Money3 Corporation Limited

ABN: 63 117 296 143

Appendix 4E [Rule 4.3A]

Preliminary Final Report
For the year ended 30 June 2021

Results for Announcement to the Market

Key financial information				2021 $'000	2020 $'000
Revenue from continuing operations	Up	17.0%	to	145,103	124,034
Revenue from discontinued operations[1]		-		-	-
Profit from continuing operations after tax attributable to members	Up	76.6%	to	39,165	22,192
Profit from discontinued operations after tax attributable to members		-	to	-	2,000

[1]Discontinued operations relate to sale of Money3 Branches Pty Ltd (Branch segment) and Money3 Services Pty Ltd (Online segment) in May 2019.

Dividend information	Amount per security	Franked amount per security at 30% tax
Current period		
- Interim dividend	3.00 cents	3.00 cents
- Final dividend	7.00 cents	7.00 cents
Total FY21 dividend	**10.00 cents**	**10.00 cents**
Previous corresponding period		
- Interim dividend	5.00 cents	5.00 cents
- Final dividend	3.00 cents	3.00 cents
Total FY20 dividend	**8.00 cents**	**8.00 cents**

Dividend dates	
Ex-dividend date	8 September 2021
Record date	9 September 2021
Payment date	14 October 2021

	30 June 2021	30 June 2020
Net tangible assets per security	$1.45	$1.21

Additional Appendix 4E disclosure requirements can be found in the financial statements contained in the Money3 Corporation Limited's Financial Report for the year ended 30 June 2021. This report is based on the consolidated Financial Report for the year ended 30 June 2021 which has been audited by BDO with the Independent Auditor's Report included in the Consolidated Financial Report.

Accelerating profitable growth

Money3 Corporation Limited
Annual Report 2021

money3

A customer-first lender

About Money3 Group

Money3 Corporation Limited (“the Group”) is a leading provider of automotive and personal finance across Australia and New Zealand. The Group is made up of three business units, i) Money3, ii) Automotive Financial Services (“AFS”); and iii) Go Car Finance (“GCF”). While GCF operates in New Zealand the rest of the Group’s operations and corporate functions are located in Australia.

Key milestones

~63,000
active customers

170,000+
vehicles funded

$2bn+
lent

Contents

Financial Highlights

17.0% increase in revenue to $145.1m

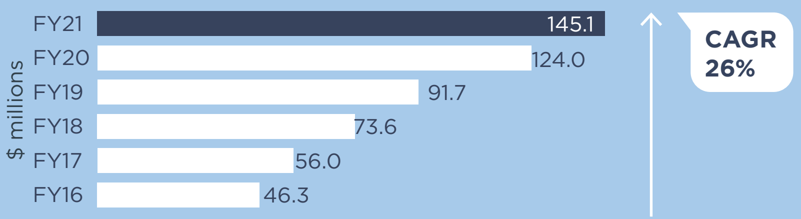
38.5% increase in loan book to $600.9m

64.8% increase in EBITDA to $80.9m

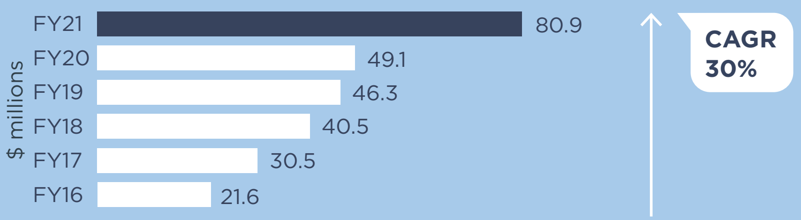
76.6% increase in NPAT to 39.2m (continuing operations)

13.4% Return on Equity

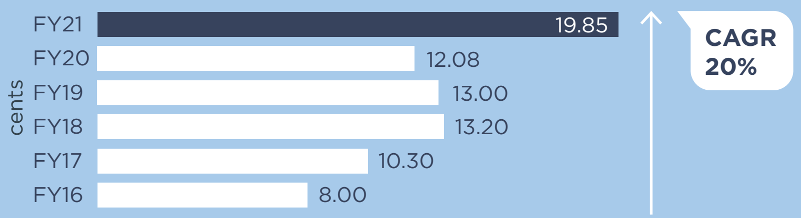
Revenue



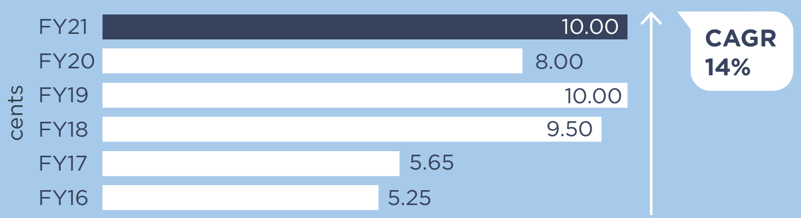
EBITDA



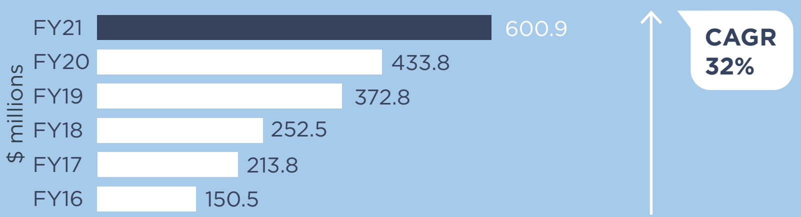
EPS



Dividends



Loan Book



Our Values

These four values sum up what is important to us, and how we aim to operate.

Customers are at the Heart of everything we do

We deliver empowering, innovative products designed around the customer's needs.

Care and Respect

We don't judge.

We treat people as individuals and with the utmost respect.

We listen, we empathise, we help.

Growing Together

We grow great people who are always up for the challenge and look out for one another.

We love to have fun together and celebrate our wins.

Delivering with Integrity

We always do our best.

We are responsible for our actions and not afraid to learn from our mistakes.

Our Business

Product offering

Money3 offers a range of products to service the needs of our customer base:

Product	money3		AFS Automotive Financial Services		Go Car Finance (Goes way further)
Purpose	Consumer Vehicle Finance	Consumer Personal loans	Consumer Vehicle Finance	Commercial Vehicle Finance	Consumer Vehicle Finance
Location	Australia	Australia	Australia	Australia	New Zealand
Loan range	up to $75,000	up to $12,000	up to $150,000	up to $150,000	up to $100,000
Term	2-5 yrs	1-3 yrs	Up to 7 yrs	Up to 7 yrs	2-5 yrs

Assets Financed

51,975 loans

1,882 loans

17 loans

771 loans

382 loans

1,256 loans

11 loans

11 loans

355 loans

11 loans

Brands

The Group has three brands under which it provides automotive and personal finance.

