	**31-Mar-21**	**31-Mar-20**
Net operating income	29.0	23.7
Bad and doubtful debts	1.2	(1.9)
Operating expenses	(7.3)	(9.3)

The New Zealand Commercial segment specialises in fleet leasing and management and operates under the trading names of Fleetplus and FleetPartners. This segment also operates three second-hand vehicle dealerships under the trading name of AutoSelect.

NOI within the New Zealand Commercial segment increased by $5.3 million compared to the half-year ended 31 March 2020. NOI increased because of higher end of lease income created by a combination of increased demand for second-hand vehicles and a supply shortage. NOI also increased due to higher finance margins driven by lower interest expense. These drivers were partially offset by lower management fees.

2. Review of operations (continued)

Bad and doubtful debts decreased by $3.1 million largely due to the incremental provision being recognised in March 2020 as a result of COVID-19 and the partial release of provisions where market data has supported an improvement in the outlook. The segment also noted an improvement in arrears position of the financial assets.

Operating expenses were lower by $2.0 million because of the annualised benefits from the Simplification plan, more than offsetting the level of non-core stranded costs returning to the core business.

Non-core

($m)	31-Mar-21	31-Mar-20
Net operating income	-	7.3
Bad and doubtful debts	-	0.3
Operating expenses	-	(18.8)

This segment is no longer reportable with the sale of Right2Drive on 6 August 2020.

3. Dividends

The Directors have not declared an interim dividend for the half-year ended 31 March 2021. No dividends were declared or paid for the half-year ended 31 March 2020.

The Group will commence an on-market share buy-back program, where the Group will purchase up to $20.0 million of equity in the second half of financial year 2021. The shares will subsequently be cancelled to provide a capital return to shareholders.

4. Coronavirus COVID-19

The COVID-19 pandemic and the measures undertaken to contain it have had significant social, medical and economic impacts in Australian and New Zealand that continue to unfold with the ultimate extent of the impacts still unknown.

This socio-economic crisis has required a multifaceted response by the Group. The response includes but is not limited to ensuring the health and safety of employees, working closely with customers and suppliers, increasing the rigor around liquidity and risk management and enacting appropriate mitigation actions across all other aspects of the Group's operations.

The full effects on the fleet management sector have yet to be determined. The key impacts on the Group during the half-year ended 31 March 2021 are summarised below:

Australia and New Zealand Commercial

NBW between October 2020 to March 2021 represented 86% of pre COVID-19 levels for the period of October 2019 to March 2020. This was mostly caused by the COVID-19 related delay in new motor vehicle supply.

Brokerage income that is earned as a result of NBW funded via a P&A arrangement was reduced by $1.3 million in the half-year ended 31 March 2021 compared to the prior corresponding period as a result of lower NBW.

Demand for second-hand motor vehicles has increased in Australia and New Zealand during the COVID-19 pandemic, coupled by a shortage in supply which has allowed the Group to reduce its inventory level to $15.5 million and earn end of lease income of $5,944 per motor vehicle which is $3,476 greater than the half-year ended 31 March 2020.

Novated

NBW between October 2020 to March 2021 represented 92% of pre COVID-19 levels for the period of October 2019 to March 2020. This was mostly caused by the COVID-19 related delay in new motor vehicle supply.

Brokerage income that is earned as a result of NBW funded via a P&A arrangement was reduced by $0.6 million in the half-year ended 31 March 2021 compared to the prior corresponding period as a result of lower NBW.

The Group has carefully considered the impact of COVID-19 in preparing its financial statements for the half-year ended 31 March 2021, including the application of critical estimates and judgements. The key impacts on the financial statements are as follows and are further detailed in Note 1.3:

4. Coronavirus COVID-19 (continued)

Provision for impairment losses on finance leases and trade receivables

Given the continuing uncertainty surrounding the effect from COVID-19, including the secondary or cumulative effect from the unwinding of government stimulus from 30 March 2021, the Group has held constant a model adjustment outlined in the 30 September 2020 financial report. The model adjustment involved applying the highest historical expected credit loss rate since the model inception. This management overlay of $2.9 million represents a net decrease of $0.2 million for the half-year ended 31 March 2021. The Group maintained the weighting of the model's multiple economic scenarios at base (50%) and downside (50%).

Provision for impairment losses on operating leases

The Group assumes lease residual value risk on motor vehicles which exposes the Group to the movement in second-hand prices of these assets.

The AASB 136 Impairment of Assets methodology for impairing operating leases has remained consistent with prior periods including the incorporation of forecasted sale proceeds on the disposal of motor vehicles at lease end. The model used by the Group to estimate future sale proceeds is based on nearly 30 years of experience. Due to the combination of higher demand and a shortage in supply for second-hand vehicles, because of the effects of COVID-19, second-hand motor vehicle prices are significantly elevated at the moment.

It is management's view that the current price levels are not sustainable and accordingly, the Group has applied a 4.68% reduction to the model's current forecasted sale proceeds to mitigate these temporary inflationary effects of COVID-19 on second-hand motor vehicle forecasts. This overlay of $1.2 million represents a net decrease in the management overlay of $0.4 million for the half-year ended 31 March 2021.