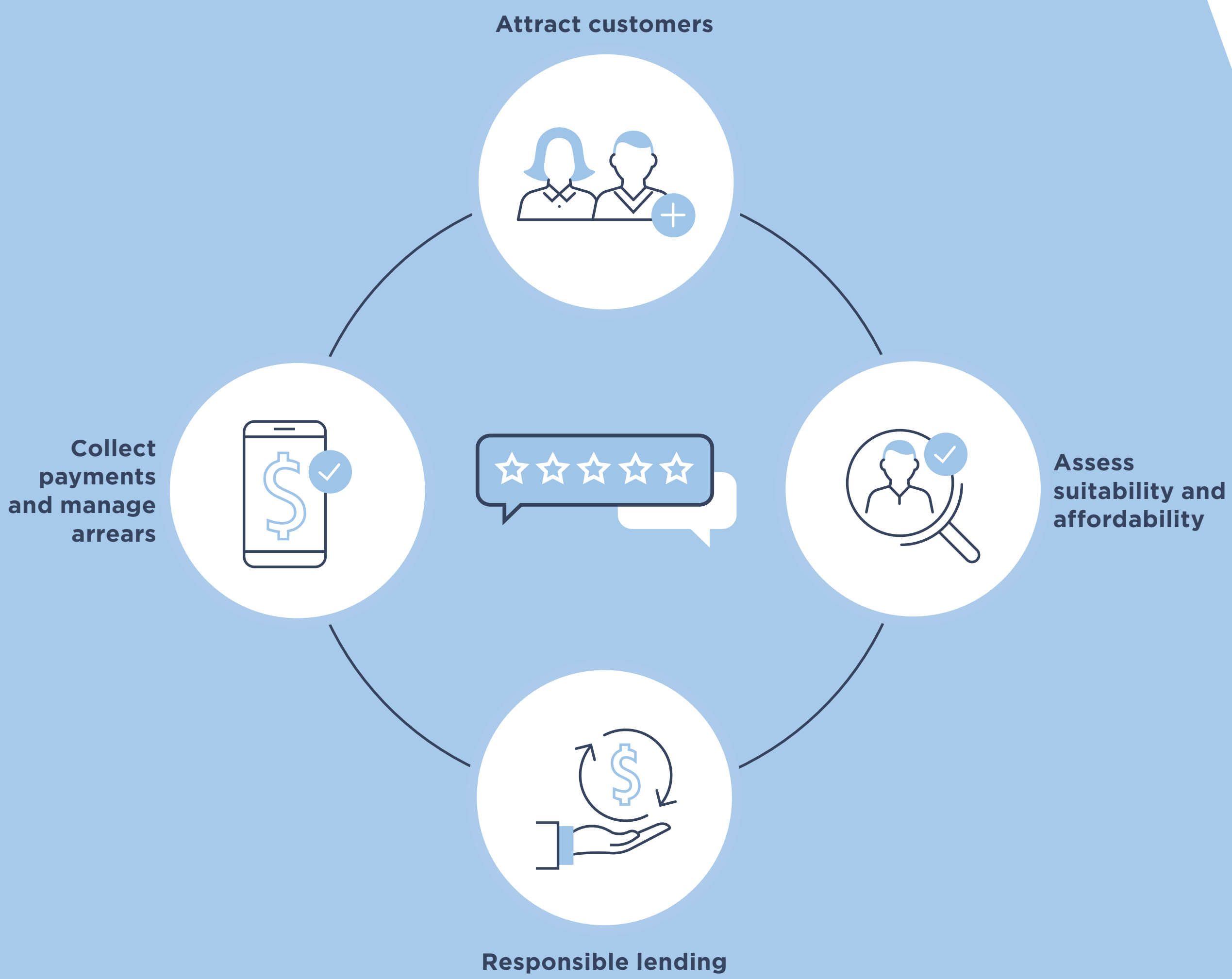
Distribution

The Group goes to market via three distinct distribution channels that provides flexibility to customers about how they wish to access finance.

Distribution channel	Geography	Introduction partners
Broker	Australia and New Zealand	Receives applications from multiple Broking companies
Dealer	Australia and New Zealand	Receives applications from a large variety of dealerships
D2C	Australia and New Zealand	Receives applications from multiple websites and a variety of associated introduction partners including direct to customer digital advertising

Our Business Model

Money3 has over 20 years of experience and deep knowledge of providing consumers with finance for their vehicles. Our operations in Australia and New Zealand are focused on direct to consumer, broker and dealer channels. Our products are simple and transparent, and our customer centric approach prioritises flexible and tailored repayments that helps our customers service their loans.



Attract customers

We understand our customers and create value by providing tailored products that suit their needs. We reach our customers through both digital and traditional channels including brokers and dealers.

We finance customers across a range of risk profiles.

Assess suitability and affordability

Assessment starts by collecting customers' data from their applications and from external sources that digitally feed into our credit assessment engine.

Money3 employs stringent standards of credit assessment and responsible lending built from our experience and in line with the regulatory requirements. Direct engagement with customers is a key part of our decisioning process. This enables Money3 to understand our customers' needs in a better way.

Our partner relationships with our brokers and dealers also play an integral role in delivering suitable products and services to our customers.

Responsible lending

We focus on understanding our customers cash flows and lend well within their affordability.

Collect payments and manage arrears

Customers can make payments in multiple ways including direct debit, BPAY, directly from their employer through salary deductions and debit card payments.

The Group allows customers to choose the payment frequency and payment methods that best suit them. We help our customers minimise penalty fees by encouraging them to contact us early in case they foresee difficulty in making repayments. This ensures we update our banking partners accordingly thereby avoiding dishonour fees for our customers from banks through which automated payment instructions are operated.

We are flexible with repayment profiles with the objective of helping our customers repay the loan thereby minimising losses for Money3. We have developed new capabilities to message customers to remind them of upcoming payments.

Should a customer miss a payment, we engage with them early and understand their difficulties with a sympathetic approach. Depending on the nature of difficulty we use a range of forbearance tools to help our customers.

This includes:

- accepting reduced payments;
- reduced interest rates;
- payment holidays; and
- reselling vehicle to assist payments.

These measures are taken to help our customers get back on track with their repayment schedules.

Our Differentiation

Profitable growth

Taking Money3 Group's profitable business model to new customer segments

Flexible lending

Responsible lender with tailored solutions

Focus on customer care

Providing service where others don't

FY22 focus

- Accelerating profitable growth across the Group by taking market share and exploring acquisition opportunities.
- Invest in smart technology improving Group's productivity and enhancing a customer's ability to interact with the Group from a mobile device.
- Lift Group's leverage thereby driving an increase in Return on Equity.

36.5%
increase in 'Cash advanced' to $340.5m over pcp

25.7%
increase in 'Cash In' to $348.8m over pcp

29%
of loans originated in FY21 in Australia are from returning customers

Our Commitment

The Group is committed to building a resilient and sustainable business that is focused on profitable growth, now and into the future. Here we outline our commitment to strong governance principles, our customers, our people, the community and the environment.

Customers

The Group commits to ensuring the well-being of our customers with regard to our business activities:

- Providing customers with a wraparound service and value-add products.
- Engaging with customers to remedy issues as they happen.
- Working with customers during times of hardship and ensuring the best outcomes.
- Referring customers to seek independent advice as required.
- Not knowingly supporting customers involved in unlawful or questionable activities.
- Ensuring responsible lending principles are indoctrinated into our Responsible Lending policy and processes.

We care for our customers and ensure we provide them with the best solution to meet their needs, consistent with our responsible lending practices, internal policies and regulations under the *National Consumer Credit Protection Act 2009* (Cth). We follow a formal process to enquire about a customer's requirements, objectives, financial situation and then verify this information to ensure it is correct to ensure we are lending in a responsible manner.

Governance and Risk Management

The Board along with the Audit, Risk & Compliance Committee ("the Committee") plays a key role in setting the Governance in the Group, consisting of three independent non-executive directors. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the Group's approach to creating long-term shareholder value.

The primary role of the Committee is to set and then monitor and review the effectiveness of the Group's control environment in all areas of risk. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:

- Identifying;
- Measuring;
- Managing;
- Monitoring; and
- Reporting risks.

Our People

Money3 is committed to the health, safety and welfare of all our employees, contractors and visitors to our workplace and our communities. We will establish and maintain a culture where health and safety of our employees and our communities is integral to how we operate.

Our commitment to our people is to:

- Enable a culture where our people come first, and diversity and inclusion is the norm;
- Build the capability of the team and providing opportunities for development in line with our high-performance strategy; and
- Provide a safe and healthy workplace for all our employees which does not harm the environment. The team understands this is everyone's responsibility.

Our Commitment

continued

Throughout the year we have promoted employee well-being and support particularly during the frequent COVID-19 lockdowns. We have done this through employee newsletters and regular updates and contact. As well, we have an Employee Assistance Program (EAP) available through our partners ‘Converge International’ in Australia and ‘Raise’ in New Zealand for all employees where they may need external and confidential support.

Our focus through FY21 has been on the safety and well-being of our people during the COVID-19 pandemic and the many lockdowns in each of the states and countries we operate in. We follow the respective health and Government advice and requirements and have implemented COVID-19-safe plans in each location. These plans include increased and more robust cleaning, visitor check-ins (QR code), highly visible notices and instructions on office safety, capacity restrictions and face masks where required.

Our Diversity

Money3 is committed to its people and to workplace diversity and values a diverse workforce where all employees are treated with respect and fairness and have equal access to opportunities available to them. Our Diversity Policy aims to ensure our employees are treated equally and fairly, regardless of gender, age, ethnicity, cultural background, impairment or different abilities, sexual preference and religion.

In line with its commitment, Money3 seeks to provide a workplace where:

- All employees are valued and respected for their distinctive skills, experiences and perspectives;
- Structures, policies and procedures are in place to assist employees balance their work, family and other responsibilities effectively;
- Decision making processes in recruitment takes diversity into account;

33%

female non-executive director participation on the Board

- Employees have access to opportunities based on merit;
- Our culture is free from discrimination, harassment and bullying; and
- Employment decisions are transparent, equitable and procedurally fair.

The Company’s Diversity Policy has been approved by the Board and is overseen by the Remuneration & Nomination Committee. The Committee establishes transparent measurable objectives, sets targets and then regularly reports to the Board on the strategies implemented by Management to achieve those objectives and targets.

At Board level, the Company set a target of appointing one woman to the Board to provide more diverse representation. In FY20, Kate Robb joined the Board as an independent non-executive director. The Group has achieved a 33% female non-executive director participation on the Board and is committed to maintaining this ratio into the future.

At an executive and management level, we are striving to increase female participation through workplace leadership identification programs and flexible work conditions.

The Group has a wide mix of cultural diversity within the organisation that it believes makes the Group unique in its dealings with customers.

Our Communities

In the communities we operate, we support several local charities and events throughout the year. We provide ongoing support in Australia to the 'The Big Group Hug', 'Rural Fire Services' and in New Zealand, the 'Big Buddy' organisation and an internal program called 'go do good' to support individuals as they help people in need. In addition to these, many of our employees support the local sporting and school communities through their individual efforts.

Through Money3's philanthropic contributions, we aim to improve the health and wellbeing of communities, organisations and charities within Australia with a focus on four priority giving areas:

- Humanitarian and social projects;
- Science and education projects;
- Cultural and arts projects; and
- Community and environment projects.

Money3 also matches the contribution of staff for staff-initiated donation programs. These charities are identified and promoted by individual staff. Money3 stands behind their charitable actions and will match staff donations up to $5,000 in each individual program.

Our Environment

The Audit, Risk & Compliance Committee and the Board regularly review the risks associated with the business and believe that the Company does not have any material exposure to environmental or social sustainability risks.

We acknowledges our role as a responsible corporate citizen to the environment, the community in which we operate and to our people.

We aim to protect the environment in a sustainable manner preventing or reducing any negative impact of its operations and activities. As a financial services company, Money3 has a relatively small environmental impact across all its business locations. We are committed to working to minimise that impact where commercially possible and appropriate in each location.

COVID-19 and the associated lockdowns and disruptions has forced a reduction in our office environmental footprint. Our recent initiatives include:

- Energy efficiency: In 2020 we replaced all the office lighting with energy efficient LEDs throughout the Bundoora office. We expect this will help to reduce our underlying energy usage by up to 20% when our office is at full capacity;
- Waste: We are implementing a paperless and recycling focused office culture including establishing specific targets and monitoring our progress toward their achievement; and
- Our AFS Brisbane office is a NABERS 5.5-star rated for energy and 4.5-star rated for water. AFS are a member of the Australian Electric Vehicle Association (AEVA) and offer special finance rates to AEVA members and partners for EV's.

We recently initiated a carbon footprint analysis across the Group and in FY22 will look to engage with an external partner to implement strategies working towards minimising our carbon footprint.

Chairman's Letter

Dear Shareholder,

When we last wrote to shareholders, we stated the events the world faced with the COVID-19 pandemic changed the way we all did business.

Since then, important progress has been made in managing the public health crisis and the speed with which vaccines have been developed is a credit to the enormous work and contributions made by medical science. Despite this progress, at the time of writing, more than half of Australia is in lockdown and it is anticipated that the economic effects of the pandemic will continue to be felt for some time.

Throughout this period Money3 has performed strongly. The Company has continued to focus on both positioning itself to deliver sustainable long-term growth for its investors and expanding on our foundations. This approach ensured that Money3 was flexible and decisive in its approach in continuing expansion of its capabilities as a leading automotive finance company.

In expanding our foundations, the Group acquired Automotive Financial Services (AFS), a Brisbane based automotive finance company focused on the near-prime automotive finance segment. Acquiring AFS continues the Group's strategy of becoming a leading trusted partner for customers looking for automotive finance and we are now servicing a broader customer base. With General Motors exit from Australia the Company also acquired their finance arm's loans receivable and absorbed them into the Group's existing operations ensuring a strong accretive transaction.

With the expansion in the target market coupled with ongoing growth the Group re-structured so that it can leverage common infrastructure and capabilities to ensure it retains its ongoing competitive advantage.

The focus on improving the customer experience continues as does the relentless drive for efficiency. Our aim is to be the market leader in providing responsible and sustainable financing solutions for customers, ensuring a strong culture of compliance. The strong results of FY21 are evidence of our ongoing and committed focus.

During the lockdowns over the past 12 months, more than 90% of our staff were working remotely. On behalf of the Board I want to thank our dedicated staff who have continued to work tirelessly at high standards to remain connected to their colleagues and customers. The Company has embarked on significant investment in technology to ensure that the working environment is flexible and can adapt to a more hybrid nature.

In recognising a successful FY21 I want to thank my fellow directors, our Managing Director Scott Baldwin and his management team for their leadership during the year, which saw unprecedented challenges brought on by the pandemic. FY22 has commenced strongly and Money3 is well positioned to continue its growth with a healthy balance sheet, a large addressable market and a good pipeline of opportunities.

Regards

Stuart Robertson
Chairman

Managing Director's Letter

Dear Shareholder,

After several years of transformation, Money3 Group has emerged as the leading provider of non-conforming finance for used vehicles in Australia and New Zealand closing the year with a loan book of $600.9m.

In recognising our market leading position, the Group expanded its product offering into commercial vehicle loans (cars, vans, light commercial and utility vehicles) and the new vehicle finance market. The Group operates within a target market that presents an annual finance opportunity of more than $40bn in Australia and New Zealand.

Unprecedented challenges presented by the COVID-19 pandemic continued throughout financial year 2021 impacting the Group's operations in general and Victoria in particular where our head office is located. This has led to investment in new technology for telephony and computing hardware that will continue into 2022 as we re-equip our work force to enable working ubiquitously from any location. It also led to increasing investment into our human resources team to manage employee welfare and the challenges of not being able to meet face to face. Despite these challenges, the strong work culture has shone through producing exceptional financial results in FY21 and building a strong foundation for further profitable growth into FY22, results that would not be possible if it weren't for the dedicated team in all the Group's business units.

During FY21, the Group conducted due diligence and made offers to acquire three businesses that meet our financial and strategic goals. Two offers were successful.

We acquired Automotive Financial Services (AFS), a Brisbane based automotive finance company focused on the near-prime automotive finance segment for $10.8m. AFS expanded the Group's target market into the near prime automotive finance market and provided the Group with a commercial loan offering. AFS has a growing presence in markets for consumers looking for a car, caravan or boat and provides a commercial offering for small to medium businesses needing a vehicle for commercial purposes. The AFS business operates in a higher quality credit segment with many customers owning their own home. It offers a competitive finance offering, fast approval times with one in four customers automatically approved and allows the Group to capture a greater share of introducers' finance volume. The AFS business is funded by one of Australia's big four banks, with credit quality that will allow it, over time, to increase leverage.

With General Motors exit of the Holden brand from Australia it provided an opportunity for the Group to acquire the receivables, of GMF Australia Pty Ltd (GMFA), predominantly Holden Colorado utility vehicles. We acquired GMFA for $17.1m, with the face value of the receivables at the time of settlement being $23.3m. Post-acquisition GMFA was absorbed into Money3's existing operations.

With the continual growth of the Group, it was time to reorganise the management structure ensuring a General Manager was ultimately responsible for each of the Group's business unit's performance. We also created a dedicated corporate team to manage the Group's finance, technology, risk appetite and marketing activities among other activities. We move into FY22 with a clear focus on growing all our business units, investing in greater back end operation integration for loans management and customer communication.

Go Car Finance (GCF) in New Zealand continues its exceptional run, closing out the year with a loan book of A$158.0m an increase of more than 300% since we acquired it in 2019. I attribute the success of the GCF acquisition to the highly aligned cultures of the two businesses. Roy Gormley and his family have built an amazing business with a strong focus on customer outcomes – this strong cultural alignment and Money3's size and scale have allowed GCF to accelerate growth across New Zealand. Leadership of GCF has now transitioned from the vendors of the business to Paul Verhoeven (CEO – GCF business) who joined Money3 Group in 2020 and I am delighted Mr Gormley will stay on to oversee some strategic initiatives of the Group.

Financials

The Group's FY21 Revenue increased by 17.0% to $145.1m, while cash collections grew 25.7% to $348.8m and Gross Loan Book grew 38.5% to $600.9m.

Government stimulus programs in Australia and New Zealand has driven cash collection to record highs, significantly above trend particularly around the time of the superannuation release program in Australia. Peaking in July 2020 the Group has seen monthly cash collections trend normalising; however, still higher relative to pre-COVID-19. Strong cash collections are slowing loan book growth as more customers, choose to pay out their loans rather than allowing them to run full term, driving up revenues and driving down Group bad debts to record lows. The Group anticipates cash collection to trend back to normal collection levels over the course of calendar year 2021.

In November 2020, Money3 secured a significant $250.0m warehouse facility from Credit Suisse providing significantly lower costs of funds and a partner with capacity to upscale the facility as the Group continues to expand. This also led to early repayment of the $150.0m Fortress facility in June 2021. The acquisition of AFS came with a funding warehouse from a big four bank, providing the right partner to provide scale and growth for both credit segments into FY22.

It has been an important strategy of the Group to have a diversified pool of funding warehouses for the receivables the Group originates. This, along with the large equity base used to fund receivables gives the Group considerable flexibility to purchase quality receivables as banks appetites change through the cycle.

In January 2021, we completed a $52.0m capital raise to provide capital to fund organic growth, support new bank funding and provide optionality for the business. In April 2021 the Group secured a $40m facility from Heartland bank to support the growth of Go Car Finance.

The Group has an exceptionally strong balance sheet with more than $170.0m of available capacity at 30 June 2021 to fund growth. With the improving quality of receivables there is an even greater room to lift Group's leverage from the current position.

The Group's continued focussed in optimising its capital structure and increasing leverage will help increase the Return on Equity (RoE). In FY21, the RoE grew to 13.4% (FY20: 9.9%) and the Group expects to the achieve a RoE of 20% in the near term.