Maintenance revenue

Maintenance revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers and is based upon external and internal data to calculate the percentage of maintenance revenue to be recognised in line with the level of services provided as part of our obligations under the lease. Accordingly, maintenance revenue is recognised progressively on a lease over time, with the age of the lease being the most practical proxy for services provided.

During the year ended 30 September 2020, the Group witnessed a decrease in the utilisation of its fleet and as a result, a decrease in maintenance expenditure which was driven by the restrictions on movement imposed by State and Territory governments in response to the COVID-19 outbreak.

To match the delay in revenue with the delay in services provided as a result of the COVID-19 restrictions, the Group deferred the recognition of $2.5 million maintenance revenue during the year ended 30 September 2020. Based upon the lease termination dates of the original leases that made up the $2.5 million revenue deferral, $0.5 million of revenue was released into the income statement during the half-year ended 31 March 2021.

Impairment of non-financial assets

At each reporting period, the Group reviews the carrying amount of its intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the affected assets are evaluated in accordance with AASB 136 *Impairment of Assets*.

Having considered several indicative factors of goodwill impairment such as the Group's market capitalisation, net assets, EBITDA and NPAT, the Group has determined there are no indicators of impairment for goodwill as of the half-year ending 31 March 2021.

Summary of COVID-19 overlays

($m)	**31-Mar-21**			**30-Sep-20**			**Net income statement impact**
	COVID-19 overlay	AASB 9 / 136 model	Total	COVID-19 overlay	AASB 9 / 136 model	Total	
Provision for impairment losses on finance leases and trade receivables	2.9	10.9	13.8	3.1	12.8	15.9	2.1
Provision for impairment losses on operating leases	1.2	3.4	4.6	1.6	3.0	4.6	-
Maintenance revenue	2.0	n/a	2.0	2.5	n/a	2.5	0.5
	6.1	14.3	20.4	7.2	15.8	23.0	2.6

5. Going concern

These half-year financial statements have been prepared on the basis that Eclipx is a going concern.

At 31 March 2021 the Group held unrestricted cash of $58.6 million, net debt of $54.2 million, undrawn capacity under its holding company debt facilities of $114.8 million and a debt-to-EBITDA ratio of 0.5 times.

The Group notes that a substantial proportion of income it generates is annuity-like in nature and not susceptible to sudden, short-to-medium downturns in the markets in which it operates.

Taken together, the combination of the current levels of liquidity and the annuity income streams of the Group, provides significant levels of support over an extended period for the day-to-day operations of the Group.

The Directors are therefore of the opinion that the preparation of the financial statements as a going concern is appropriate.

6. Subsequent events

No matter or circumstance has occurred since the end of the reporting period that may materially affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

7. Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11 and forms part of the Directors' Report for the half-year ended 31 March 2021.

8. Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts, unless otherwise stated, have been rounded off to the nearest whole number of thousands of dollars.

9. Treasury shares

The Group held 17,870,512 (30 Sep 2020: 4,545,761) treasury shares, which it can use to settle its obligations under the Eclipx Group Long Term Incentive Plan.

10. Change in corporate affairs

Mr Kerry Roxburgh AM has confirmed his retirement as the Company's Chair. The Company's Board has chosen Ms Gail Pemberton AO as his successor. Mr Roxburgh commented at the Company's 2020 Annual General Meeting, that it was his intention to retire as Chair on the earlier of the appointment of his successor or the 2022 Annual General Meeting.

In December 2020, the Group completed a comprehensive Board performance review. Arising from that review, the Company expects to announce the appointment of at least one additional Non-Executive Director later this year.

11. Stakeholders

The Board pays tribute to all Eclipx Group employees, who have each made significant contributions, demonstrating their resilience, commitment and consistency through all the internal and external challenges, much of it brought about by the COVID-19 pandemic. I thank our employees whose dedication ensured Eclipx maintained its reputation for service leadership to our customers, evidenced in our consistently strong NPS.

Finally, we express our sincere thanks and appreciation to our customers, funding partners, advisors and shareholders for their continuing support and feedback.

This Directors' Report is signed on behalf of the Directors in accordance with the resolution of Directors made pursuant to section 298(2) of the Corporations Act 2001.