Outlook

We start FY22 in an exceptionally strong position, and our balance sheet has significant capacity to fund growth both organically and via acquisition. Our key target market in Australia and New Zealand are both growing as consumer sentiment favours personalised transport over public transport, and we see new stock starting flow into both countries to meet record demand for vehicles. Travel restrictions are also increasing demand for leisure items such as caravans which is driving record demand to the Group.

I take this opportunity to thank our staff and management for their dedication and commitment to our business over the past 12 months, particularly during challenging times, which has made such a positive difference in our great result and allowed us to achieve several important milestones. The year ahead looks to offer more opportunities for growth and I look forward to updating you on our progress.

Regards

Scott Baldwin
Managing Director and
Chief Executive Officer

Contents

Corporate Governance Statement

The statement outlining Money3 Corporation Limited's corporate governance framework and practices in the form of a report against the Australian Securities Exchange Corporate Governance Principles and Recommendations, 4th Edition, is available on the Money3 website, www.money3.com.au, under Corporate Governance in the Investors tab in accordance with listing rule 4.10.3.

Directors' Report

Your Directors present their report on the consolidated entity consisting of Money3 Corporation Limited ("the Company") and the entities it controlled ("the consolidated entity"/"the Group") at the end of or during the year ended 30 June 2021.

Directors and Company Secretary

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

- Stuart Robertson
- Symon Brewis-Weston
- Kate Robb
- Scott Baldwin

Terri Bakos is the Company Secretary appointed on 31 October 2016.

Principal Activities

The principal activities of the Group during the financial year were the provision of finance specialising in the delivery of secured automotive loans as well as secured and unsecured personal loans. There have been no significant changes to the Group's principal activities during the year.

Dividends – Money3 Corporation Limited

Dividends paid to shareholders during the financial year were as follows:

	2021 $'000	2020 $'000
Final dividend for the year ended 30 June 2020 of 3.00 cents (2019: 5.00 cents), fully franked at 30% tax rate	5,561	9,122
Interim dividend for the year ended 30 June 2021 of 3.00 cents (2020: 5.00 cents), fully franked at 30% tax rate	6,236	9,253
Total Dividends Paid	**11,797**	**18,375**

Since the end of the financial year the Directors have declared the payment of a final 2021 ordinary dividend of 7.00 cents per fully paid share. Based on the current number of shares on issue, the dividend payment is expected to be $14.6m. This dividend will be paid on 14 October 2021 by the Company.

Review of operations

The key financial operating results of the Group's continuing operations are outlined in the table below:

	30 Jun 21 $'000	30 Jun 20 $'000	% Change
Total revenue	145,103	124,034	17.0%
EBITDA	80,928	49,081	64.9%
NPAT	39,165	22,192	76.6%
Gross loan book	**600,905**	**433,857**	**38.5%**
Loans receivable	**555,566**	**387,250**	**43.5%**

During the financial year, the impact of COVID-19 pandemic was widely felt. Lockdowns in Victoria and Auckland where most of the operations are based led to business transitioning to remote working arrangements. Despite these challenges, the Group managed to post double digit growth across key financial metrics contributed by organic as well as through acquisition channels.

In November 2020, the Group secured a debt facility led by Credit Suisse ($250.0m) to fund the expansion of the Money3 business unit's continued profitable growth in automotive loans. In January 2021, the Company successfully raised $52.0m in share capital through institutional placement and share purchase plan.

In January 2021, the Group acquired Automotive Financial Services Pty Ltd ("AFS"), an automotive finance company focussed on the near-prime automotive finance segment for $10.8m. AFS acquisition contributes to fulfilling the Group's strategy to broaden the addressable market in Australia.

In February 2021, the Group acquired GMF Australia Pty Ltd ("GMFA") for $17.1m adding $23.3m of prime credit quality consumer and commercial automotive loans. Post-acquisition GMFA was absorbed into the Money3's business units and its existing operations. This company has since been renamed as M3HOL Pty Ltd.

We start FY22 in an exceptionally strong position, our balance sheet has significant capacity to fund growth both organically and via acquisition. Our key target market in Australia and New Zealand are both growing as consumer sentiment favours personalised transport over public transport, we see new stock starting flow into both countries to meet record demand for vehicles. Travel restrictions are also increasing demand for leisure items like caravans which is driving record demand to the Group.

Segment performance

Australia

	30 Jun 21 $'000	30 Jun 20 $'000	% Change
Total revenue	113,244	102,774	10.2%
EBITDA	69,772	48,500	43.9%
Gross loan book	**442,933**	**351,163**	**26.1%**
Loans receivable	**407,892**	**316,507**	**28.9%**

The Australia operations primarily provide secured automotive loans distributed through the Money3 (MNY) and Automotive Financial Services (AFS) brand. All financing under the Australia division is provided under the All Other Credit ("AOC") contract, in accordance with the *National Consumer Credit Protection Act 2009*. The results in the table above include the contribution from the GMFA acquisition.

New Zealand

	30 Jun 21 $'000	30 Jun 20 $'000	% Change
Total revenue	31,859	21,260	49.9%
EBITDA	17,550	6,397	174.3%
Gross loan book	**157,972**	**82,694**	**91.0%**
Loans receivable	**147,674**	**70,743**	**108.7%**

New Zealand based operations provide secured automotive loans through the Go Car Finance (GCF) brand. GCF continues to increase its market share in New Zealand having further expanded its footprint of dealer partners and broadening the target market in the near prime credit quality customers seeking to purchase a vehicle.

Branch and Online segment (Discontinued)

	30 Jun 21 $'000	30 Jun 20 $'000	% Change
Total revenue	–	–	–
EBITDA	–	2,000	(100%)
Gross loans book	**–**	**–**	**–**
Loans receivable	**–**	**–**	**–**

With the disposal of Money3 Branches Pty Ltd (Branches) and Money3 Services Pty Ltd (Online) on 20 May 2019, this segment was designated as discontinued.

Significant changes in the state of affairs

During the financial year, there were no significant changes in the state of affairs of the Group other than those referred to in the review of operations and financial statements or notes thereto.

Significant Matters Subsequent to the Reporting Date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results or the state of affairs of the Group.

Likely Developments and Expected Results of Operations

The likely developments in the Group's operations, to the extent that such matters can be commented upon, are covered in the 'Review of Operations' section in this Report.

Environmental Regulation

The operations of the Group are not subject to any significant environmental regulations under Australian Commonwealth, State or Territory law. The Directors are not aware of any breaches of any environmental regulations.

Indemnification and Insurance of Directors and Officers

The Group has indemnified the Directors and Officers for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the Directors and Executives against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Non-Audit Services

There were no non-audit services provided by the group auditor BDO Audit Pty Ltd during the 2021 or 2020 financial years. Details of non-audit services provided by component auditors Pitcher Partners during the year are disclosed in Note 26 *Remuneration of auditors*.

Proceedings on behalf of the Group

No person has applied to the Court for leave to bring proceedings to which the Group is a party, for taking responsibility on behalf of the Group for all or part of these proceedings. No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Rounding of amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in some cases, to the nearest dollar.

Our Board

Stuart Robertson
Non-Executive Director & Chair of the Board

Qualification: B.Com ACA FINSIA GAICD MBA

Experience: Stuart brings experience in business advisory, investment banking, alternative investments and funds management. Stuart provides consulting services focused on deal origination and structuring primarily in the unlisted market. Stuart is also a member of the Audit Committee.

Other directorships: Praemium Limited (director since 2017)

Former directorships in last 3 years: None

Symon Brewis-Weston
Non-Executive Director & Chair of the Remuneration & Nomination Committee

Qualification: B.Econ (Hons), Masters in Applied Finance

Experience: Symon brings extensive international financial services experience and a deep understanding of the consumer finance markets having previously held the senior positions in FlexiGroup Limited, Sovereign Assurance Limited, and the Commonwealth Bank of Australia. Symon is also a member of the Audit Committee.

Other directorships: BSP Financial Group (director since April 2021)

Former directorships in last 3 years: Managing Director of FlexiGroup from 2017 to 2018

Kate Robb

Non-Executive Director & Chair of the Audit Committee

Qualification: B.Acc. ACA GAICD

Experience: Kate brings more than 20 years of governance, internal audit, risk management and compliance experience. She has held senior management roles within a number of ASX-listed companies. In addition to this, Kate also spent seven years with PwC during which she provided governance services to a variety of listed and privately owned entities. Kate is also a member of the Remuneration & Nomination Committee.

Other directorships: Sandringham Community Financial Services Limited – Independent Member of Audit Committee

Former directorships in last 3 years: None

Scott Baldwin

Managing Director & Chief Executive Officer

Qualification: Dip. in Finance, B.Eng (Hons), MBA GAICD

Experience: Scott has been an employee of Money3 for over 12 years, a shareholder since listing in 2006, and was appointed to the Board of Directors in 2009 as an Executive Director, in 2015 he assumed the role of Managing Director and Chief Executive Officer. Scott has led the strategic transformation of Money3 into a fast growing consumer auto finance business. Prior to joining Money3, Scott spent over a decade in a variety of senior roles with General Electric Healthcare.

Other directorships: None

Former directorships in last 3 years: None

Terri Bakos

Company Secretary

Qualification: B.Acc. ACA ACIS

Experience: Terri has over 20 years' experience providing company secretarial, financial accounting and compliance services to ASX listed and unlisted public companies in the technology, financial services, automotive, mining and biotech sectors.

Other directorships: None

Former directorships in last 3 years: None

Our management team

Siva Subramani
Chief Financial Officer

Siva joined Money3 in November 2017 as the Head of Treasury function before being appointed as the Chief Financial Officer in March 2018. Prior to joining Money3, Siva was a Director with PwC providing assurance and advisory services in the banking and capital markets sector specialising in the asset-finance sector. Siva also brings experience from India, UK and the Middle East.

Michael Neville
Chief Operating Officer

Michael joined Money3 in June 2019 and brings a wealth of experience in team leadership, sales, marketing and business strategy development and execution across several industries. Michael has held senior sales, marketing and commercial roles in leading multinational technology companies including Woodward, GE Healthcare, Becton Dickinson, Mölnlycke Healthcare.

Carly Crowe
Risk and Compliance Manager

Carly re-joined Money3 in April 2020 having worked previously for the business as Compliance Manager for four years up until 2017. For the last three years, Carly has been Compliance Manager with MoneyQuest, a mortgage broking aggregator, specialising in regulatory compliance, training, complaints management and audit and was a member of the Executive Management Team and Chair of the Compliance Committee.

Lisa McRae
Human Resources Manager

Lisa joined Money3 in April 2020 as Human Resources Manager. Most recently, Lisa was HR Director for Kitchen Group and her career has spanned the retail, infrastructure, healthcare, energy and banking sectors. Lisa has been a member of leadership teams in both multi-national and Australian Corporations including Transurban Limited, an ASX20 Company. She brings to Money3 over 10 years financial services experience gained in the banking sector and more recently HR expertise in company acquisitions.

Craig Harris
GM Lending – Money3 Business

Craig has been with Money3 for over 10 years having held the role of Chief Financial Officer prior to heading the Secured Automotive division. Craig brings a wealth of experience working through varied industries including financial services, mining and manufacturing. Craig is instrumental in growing the Broker distribution channel and establishing the online distribution channel.

Paul Verhoeven
CEO – Go Car Finance (New Zealand)

Paul joined Money3 in February 2020 having enjoyed a wealth of experience in financial institutions in New Zealand, Australia and Europe. Prior to joining us, Paul held Managing Director roles within the Eclipx Group, leading the FleetPartners brand for 6 years in both Australia and New Zealand and taking these businesses through to an ASX listing in 2015. Paul also headed up the Lending teams for UDC Finance over 4 years and enjoyed time as a member of the Executive Committee for the Financial Services Federation.

Brian Anderson

CEO – Automotive Financial Services, Australia

Brian joined Money3 in January 2021 with over 30 years' experience in Consumer and Automotive Finance Industry. He has held Senior Management positions at Nissan Finance Corporation and GE Capital, including General Manager, Chief Operating Officer and National Operations Leader for GE Money Motor Solutions. In 2002 Brian was awarded the GE Capital Global Pinnacle Award for outstanding Business Achievement. He was the Queensland Chairman of the Australian Finance Industry Association Limited (AFIA) (formerly Australian Finance Conference (AFC)) 2015 to 2019.

Meetings of Directors

The number of meetings of the Board and of other Committee meetings held during the year ended 30 June 2021 and the numbers of meetings attended by each Director were:

	Board		Audit Committee		Remuneration & Nomination Committee	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Stuart Robertson	14	13	3	3	3	3
Symon Brewis-Weston	14	14	3	3	3	3
Kate Robb	14	14	3	3	3	3
Scott Baldwin	14	14	n/a	n/a	n/a	n/a

Options and Performance Rights

Share options – unissued ordinary shares

Unissued ordinary shares under option of Money3 Corporation Limited at the date of this report are given below:

Name	Grant Date	Expiry Date	Exercise Price	Share Options 2021	Share Options 2020
Scott Baldwin	28-Nov-16	23-Nov-21	1.50000	2,180,000	2,180,000
Ray Malone	28-Nov-16	23-Nov-21	1.50000	625,001	1,250,000
Leath Nicholson	28-Nov-16	23-Nov-21	1.50000	–	750,000
				2,805,001	**4,180,000**
Scott Baldwin	28-Nov-18	27-Nov-23	2.50000	2,000,000	2,000,000
Total				**4,805,001**	**6,180,000**

As at the date of this report, there were 4,180,000 options on issue (2020: 4,180,000) held by the Directors. On exercise, options convert into one ordinary share of Money3 Corporation Limited. The options carry neither right to dividends nor voting.

No options were granted to the directors or any of the five highest remunerated officers of the Group during or since the end of the financial year.

Refer to the Remuneration report (section 4.5) for details of options held by key management personnel.

Shares issued on the exercise of options

The following ordinary shares of Money3 Corporation Limited were issued during the year ended 30 June 2021 on the exercise of options granted under the Company's Employee Share Scheme. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Grant Date	Exercise price	Number of shares issued
28-Nov-16	$1.50	744,265
Total		**744,265**

Performance rights

Performance rights of Money3 Corporation Limited on issue at the date of this report are given below:

Grant Date	Vesting Date	Expiry Dates	Performance Rights 2021	Performance Rights 2020
1-Jul-16	30-Jun-20	30-Jun-21	–	173,773
1-Jan-18	31-Dec-21	31-Jan-22	287,500	625,000
3-Dec-18	02-Dec-21	31-Dec-21	109,393	218,786
1-Jul-19	30-Jun-22	30-Jun-22	150,000	150,000
01-Jul-20	30-Jun-23	30-Sep-23	474,513	–
01-Jul-20	30-Jun-22	30-Sep-23	423,780	–
Total			**1,445,186**	**1,167,559**

Performance rights granted during the year are given below.

Grant Date	Equity Instrument	Quantity Granted	Vesting Date	Expiry Date
1-Jul-20	Rights	474,513	30-Jun-23	30-Sep-23
1-Jul-20	Rights	423,780	30-Jun-22	30-Sep-22

The above grants were made to staff who are part of the top five highest remunerated officers of the Group. No performance rights were granted to the directors or any of the five highest remunerated officers of the Group since the end of the financial year. Performance rights carry neither right to dividends nor voting.

Dear Shareholder,

On behalf of the Board and as the Chair of the Remuneration & Nomination Committee (“the Committee”), I am pleased to present the FY21 Remuneration Report over the following pages.

FY21 saw the implementation of Stage 2 of a program to restructure the way we remunerate and incentivise our Key Executives and Management.

FY21 Remuneration Outcomes

During FY20, the Group implemented Stage 1 of a new remuneration and incentivisation program, beginning with a Long Term Incentive (“LTI”) program vesting after 3 years with Total Shareholder Return (“TSR”) and Earnings Per Share (“EPS”) performance criteria. For that year KMPs were issued with 100% of their Performance Rights allocations. It is important to note that Board set both EPS and TSR hurdles consistent with the delivery of shareholder value over the period.

During FY21 the CEO received his first allocation of Performance Rights under the new program (approved by shareholders at the 2020 Annual General Meeting). Prior to FY21 the CEO had received ad hoc allocations of Options during his tenure, inconsistently vesting over numerous years. As a transition to the new remuneration arrangements the CEO was granted Performance Rights during FY21 with a vesting period of 2 years as a transitional arrangement. The Board assessed this appropriate to ensure the CEO was not significantly disadvantaged in the transition with his forecast total at risk remuneration for FY23 falling meaningfully under the new remuneration policy. The Board considered it in shareholders’ interests and thus approved a one-off 2-year grant. The grant is subject to vesting hurdles in line with the remuneration policy.

During FY21 all other executives received allocations under the LTI program consistent with the program implemented in FY20. For FY22, any grant of LTI to executives, including the CEO will be in line with the LTI program implemented in FY20.

The Group’s Short Term incentive (“STI”) program continued during the year. Allocations under this program were set by the Board under recommendation from Management and the Remuneration & Nomination Committee taking into account industry-based salary expectations and negotiations. The award of any STI was subject to a performance gateway and achievement of set financial and non-financial key performance indicators (KPIs). These are outlined in the report below.

Despite the continued sporadic business interruptions of COVID-19, the Group’s financial performance for the FY21 was very strong. The Board noted the continued dedication of management and staff in the achievement of the business’s financial and strategic goals.

The business achieved a strong profit result above target. Further, the management team implemented an important new wholesale funding arrangement that both lowers the businesses financing costs and strengthened the balance sheet of the Group. This has positioned the Group well for continued delivery of shareholder value over coming years.

The Board also continues to increase the transparency around the STI program and for FY21 outlined in the report below are the KPI’s set for the CEO for FY21 financial year and performance against those.

The Board is also cognisant of Money3’s broader social and environmental obligations. The Group is working through a series of metrics and initiatives to incorporate in our FY23 remuneration program.