Kerry Roxburgh
Chairman

Sydney
5 May 2021

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Eclipx Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Eclipx Group Limited for the half-year ended 31 March 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Peter Zabaks
Partner

Sydney
5 May 2021

Eclipx Group Limited
Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 March 2021

	Notes	Consolidated 31 Mar 2021 $'000	31 Mar 2020* $'000
Revenue from continuing operations	2.3	**333,155**	335,497
Cost of revenue	2.3	**(205,079)**	(215,528)
Lease finance costs	2.4	**(23,358)**	(30,838)
Net operating income before operating expenses and impairment charges		**104,718**	89,131
Impairment releases/(losses) on loans and receivables		**1,204**	(2,062)
Employee benefit expense		**(30,861)**	(31,237)
Depreciation and amortisation	2.4	**(6,096)**	(6,512)
Operating overheads	2.4	**(9,957)**	(13,603)
Total overheads		**(46,914)**	(51,352)
Operating finance costs	2.4	**(5,719)**	(11,430)
Profit before income tax from continuing operations		**53,289**	24,287
Income tax expense		**(15,523)**	(7,149)
Profit for the half-year from continuing operations		**37,766**	17,138
Loss from discontinued operation	2.2(i)	**-**	(3,943)
Profit for the half-year		**37,766**	13,195
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		**7,748**	(2,352)
Exchange differences on translation of foreign operations		**(1,712)**	8,428
Other comprehensive income for the half-year, net of tax		**6,036**	6,076
Total comprehensive income for the half-year		**43,802**	19,271
Profit attributable to:			
Owners of Eclipx Group Limited		**37,766**	13,195
Total comprehensive income for the half-year attributable to:			
Owners of Eclipx Group Limited		**43,802**	19,271
		Cents	**Cents**
Earnings per share from continuing and discontinuing operations			
Basic earnings per share	2.5	**12.0**	4.2
Diluted earnings per share	2.5	**11.3**	4.2
Earnings per share from continuing operations			
Basic earnings per share	2.5	**12.0**	5.4
Diluted earnings per share	2.5	**11.3**	5.4
Earnings per share from discontinued operations			
Basic earnings/(loss) per share	2.5	**-**	(1.2)
Diluted earnings/(loss) per share	2.5	**-**	(1.2)

**Comparative information has been re-presented due to a discontinued operation. See Note 2.2.*

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Eclipx Group Limited
Statement of Financial Position
As at 31 March 2021

	Notes	Consolidated 31 Mar 2021 $'000	Consolidated 30 Sep 2020 $'000
ASSETS			
Cash and cash equivalents		**58,645**	55,776
Restricted cash and cash equivalents		**164,927**	152,022
Trade receivables and other assets	3.3	**66,630**	68,534
Inventory		**15,547**	18,425
Finance leases	3.3	**353,038**	370,299
Operating leases reported as property, plant and equipment	3.1	**840,649**	867,164
Deferred tax assets		**12,220**	3,366
Property, plant and equipment	3.1	**5,219**	6,029
Right-of-use assets		**18,503**	21,565
Intangibles	3.2	**467,812**	469,306
Total assets		**2,003,190**	2,032,486
LIABILITIES			
Trade and other liabilities		**115,438**	107,771
Provisions		**8,736**	9,810
Derivative financial instruments	4.2	**16,240**	28,091
Borrowings	4.1	**1,258,252**	1,344,992
Lease liabilities		**20,920**	23,774
Deferred tax liabilities		**35,387**	9,563
Total liabilities		**1,454,973**	1,524,001
Net assets		**548,217**	508,485
EQUITY			
Contributed equity		**666,079**	654,765
Reserves		**167,624**	176,972
Retained earnings		**(285,486)**	(323,252)
Total equity		**548,217**	508,485

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Eclipx Group Limited
Statement of Changes in Equity
For the half-year ended 31 March 2021

	Attributable to owners of Eclipx Group Limited			
Consolidated	**Contributed equity $'000**	**Reserves $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance as at 1 October 2019	654,765	167,797	(341,457)	**481,105**
Profit for the half-year	-	-	13,195	**13,195**
Cash flow hedges	-	(2,352)	-	**(2,352)**
Foreign currency translation	-	8,428	-	**8,428**
Total comprehensive income for the half-year	-	6,076	13,195	**19,271**
Transactions with owners in their capacity as owners:				
Movement in treasury reserve	-	1,798	-	**1,798**
Employee share schemes	-	2,148	-	**2,148**
Balance at 31 March 2020	**654,765**	**177,819**	**(328,262)**	**504,322**
Balance at 1 October 2020	654,765	176,972	(323,252)	**508,485**
Profit for the half-year	-	-	37,766	**37,766**
Cash flow hedges	-	7,748	-	**7,748**
Foreign currency translation	-	(1,712)	-	**(1,712)**
Total comprehensive income for the half-year	-	6,036	37,766	**43,802**
Transactions with owners in their capacity as owners:				
Issuance of new shares	11,314	-	-	**11,314**
Acquisition of treasury shares	-	(28,822)	-	**(28,822)**
Movement in treasury reserve	-	11,051	-	**11,051**
Employee share schemes	-	2,387	-	**2,387**
Balance at 31 March 2021	**666,079**	**167,624**	**(285,486)**	**548,217**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Eclipx Group Limited
Statement of Cash Flows
For the half-year ended 31 March 2021

	Consolidated	
	31 Mar 2021 $'000	**31 Mar 2020* $'000**
Cash flows from operations		
Receipts from customers	**387,466**	480,398
Payments to suppliers and employees	**(171,089)**	(237,251)
	216,377	243,147
Income tax paid	**(918)**	(3,799)
Interest received	**221**	763
Interest paid	**(27,419)**	(39,026)
Net cash inflow from operating activities	**188,261**	201,085
Cash flows from investing activities		
Purchase of items reported under operating leases	**(124,188)**	(129,574)
Purchase of items reported under finance leases	**(68,444)**	(89,261)
Purchase of property, plant and equipment and intangibles	**(2,628)**	(1,081)
Proceeds from completion payment	**4,855**	406
Proceeds from sales of items reported under operating leases	**118,210**	100,976
Net cash outflow from investing activities	**(72,195)**	(118,534)
Cash flows from financing activities		
Proceeds from borrowings	**182,383**	194,154
Repayments of borrowings	**(269,184)**	(287,247)
Payment of lease liabilities	**(1,974)**	(1,881)
Proceeds from issue of shares	**11,314**	-
Purchase of treasury shares	**(28,822)**	-
Proceeds from settlement of long term incentive plans	**6,356**	1,798
Net cash (outflows)/inflow from financing activities	**(99,927)**	(93,176)
Net increase/(decrease) in cash and cash equivalents	**16,139**	(10,625)
Cash and cash equivalents at the beginning of the financial half-year, net of overdraft	**207,798**	239,678
Exchange rate variations on New Zealand cash and cash equivalent balances	**(365)**	(981)
Cash and cash equivalents at end of the half-year, net of overdraft	**223,572**	228,072

*The prior comparative period has been restated to reflect the reclassification of principal payments where the Group is a lessee. "Payments to suppliers and employees" has decreased to $237,251,000 from $239,132,000. Payment of lease liabilities reflects the reclassification of $1,881,000.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1.0 Introduction to the report

1.1 Statement of compliance and basis of preparation

(a) Basis of preparation

These consolidated half-year financial statements represent the consolidated results of Eclipx Group Limited (ACN 131 557 901) (referred to hereafter as the Group or Eclipx). The financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

The financial statements do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the 2020 Annual Report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 September 2020.

The financial statements are presented in Australian Dollars, which is Eclipx's presentation currency. The accounting policies and methods applied in the half-year report are consistent with those adopted and disclosed in the 2020 Annual Report, except for the adoption of new Accounting Standards (refer to Note 1.2).

The financial statements were authorised for issue by the Directors on 5 May 2021.

(b) Significant accounting estimates and judgements

In preparing the half-year financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Significant judgements made by management in applying the Group's accounting policies and the key sources of estimate uncertainty were the same as those that applied in the 2020 Annual Report. Additional judgements impacting half-year financial statements are disclosed in Note 1.3 and Note 1.4.

1.2 New, revised or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 March 2021 and are not expected to have any significant impact for the full financial year ending 30 September 2021, except as stated below. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, *Configuration or customisation costs in a cloud computing arrangement*. The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements is able to be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise costs related to cloud computing arrangements as intangible assets in the Statement of Financial Position. The adoption of this agenda decision could result in a reclassification of these intangible assets to either a prepaid asset in the Statement of Financial Position and/or an expense in the Statement of Comprehensive Income, impacting both the current and/or prior periods presented.

As at 31 March 2021 the Group has not adopted this IFRIC agenda decision. The impact of the change is not reasonably estimable as the Group has yet to commence its assessment of the impact of the IFRIC agenda decision. The Group expects to adopt this IFRIC agenda decision in its annual financial statements ending on 30 September 2021.

1.3 Coronavirus (COVID-19) pandemic

The preparation of these consolidated half-year financial statements requires the use of management judgement, estimates and assumptions. The 2020 Annual Report provides information on the critical accounting estimates and judgements made by the Group. These estimates and judgements are reviewed on an ongoing basis.

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these consolidated half-year financial statements. The estimation uncertainty is associated with:

- the financial impact of the wind back of the economic stimulus;
- the temporary increase used car prices associated with the limited supply of new and used vehicles; and
- the financial effect of the international border closures of Australia.

1.3 Coronavirus (COVID-19) pandemic (continued)

The Group has formed estimates based on information that was available as at 31 March 2021, this information was deemed to be reasonable in forming these estimates. The actual economic conditions are likely to be different from the estimates used and this may result in material differences between the accounting estimates applied and the actual results of the Group for future periods.

The significant estimates impacted are predominantly related to impairment of operating leases reported as property, plant and equipment, expected credit losses and the carrying value of goodwill.

The impact of COVID-19 on these estimates is discussed below.

Provision for impairment of operating leases reported as property, plant and equipment

The Group assumes lease residual value risk on motor vehicles which exposes the Group to the movement in second-hand prices of these assets.

The AASB 136 *Impairment of Assets* methodology for impairing operating leases has remained consistent with prior periods including the incorporation of forecasted sale proceeds on the disposal of motor vehicles at lease end. The model used by the Group to estimate future sale proceeds is based on nearly 30 years of experience. Due to the combination of higher demand and a shortage in supply for second-hand vehicles, because of the effects of COVID-19, second-hand motor vehicle prices are significantly elevated at the moment.