FY22 Remuneration Program

With the Group having implemented its new remuneration policy across two stages in FY20 and FY21, FY22 will see the first full financial year of the remuneration program for all KMP's.

Executives will be allocated potential STIs and LTIs based on a % mix of their Fixed Remuneration ("FR"). STI performance criteria will be based around financial and non-financial indicators, depending on the position of the KMP or executive, with a greater emphasis on non-financial indicators. The STI is designed to not only reward financial performance but also for delivery of key strategic projects and initiatives required to continue to deliver positive returns to shareholders in the medium and longer term. The LTI program will be fully implemented in FY22, following a transitional arrangement in FY21. The LTI program will reward executives for delivery of shareholder financial returns over the medium term (3 years). Consequently, the LTI hurdles for Executives focus on delivery of increased shareholder value measured by EPS growth and TSR.

In FY21, Money3 has experienced a range of pressures on its employee costs, with emerging skills and labour shortages becoming prevalent in the economy. Competition in some skill areas has intensified notably over the past 12 months. Against this backdrop and acknowledging the value our people have delivered at Money3, the Board has approved a 5.5% increase in average staff remuneration across the business (excluding CEO). The Board anticipates continued tightness in the labour market for the foreseeable future, particularly as restrictions on labour flows both nationally and internationally look set to remain for a large part of FY22. The Board also notes that there have been many productivity initiatives introduced at Money3 over the past few years and despite the 5.5% increase in average labour costs, the business expects to see continued improvement in its cost to income ratio in FY22.

Yours sincerely

Symon Brewis-Weston
(Chairman, Remuneration & Nomination Committee)

16 August 2021

Remuneration Report

The Directors of Money3 Corporation Limited ("the Company" or "Money3") present the Remuneration Report for the Company and its controlled entities ("the Group") for the financial year ended 30 June 2021 prepared in accordance with the requirements of the *Corporations Act 2001* ("the Act") and audited as required by section 308(3C) of the Act.

1. Key Management Personnel

The Key Management Personnel ("KMP") covered in this Remuneration Report includes Non-Executive Directors ("NED") and those executives who are deemed to have the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The table below outlines the KMP at any time during the financial year who unless otherwise indicated, were KMP for the entire year.

Name	Role
Non-Executive Directors	
Stuart Robertson	Independent Non-Executive Chairman
Symon Brewis-Weston	Independent Non-Executive Director
Kate Robb	Independent Non-Executive Director
Executive Directors	
Scott Baldwin	Managing Director and Chief Executive Officer
Executives	
Siva Subramani	Chief Financial Officer
Michael Neville	Chief Operating Officer

As part of the Group's restructure into Business Units (BU), Craig Harris GM – Lending Money3 Business) is no longer considered a key management personnel.

2. NED Remuneration Structure

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre. The Constitution and the ASX Listing Rules specify that the aggregate remuneration of NEDs shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the NEDs as agreed. The current approved aggregate remuneration is $750,000 (2020: $750,000).

3. Remuneration Framework

The below sections cover the Managing Director and executive KMP remuneration framework.

3.1 Governance

The Board has established a Remuneration and Nomination Committee that oversees the development and implementation of the remuneration framework. Our remuneration and nomination committee ("the Committee") consists of independent non-executive directors. Annually committee reviews and determines our remuneration policy and the structure to ensure it remains aligned to the business needs and meets our remuneration principles. The Committee regularly undertakes remuneration benchmarking for the Managing Director ("MD") and executive KMP. In particular, the Committee aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Group to attract and retain key talent;
- Aligned to the Group's strategic and business objectives and the creation of shareholder value;
- Transparent and easily understood; and
- Acceptable to shareholders.

3.2 Principles and framework

The performance of the Group depends upon the quality of its MD and executive KMP. To prosper, the Group must attract, motivate and retain highly skilled people. The remuneration is structured in such a way that it encourages MD and executive KMP in creating both short-term and long-term value for the shareholders and achieve strategic objectives of the Group.

The Group regularly benchmarks remunerations against relevant peers, being ASX listed companies of similar size, structure and industry to that of Money3 and current market employment conditions. The remuneration principles and framework are outlined below.

Reward Principles

Reward Principals		
Attract, retain and engage high performing executives	Align performance to strategy objective execution, including both short-term and long-term goals	Encourage and motivate executives to maximise shareholder value

Fixed Remuneration ("FR")

The MD and other KMP may receive their fixed remuneration comprising of base salary and statutory superannuation contributions as cash or cash with non-monetary benefits such as insurance, phone allowances or as elected by the individual. There is no guaranteed increase in the employment contracts. Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee.

Fixed remuneration is measured based on the following factors:

- Scope and complexity of the role; and
- Individual capability and skill, experience, and performance.

Short-Term Incentive ("STI")

STI is an incentive based on the financial, strategic and operational objectives of the Group. The STI is delivered as cash payment following the completion of the financial year. The size of the STI opportunity is 100% of the Fixed Remuneration for the MD and up to 50% of the Fixed Remuneration for all other senior executives.

FY22 Performance metrics

Metric	Target	Weighting
Financial metrics:		50%
– Cash out	Above 30% growth	
– Cash In	Above 12% growth	
– EBITDA margin	Above 48%	
– NPAT	Above 15% growth	
Key strategic projects	Effective completion	25%
Leadership attributes and behaviour	NPS > 65 Team culture Professional development	25%

The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes.

Long Term Incentive ("LTI")

LTI is an equity-based plan based on achievement of long term performance conditions measured over a three year period.

The size of the LTI opportunity is 100% of the Fixed Remuneration for the MD and up to 30% of the Fixed Remuneration for all other executive KMP. MD and the executive KMP may achieve up to 150% of their LTI allocation should the Group achieve outstanding growth over the performance period. The LTI opportunity is divided by the Black-Scholes value of the equity instrument to determine the number of instruments.

LTI targets are reviewed on an annual basis by the Remuneration and Nomination Committee and includes the following performance and service conditions:

- Composite Total Shareholder Return ("CTSR") consisting of an Absolute and Relative Total Shareholder Return– 50% LTI allocation;
- Earnings Per Share ("EPS") growth targets – 50% LTI allocation; and
- Remaining employed in the Group through the vesting period.

The LTI allocation for each of the performance measures may vary from time to time. For FY20 LTI Program, the LTI allocation was 50% for each of the performance measures, i.e. 50% for CTSR and 50% for EPS.

FY21 Performance metrics

The payout is represented as a % of Target.

EPS hurdles

Growth hurdle	Payout as a % of Target
Below 8%	Nil
8% – 10%	50%
10% – 12.5%	100% (Target)
Above 12.5%	150%

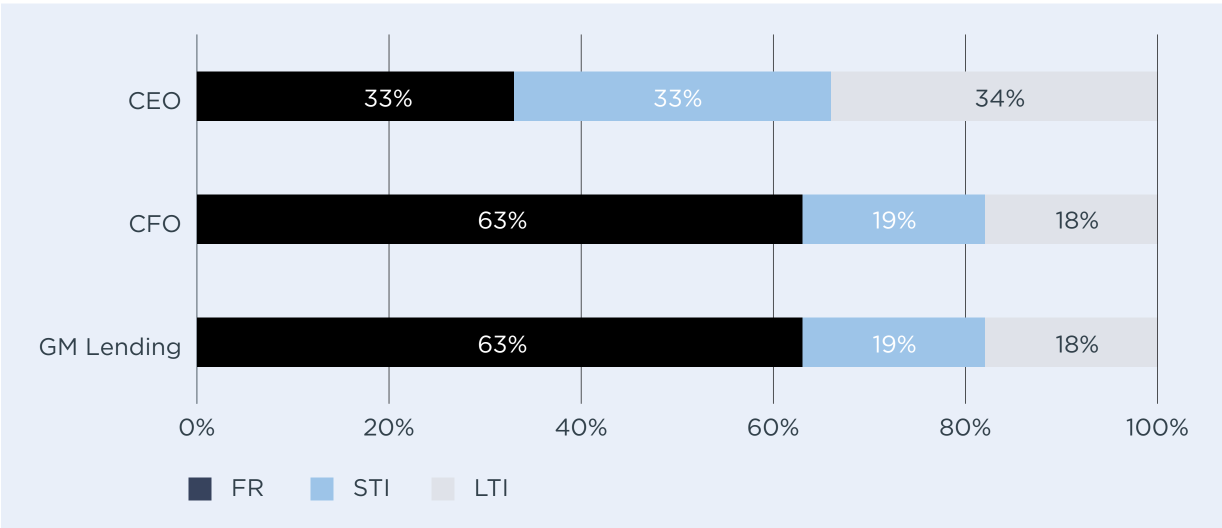
TSR hurdles (composite)

Relative TSR		Absolute TSR Growth < 8%	8%–10%	10%–12.5%	>12.5%
ASX 200 Financials Index (AXFI)	**< 25th percentile**	Nil	25%	50%	75%
	25th percentile	25%	50%	75%	100% (Target)
	50th percentile	50%	75%	100% (Target)	125%
	75th percentile	75%	100% (Target)	125%	150%