It is management's view that the current price levels are not sustainable and accordingly, the Group has applied a 4.68% reduction to the model's current forecasted sale proceeds to mitigate these temporary inflationary effects of COVID-19 on second-hand motor vehicle forecasts. This overlay of $1.2 million represents a net decrease in the management overlay of $0.4 million for the half-year ended 31 March 2021.

Provision for impairment losses on finance leases and trade receivables

Given the continuing uncertainty surrounding the effect from COVID-19, including the secondary or cumulative effect from the unwinding of government stimulus from 30 March 2021, the Group has held constant a model adjustment outlined in the 30 September 2020 financial report. The model adjustment involved applying the highest historical expected credit loss rate since the model inception. This management overlay of $2.9 million represents a net decrease of $0.2 million for the half-year ended 31 March 2021. The Group maintained the weighting of the model's multiple economic scenarios at base (50%) and downside (50%).

Maintenance revenue

Maintenance revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers and is based upon external and internal data to calculate the percentage of maintenance revenue to be recognised in line with the level of services provided as part of our obligations under the lease. Accordingly, maintenance revenue is recognised progressively on a lease over time, with the age of the lease being the most practical proxy for services provided.

During the year ended 30 September 2020, the Group witnessed a decrease in the utilisation of its fleet and as a result, a decrease in maintenance expenditure which was driven by the restrictions on movement imposed by State and Territory governments in response to the COVID-19 outbreak.

To match the delay in revenue with the delay in services provided as a result of the COVID-19 restrictions, the Group deferred the recognition of $2.5 million maintenance revenue during the year ended 30 September 2020. Based upon the lease termination dates of the original leases that made up the $2.5 million revenue deferral, $0.5 million of revenue was released into the income statement during the half-year ended 31 March 2021.

Goodwill

Having considered several indicative factors of goodwill impairment such as the Group's market capitalisation, net assets, profit from continuing operations and performance compared to approved budgets, the Group has determined there are no indicators of impairment of goodwill as of the half-year ended 31 March 2021.

1.4 Going Concern

These half-year financial statements have been prepared on the basis that Eclipx is a going concern.

At 31 March 2021 the Group held unrestricted cash of $58.6 million, net debt of $54.2 million, undrawn capacity under its holding company debt facilities of $114.8 million and a debt-to-EBITDA ratio of 0.5 times.

The Group notes that a substantial proportion of income it generates is annuity-like in nature and not susceptible to sudden, short-to-medium downturns in the markets in which it operates.

Taken together, the combination of the current levels of liquidity and the annuity income streams of the Group, provides significant levels of support over an extended period for the day-to-day operations of the Group.

The preparation of the financial statements as a going concern is appropriate.

2.0 Business result for the period

2.1 Segment information

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are reviewed regularly by the Group's Chief Operating Decision Makers in assessing performance and in determining the allocation of resources.

As disclosed in the 2020 Annual Report, the Group had identified Core and Non-Core business segments. Core businesses include fleet leasing management and services to corporate small and medium enterprises (“SME”) and consumers in Australia and corporate and SME customers in New Zealand. Core business segments are Australia Commercial, Novated and New Zealand Commercial. Non-core relates to businesses that have been disposed by 30 September 2020 and were part of the simplification plan announced to the market in 2019. There were no Non-core businesses remaining for the half year financial period commencing 1 October 2020 to 31 March 2021.

The segment information for the reportable segments for the period ending 31 March 2021 are set out below:

31 March 2021

	Australia Commercial $'000	Novated $'000	New Zealand Commercial $'000	Total $'000
Net operating income	**63,593**	**12,164**	**28,961**	**104,718**
Bad and doubtful debts	(5)	(26)	1,235	**1,204**
Operating expenses	(24,826)	(7,302)	(7,257)	**(39,385)**
EBITDA	**38,762**	**4,836**	**22,939**	**66,537**
Depreciation and amortisation	(1,910)	(581)	(1,903)	**(4,394)**
Share based payments	(1,409)	(396)	(582)	**(2,387)**
Operating finance costs	(4,184)	(561)	(974)	**(5,719)**
Amortisation acquired intangibles	(1,196)	(336)	(16)	**(1,548)**
Significant non-recurring items*	917	-	(117)	**800**
Tax	(9,217)	(889)	(5,417)	**(15,523)**
Statutory net profit after tax	**21,763**	**2,073**	**13,930**	**37,766**
Post tax add back amortisation acquired intangibles	837	235	11	**1,083**
Post tax add back significant non-recurring items	(772)	-	84	**(688)**
Cash net profit after tax including amortisation of software	**21,828**	**2,308**	**14,025**	**38,161**
Software amortisation (post tax)	509	143	535	1,187
Cash Net Profit after Tax	**22,337**	**2,451**	**14,560**	**39,348**

* Significant non-recurring items relate to restructuring, fair value of disposal proceeds and other settlements.