3.3 Remuneration Mix

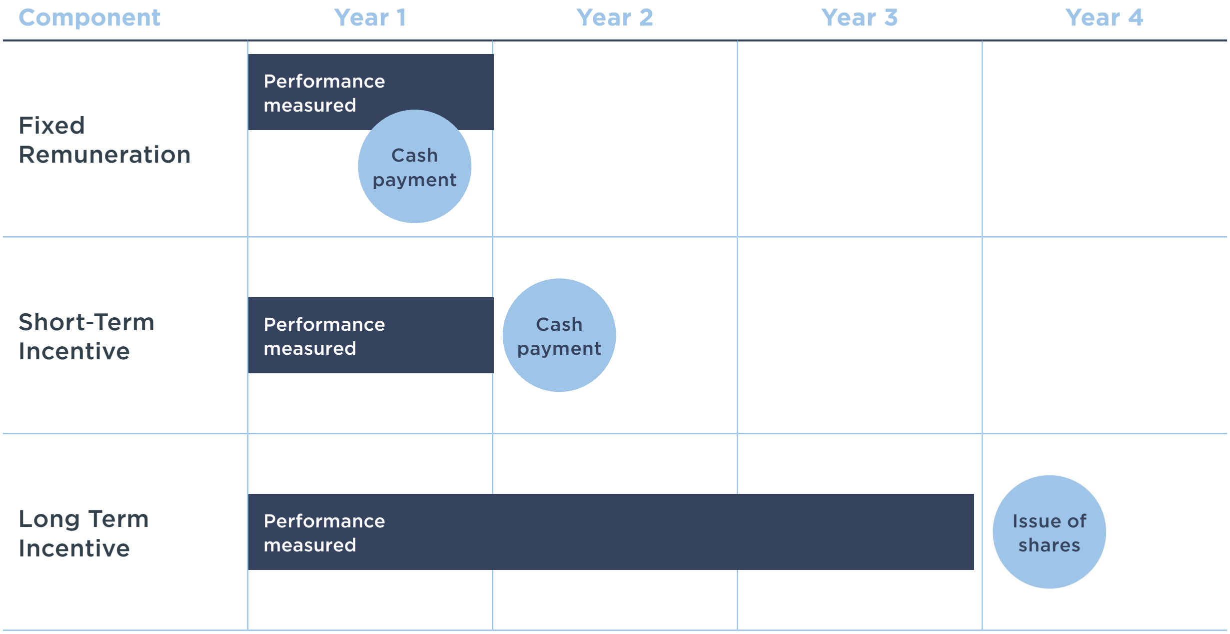
A significant portion of the MD and executive KMP remuneration is linked to short-term and long-term goals of the Group effectively aligning the staff performance and shareholder value. The relative weightings of the components of the remuneration are given below:

Executive KMP – Remuneration Mix



3.4 Remuneration Delivery

The following table provides a timeline of when the remuneration is delivered.



3.5 Contract of employment

All executives of the Group are employed under a letter of appointment with various notice periods from 1 to 6 months required to terminate their appointment.

Key terms of these contracts for FY21 are given below:

Name	Role	Type of employment	Termination notice period	Base salary including superannuation
Scott Baldwin	Chief Executive Officer	Permanent	6 months	$550,000
Siva Subramani	Chief Financial Officer	Permanent	6 months	$300,000
Michael Neville	Chief Operating Officer	Permanent	1 month	$275,000

4. Group Performance and Remuneration Outcomes

4.1 Group Financial Performance

Financial performance for the past five years is indicated by the following table:

	30 June 2021	30 June 2020	30 June 2019 (Restated)	30 June 2018	30 June 2017
Revenue ($'000)	145,103	124,034	136,382	121,876	109,638
NPAT ($'000)	39,165	24,192	28,358	32,028	29,086
Closing share price	$3.35	$1.55	$2.12	$1.95	$1.28
Price increase/(decrease) $	$1.80	($0.57)	$0.17	$0.67	$0.08
Price increase/(decrease) %	116%	(27%)	9%	52%	7%
Earnings per share (cents)	19.85	13.17	15.79	19.91	18.81
Dividend paid per share (cents)	6.00	10.00	10.00	9.50	5.65

4.2 Details of Remuneration

The compensation of each member of the KMP of the Group is set out below:

	Short-term employee benefits		Post-employment benefits		Long-term benefits		
2021	**Salary & fees $**	**Bonus $**	**Super $**	**Long service leave $**	**Termination $**	**Share-based payments $**	**Total $**
NEDs							
Stuart Robertson	189,000	–	–	–	–	–	189,000
Symon Brewis-Weston	105,023	–	9,977	–	–	–	115,000
Kate Robb	105,023	–	9,977	–	–	–	115,000
NEDs Total	**399,046**	**–**	**19,954**	**–**	**–**	**–**	**419,000**
Executives							
Scott Baldwin	552,808	484,000	25,000	3,448	–	501,869	1,567,125
Siva Subramani	295,957	83,250	25,000	–	–	298,916	703,123
Michael Neville	257,933	76,313	23,858	–	–	60,615	418,719
Executives Total	**1,106,698**	**643,563**	**73,858**	**3,448**	**–**	**861,400**	**2,688,967**
Total	**1,505,744**	**643,563**	**93,812**	**3,448**	**–**	**861,400**	**3,107,967**

2020	Short-term employee benefits		Post-employment benefits	Long-term benefits			
	Salary & fees $	Bonus $	Super $	Long service leave $	Termination $	Share-based payments $	Total $
NEDs							
Stuart Robertson	179,550	–	–	–	–	37,083	216,633
Symon Brewis-Weston	101,791	–	9,670	–	–	–	111,461
Kate Robb	84,018	–	7,982	–	–	–	92,000
Leath Nicholson	40,333	–	–	–	–	46,354	86,687
NEDs Total	**405,692**	**–**	**17,652**	**–**	**–**	**83,437**	**506,781**
Executives							
Scott Baldwin	478,417	275,000	25,000	27,079	–	276,333	1,081,829
Siva Subramani	226,266	39,000	21,950	–	–	244,382	531,598
Michael Neville	214,387	30,000	19,109	–	–	35,000	298,496
Craig Harris	284,120	49,500	25,000	13,203	–	220,156	591,979
Rob Camilleri	50,597	–	10,403	–	82,315	–	143,315
Executives Total	**1,253,787**	**393,500**	**101,462**	**40,282**	**82,315**	**775,871**	**2,647,217**
Total	**1,659,479**	**393,500**	**119,114**	**40,282**	**82,315**	**859,308**	**3,153,998**

The following table shows the Executive remuneration received in each of the years, the relevant percentages for fixed remuneration, STI and LTI:

	Fixed Remuneration		At risk – STI		At risk – LTI	
	2021	2020	2021	2020	2021	2020
Scott Baldwin	37%	49%	31%	25%	32%	26%
Siva Subramani	46%	47%	12%	7%	42%	46%
Michael Neville	67%	78%	18%	10%	15%	12%
Craig Harris	*	55%	*	8%	*	**37%**
Rob Camilleri	*	100%	*	–	*	**–**

* *As part of the Group's restructure into Business Units (BU), Craig Harris (GM – Lending) is no longer considered a key management personnel. Rob Camilleri resigned on 17 September 2019.*

4.3 FY21 Fixed Remuneration Outcomes

In FY21, the MD did not get an increase to the fixed remuneration and the executive KMP had an average increase of 12.7%. This was done to align the remuneration with the median level for comparative roles.

4.4 FY21 STI Outcomes

The table below details the performance against key measures for and impact on FY21 STI:

Metric	Target	Performance	Impact on incentive award
Financial metrics:			
– Cash out	Above 20% growth	37% growth	Above target ●
– Cash In	Above 10% growth	26% growth	Above target ●
– Loan book composition	Above 12.5% in near prime	Achieved	Above target ●
– NPAT	Above 25% growth	76.6% growth	Above target ●
Key strategic projects	Effective completion	95% achieved	5% below target ●
Leadership attributes and behaviour	Establish NPS Team culture Professional development	97.5% achieved	2.5% below target ●

The following table outlines the percentage of target STI achieved (and forfeited) and the total STI awarded, for each Executive KMP for 2021:

	STI On Target Opportunity $	Achieved %	Forfeited %	STI Outcome
Scott Baldwin	$550,000	88.0%	12.0%	$484,000
Siva Subramani	$90,000	92.5%	7.5%	$83,250
Michael Neville	$82,500	92.5%	7.5%	$76,313

4.5 FY21 LTI Outcomes

4.5.1 New Grants in FY21

Name	Equity Instrument	Grant Date	Quantity Granted	Vesting Date	Expiry Date
Scott Baldwin	Rights	01-Jul-20	423,780	30-Jun-22	30-Sep-22
Siva Subramani	Rights	01-Jul-20	146,004	30-Jun-23	30-Sep-23
Michael Neville	Rights	01-Jul-20	109,503	30-Jun-23	30-Sep-23

The performance rights have been valued by reference to the underlying value of ordinary Money3 shares, adjusted for the impact of the vesting conditions, including the rights to dividends, where appropriate. In FY21, none of the performance rights were due for vesting.