2.0 Business result for the period (continued)

2.1 Segment information (continued)

31 March 2020

	Australia Commercial $'000	Novated $'000	New Zealand Commercial $'000	Non-Core $'000	Total $'000
Net operating income	52,135	12,995	23,742	7,265	96,137
Bad and doubtful debts	(160)	2	(1,905)	276	(1,787)
Operating expenses	(22,883)	(6,288)	(9,269)	(18,734)	(57,174)
EBITDA	**29,092**	**6,709**	**12,568**	**(11,193)**	**37,176**
Depreciation and amortisation	(2,249)	(561)	(2,116)	(825)	(5,751)
Share based payments	(1,050)	(242)	(857)	-	(2,149)
Operating finance costs	(4,020)	(575)	(995)	(3,145)	(8,735)
Amortisation acquired intangibles	(1,404)	(171)	(11)	-	(1,586)
Significant non-recurring items*	(3,892)	-	(415)	2,615	(1,692)
Tax	(4,928)	(1,536)	(2,354)	4,750	(4,068)
Statutory net profit after tax	11,549	3,624	5,820	(7,798)	13,195
Post tax add back amortisation acquired intangibles	991	121	8	-	1,120
Post tax add back significant non-recurring items	2,748	-	299	(2,939)	108
Cash net profit after tax including amortisation of software	15,288	3,745	6,127	(10,737)	14,423
Software amortisation (post tax)	519	130	455	-	1,104
Cash Net Profit after Tax	15,807	3,875	6,582	(10,737)	15,527

* Significant non-recurring items relate to loss on disposal of discontinued operations, disposal related costs and restructuring costs.

2.0 Business result for the period (continued)

2.2 Discontinued operations

(i) **Results of discontinued operations**

The period ended 31 March 2020 included financial performance and cash flow information for the Right2Drive Group and CarLoans, which were sold on 6 August 2020 and 6 May 2020 respectively.

The comparative consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 March 2020 has been re-presented to show the discontinued operation separately from continuing operations, adjusting for CarLoans which was not previously classified as held-for-sale or as a discontinued operation.

	31 Mar 2020 $'000
Revenue	24,261
Cost of revenue	(16,962)
Impairment loss on loans and receivables	276
Reversal of impairment	4,698
Employee benefit expense	(10,705)
Depreciation and amortisation	(825)
Other operating expenses	(6,599)
Operating finance costs	(77)
Loss from operating activities	(5,933)
Income tax	3,082
Loss on sale of discontinued operations	(1,092)
Total comprehensive loss from discontinued operations	(3,943)

	31 Mar 2020 $'000
Net cash flows from operating activities	1,947
Net cash flows from investing activities	(69)
Net cash flows from discontinued operations	1,878

2.0 Business result for the period (continued)

2.3 Revenue

	Consolidated	
	31 Mar 2021 $'000	**31 Mar 2020* $'000**
From continuing operations:		
Finance income	**43,161**	50,151
Maintenance and management income **	**50,712**	51,645
Related products and services income **	**16,709**	18,860
Operating lease rentals	**89,170**	94,655
Brokerage income **	**6,069**	7,586
Sundry income **	**2,280**	2,281
End of lease income - Vehicle sales **	**116,900**	100,990
End of lease income - Other	**8,154**	9,329
Total revenue from continuing operations	**333,155**	335,497
Cost of revenue:		
Maintenance and management expense	**22,193**	22,483
Related products and services expense	**5,296**	5,356
Impairment on operating leased assets	**(37)**	-
Depreciation on operating leased assets	**84,684**	92,866
Cost of goods sold - Vehicles	**92,943**	94,823
Total cost of revenue	**205,079**	215,528

** Comparatives have been re-presented to reclassify CarLoans figures to discontinued operations.*

*** The above amounts for 2021 totalling $192,670,000 (2020: $181,362,000) represents the Group's revenue derived from contracts with customers, in accordance with AASB15.*

2.4 Expenses

	Consolidated	
	31 Mar 2021 $'000	**31 Mar 2020* $'000**
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Plant and equipment - Fixture and fittings	**934**	1,249
Amortisation - Intangible assets	**1,529**	1,586
Software	**1,847**	1,555
Right-of-use-assets	**1,786**	2,122
Total depreciation and amortisation expense	**6,096**	6,512
Lease finance costs		
Notes payable interest and finance charges	**22,595**	28,712
Hedge gain	**(924)**	(480)
Bank loans interest and finance charges	**1,687**	2,606
Total lease finance costs	**23,358**	30,838
Operating finance costs		
Facility finance costs	**5,227**	8,144
Lease liabilities interest	**492**	547
Facility finance restructure	**-**	2,739
Total operating finance costs	**5,719**	11,430

2.0 Business result for the period (continued)

2.4 Expenses (continued)

	Consolidated 31 Mar 2021 $'000	Consolidated 31 Mar 2020* $'000
Operating overheads		
Rental of premises	**313**	552
Technology costs	**3,735**	4,457
Restructuring costs	**325**	1,415
Merger related costs	**-**	154
Other overheads	**5,584**	7,025
Total operating overheads	**9,957**	13,603

** Comparatives have been re-presented to reclassify CarLoans figures to discontinued operations.*

2.5 Earnings per share

	Consolidated 31 Mar 2021 $'000	Consolidated 31 Mar 2020* $'000
Profit /(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
From continuing operations	**37,766**	17,138
From discontinued operations	**-**	(3,943)
From continuing and discontinuing operations	**37,766**	13,195

** Comparatives have been re-presented to reclassify CarLoans figures to discontinued operations.*

	Consolidated 31 Mar 2021 Number	Consolidated 31 Mar 2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**313,709,975**	316,470,114
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**334,314,973**	316,470,114

	Consolidated 31 Mar 2021 Cents	Consolidated 31 Mar 2020 Cents
Continuing and discontinuing earnings per share		
Basic earnings per share	**12.0**	4.2
Diluted earnings per share	**11.3**	4.2

2.0 Business result for the period (continued)

2.5 Earnings per share (continued)

	Consolidated 31 Mar 2021 Cents	Consolidated 31 Mar 2020* Cents
Impact of continuing operations		
Basic earnings per share	**12.0**	5.4
Diluted earnings per share	**11.3**	5.4
Impact of discontinued operations		
Basic earnings/(loss) per share	**-**	(1.2)
Diluted earnings/(loss) per share	**-**	(1.2)

** Comparatives have been re-presented to reclassify CarLoans figures to discontinued operations.*

3.0 Operating assets and liabilities

3.1 Property, plant and equipment

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
At 31 March 2021				
Opening net book amount	2,277	3,752	867,164	**873,193**
Additions	133	-	124,188	**124,321**
Transfers to inventory	-	-	(64,073)	**(64,073)**
Impairment	-	-	37	**37**
Depreciation	(568)	(366)	(84,684)	**(85,618)**
Foreign exchange variation	-	(9)	(1,983)	**(1,992)**
Closing net book amount	**1,842**	**3,377**	**840,649**	**845,868**
At 31 March 2021				
Cost	17,953	10,583	1,330,704	**1,359,240**
Accumulated depreciation and impairment	(16,111)	(7,206)	(490,055)	**(513,372)**
Net book amount	**1,842**	**3,377**	**840,649**	**845,868**

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
At 30 September 2020				
Opening net book amount	4,236	4,364	959,187	967,787
Additions	290	219	266,041	266,550
Transfers to inventory	-	-	(175,834)	(175,834)
Disposals	(702)	-	-	(702)
Disposal - discontinued operations	(40)	-	-	(40)
Impairment	-	-	(321)	(321)
Depreciation - continuing operations	(1,505)	(818)	(180,203)	(182,526)
Foreign exchange variation	(2)	(13)	(1,706)	(1,721)
Closing net book amount	2,277	3,752	867,164	873,193
At 30 September 2020				
Cost	17,843	10,606	1,353,785	1,382,234
Accumulated depreciation and impairment	(15,566)	(6,854)	(486,621)	(509,041)
Net book amount	2,277	3,752	867,164	873,193

3.0 Operating assets and liabilities (continued)

3.1 Property, plant and equipment (continued)

	Consolidated 31 Mar 2021 $'000	Consolidated 30 Sep 2020 $'000
Motor vehicle and equipment operating leases reported as property, plant and equipment		
Operating leases terminating within 12 months	**285,493**	284,045
Operating leases terminating after more than 12 months	**555,156**	583,119
	840,649	867,164
Net book amount of property, plant and equipment		
Plant and equipment	**1,842**	2,277
Fixture and fittings	**3,377**	3,752
	5,219	6,029
Total property, plant and equipment	**845,868**	873,193

3.2 Intangibles

Consolidated	Brand Names $'000	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
At 31 March 2021					
Opening net book amount	1,714	11,248	16,050	440,294	**469,306**
Additions	-	-	2,495	-	**2,495**
Amortisation charge - continuing operations	(62)	(1,467)	(1,847)	-	**(3,376)**
Foreign exchange variation	-	-	-	(613)	**(613)**
Closing net book amount	**1,652**	**9,781**	**16,698**	**439,681**	**467,812**
At 31 March 2021					
Cost	2,478	29,342	75,425	537,769	**645,014**
Accumulated amortisation and impairment	(826)	(19,561)	(58,727)	(98,088)	**(177,202)**
Net book amount	**1,652**	**9,781**	**16,698**	**439,681**	**467,812**

Consolidated	Brand names $'000	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
At 30 September 2020					
Opening net book amount	1,837	13,301	19,345	440,819	475,302
Additions	-	-	2,117	-	2,117
Amortisation charge - continuing operations	(123)	(1,655)	(5,402)	-	(7,180)
Impairment charge - continuing operations	-	(398)	-	-	(398)
Foreign exchange variation	-	-	(10)	(525)	(535)
Closing net book amount	1,714	11,248	16,050	440,294	469,306
At 30 September 2020					
Cost	18,721	29,342	73,120	538,382	659,565
Accumulated amortisation and impairment	(17,007)	(18,094)	(57,070)	(98,088)	(190,259)
Net book amount	1,714	11,248	16,050	440,294	469,306

3.0 Operating assets and liabilities (continued)

3.3 Receivables and Finance leases

The Group's gross exposure and related Expected Credit Loss (ECL) provision subject to impairment requirements of AASB 9 Financial instruments are as follows:

	As at 31 March 2021			As at 30 September 2020		
	Gross carrying amount $'000	**ECL provision $'000**	**Carrying amount net of provision $'000**	**Gross carrying amount $'000**	**ECL provision $'000**	**Carrying amount net of provision $'000**
Net investment in finance lease receivables	365,332	(12,294)	353,038	384,008	(13,709)	370,299
Trade and other receivables	68,105	(1,475)	66,630	70,716	(2,182)	68,534
Total	**433,437**	**(13,769)**	**419,668**	**454,724**	**(15,891)**	**438,833**

The Group's total impairment provision on receivables and finance leases as at 31 March 2021 and 30 Sept 2020 are as follows:

	Net investment in finance lease receivables $'000	**Trade and other receivables $'000**
Opening ECL provision as at 1 October 2019	11,865	1,187
Increase / (Decrease) in ECL provision	3,170	2,245
Write-offs	**(1,326)**	**(1,250)**
Closing ECL provision as at 30 September 2020	**13,709**	**2,182**
Increase / (Decrease) in ECL provision	(1,100)	74
Write-offs	(315)	(781)
Closing ECL provision as at 31 March 2021	**12,294**	**1,475**

4.0 Capital management

4.1 Borrowings

	Consolidated 31 Mar 2021 $'000	Consolidated 30 Sep 2020 $'000
Bank loans	**112,891**	155,000
Notes payable	**1,153,124**	1,199,899
Borrowing costs	**(7,763)**	(9,907)
Total secured borrowings	**1,258,252**	1,344,992
Amount expected to be settled within 12 months	**368,343**	373,089
Amount expected to be settled after more than 12 months	**889,909**	971,903
Total secured borrowings	**1,258,252**	1,344,992

Bank loans

Bank loans are secured by fixed and floating charges over the assets of the Group.

The carrying amount of assets pledged as security was $146,041,000 (2020: $148,764,000).

Notes payable

Notes payable are secured by fixed and floating charge over the motor vehicles and equipment that are leased to customers. The carrying amount of assets pledged as security was $1,358,614,000 (2020: $1,389,485,000).

Financing arrangements

The Group had the following borrowing facilities at the end of the reporting period:

	Consolidated 31 Mar 2021 $'000	Consolidated 30 Sep 2020 $'000
Loan facilities drawn at reporting date	**1,266,015**	1,354,899
Bank loan facilities undrawn at reporting date	**114,809**	126,648
Warehouse loan facilities undrawn at reporting date	**128,436**	216,082
Total loan facilities	**1,509,260**	1,697,629

Financial covenants

The Group has complied with the financial covenants of its borrowing facilities as at 31 March 2021.

4.0 Capital management (continued)

4.2 Derivative financial instruments

Derivative financial instruments are measured at fair value.

	Consolidated	
	31 Mar 2021 $'000	**30 Sep 2020 $'000**
Interest rate swaps - cash flow hedges	**16,240**	28,091
Total derivative financial instrument liabilities	**16,240**	28,091
Amount expected to be settled within 12 months	**11,460**	15,053
Amount expected to be settled after more than 12 months	**4,780**	13,038
Total derivative financial instrument liabilities	**16,240**	28,091

4.3 Fair value

Financial liability	31 Mar 2021 $'000	30 Sep 2020 $'000	Fair value hierarchy	Valuation technique and key input
Interest rate swap contracts - cash flow hedges	**16,240**	28,091	2	The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

A description of the level in the hierarchy is as follows:

Level 2: The fair value of assets and liability that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an asset or liability are observable, these are included in level 2.

There were no transfers between levels for recurring fair value measurements during the period. With the exception of the fixed term loan, fair value of financial assets and financial liabilities approximate the carrying value.

The fixed term loan has a carrying value of $53,570,000 (2020: $53,570,000) and a fair value of $53,629,000 (2020: $52,376,000).

4.4 Dividends

No interim dividends were declared for half-year ended 31 March 2021 (2020: NIL).

5.0 Other

5.1 Related party transactions

For the half-year ended 31 March 2021 there have been no transactions with related parties (31 March 2020: Nil).

5.2 Events occurring after the reporting period

There were no matters or circumstances that occurred since the end of the reporting period that may materially affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Eclipx Group Limited
Directors' Declaration
For the half-year ended 31 March 2021

In the opinion of the Directors of Eclipx Group Limited:

(a) The interim consolidated financial statements and notes thereto for the half-year ended 31 March 2021 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the half-year ended on that date; and

  (ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Eclipx Group Limited:

Kerry Roxburgh
Chairman

Sydney
5 May 2021

Independent Auditor's Review Report

To the shareholders of Eclipx Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Eclipx Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Eclipx Group Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 March 2021 and of its performance for the ***Half-year*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 March 2021.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1.0 to 5.2 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Eclipx Group Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2021 and its performance for the Half-Year Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Peter Zabaks
Partner

Sydney
5 May 2021