4.5.2 Historical Grants under previous LTI Schemes to KMP

Name	Equity Instrument	Grant Date	Quantity Granted	Vesting Date	Expiry Date
Siva Subramani*	Rights	03-Dec-18	328,178	02-Dec-21	31-Dec-21
Siva Subramani*	Rights	01-Jan-18	150,000	31-Dec-21	31-Dec-22
Michael Neville	Rights	01-Jul-19	50,000	30-Jun-22	30-Sep-22

* *In FY21, 146,893 grants vested and exercised by Siva Subramani. These grants were made under the historical LTI schemes with vesting criteria based on performance measures covering achieving 90% of budgets and completion of specific projects. For all grants since FY19, the vesting criteria is based on EPS and TSR targets. Also refer to section 3.2.*

The LTI Grants were tested for achievement of vesting conditions/hurdles at each of the respective vesting dates. Based on satisfactory achievement of the hurdles, performance rights were converted and issued as ordinary shares to the Executive KMP.

4.5.3 Options over ordinary shares held by KMP

Name	Balance at 1 July 2020	Options granted	Options exercised	Balance on termination	Balance at 30 June 2021	Vested and exercisable	Unvested
Scott Baldwin	4,180,000	–	–	–	4,180,000	4,180,000	–
Total	**4,180,000**	**–**	**–**	**–**	**4,180,000**	**4,180,000**	**–**

4.5.4 Rights held by KMP

Name	Balance at 1 July 2020	Granted	Exercised	Forfeited	Balance at 30 June 2021	Vested and exercisable	Unvested
Scott Baldwin	–	423,780	–	–	423,780	–	423,780
Siva Subramani	293,786	146,004	(146,893)	–	292,897	–	292,897
Michael Neville	50,000	109,503	–	–	159,503	–	159,503
Total	**343,786**	**679,287**	**(146,893)**	**–**	**876,180**	**–**	**876,180**

5. Other information

5.1 KMP Equity Holdings (ordinary shares)

Name	Balance at 1 July 2020	On exercise of options	On vesting of performance rights	Net change other	Balance on termination	Balance as at 30 June 2021
Stuart Robertson	798,975	–	–	35,000	–	833,975
Symon Brewis-Weston	40,743	–	–	3,707	–	44,450
Kate Robb	37,000	–	–	3,707	–	40,707
Scott Baldwin	5,099,136	–	–	(100,000)	–	4,999,136
Siva Subramani	198,989	–	146,893	(71,382)	–	274,500
Michael Neville	90,811	–	–	22,200	–	113,011
Total	**6,265,654**	**–**	**146,893**	**(106,768)**	**–**	**6,305,779**

5.2 Loans to KMP

There were no loans to KMP during the current financial year or as at 30 June 2021 (2020: Nil).

5.3 Value of Options

The value of options is determined at grant date using the Black Scholes Option Pricing Model considering factors including exercise price, expected volatility and option life and is included in remuneration on a proportional basis from grant date to vesting date.

As the options vest over time, the cost is expensed in accordance with AASB 2 *Share-based Payments* over the vesting period. For the year ended 30 June 2021, the expense for KMP was $53,333 (2020: $359,771). Inputs into the determination of the fair value of options issued to KMP are set out below:

Particulars	Director Expires 23-Nov-21	Director Expires 27-Nov-23
Exercise price	$1.5000	$2.5000
Grant date	28-Nov-16	28-Nov-18
Expiry date	23-Nov-21	27-Nov-23
Share price at grant date	$1.6900	$1.6950
Expected volatility	37%	30%
Expected dividend yield	3.33%	4.40%
Risk free rate	2.13%	2.29%

5.4 Share-based Compensation

The following table discloses terms and conditions of each grant of options provided as compensation, as well as details of options exercised during the year:

Name	Grant date	Options granted	Exercise price	Vesting date	Exercised during the year	Expiry date	Value of unvested/ unexercised options
Scott Baldwin	28-Nov-16	2,400,000	$1.5000	24-Nov-19	–	23-Nov-21	970,100
Scott Baldwin	28-Nov-18	2,000,000	$2.5000	27-Nov-20	–	27-Nov-23	256,000

The options will vest if an event occurs which gives rise to a change in control of the Group. Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional requirements of the allocation.

5.5 Other Transactions Related to KMP

There were no transactions with KMP or their related parties in the current year.

In FY20 (comparative period), Money3 engaged with Nicholson Ryan Lawyers and Panorama Pty Limited to perform legal services and compliance services respectively. Both these entities are related to Leath Nicholson (NED until 15 November 2019). Legal expenses amounted to $66,279 and compliance expenses amounted to $52,800. Amounts payable at 30 June 2020 was nil. Money3 also engaged with Moses & Pope Pty Ltd which is related to Symon Brewis-Weston (NED) to perform project advisory amounting to $3,300. Amounts payable at 30 June 2020 was nil.

All transactions with related parties are at arm's length on normal commercial terms and conditions at market prices.

End of Remuneration Report (Audited)

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 38 of the financial report.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

Scott Baldwin
Director

Melbourne
16 August 2021

Auditor’s Independence Declaration

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Australia

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF MONEY3 CORPORATION LIMITED

As lead auditor of Money3 Corporation Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Money3 Corporation Limited and the entities it controlled during the period.

James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 16 August 2021

Directors' Declaration

The Directors of Money3 Corporation Limited declare that:

1. in the Directors' opinion, the financial statements and the accompanying notes set out on pages 40 to 85 and the Remuneration Report in the Directors' Report set out on pages 27 to 36, are in accordance with the *Corporations Act 2001*, including:

   (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance, for the financial year ended on that date; and

   (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Corporations Regulations 2001* and other mandatory professional reporting requirements;

2. the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1; and
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. at the date of this declaration, there are reasonable grounds to believe that the entity and the consolidated entities identified in Note 27 to the financial statements will as a consolidated entity be able to meet any liabilities to which they are, or may become subject because of the deed of cross guarantee described in Note 27 to the financial statements.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Managing Director and Chief Financial Officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Directors pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Scott Baldwin
Director

Melbourne
16 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue from continuing operations	3	**145,103**	**124,034**
Expenses from operating activities:			
Bad debts expense (net of recoveries)		18,197	23,625
Movement in allowance for impairment losses		878	14,363
Loan origination and servicing costs		8,788	5,454
Employee related expenses		25,545	22,128
Professional fees		1,896	2,677
Technology expenses		5,361	3,963
Advertising expenses		1,627	1,218
(Gain)/loss on disposal of assets		(6)	268
Finance costs, net		22,243	15,060
Depreciation and amortisation		2,280	1,883
Other expenses		1,889	1,257
Total expenses		**88,698**	**91,896**
Profit before income tax from continuing operations		**56,405**	**32,138**
Income tax expense	4(a)	17,240	9,946
Profit after income tax from continuing operations		**39,165**	**22,192**
Profit from discontinued operations (attributable to equity holders of the Company)	21(b)	–	2,000
Profit for the year		**39,165**	**24,192**
Profit is attributable to:			
Owners of Money3 Corporation Limited		39,165	24,192
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(41)	(252)
Other comprehensive income/(loss) for the year, net of tax		**(41)**	**(252)**
Total comprehensive income for the year		**39,124**	**23,940**
Total comprehensive income for the year is attributable to:			
Owners of Money3 Corporation Limited		39,124	23,940
Total comprehensive income for the year attributable to owners of Money3 Corporation Limited arises from:			
Continuing operations		39,124	21,940
Discontinued operations		–	2,000
		39,124	**23,940**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents)	17	19.85	12.08
Diluted earnings per share (cents)	17	19.57	11.97
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents)	17	19.85	13.17
Diluted earnings per share (cents)	17	19.57	13.05

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Consolidated Statement of Financial Position

as at 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	55,629	44,474
Loans receivable	6	185,519	145,835
Other assets		4,154	2,815
		245,302	**193,124**
Non-current assets			
Loans receivable	6	336,005	210,587
Property, plant & equipment	7(a)	1,982	1,845
Right-of-use assets	7(b)	1,569	1,913
Intangible assets	8	32,474	22,849
Deferred tax assets	4(b)	11,300	11,243
		383,330	**248,437**
Total assets		**628,632**	**441,561**
LIABILITIES			
Current liabilities			
Trade and other payables	9	21,119	7,387
Borrowings	12	35,047	1,336
Current tax payable		1,642	4,920
Lease liabilities	7(b)	963	749
Employee benefit obligations	10	2,420	1,510
Contingent consideration	20(c)	3,468	1,740
Derivative financial instruments		94	31
Provisions	11	–	116
		64,753	**17,789**
Non-current liabilities			
Borrowings	12	226,083	168,422
Employee benefit obligations	10	207	273
Lease liabilities	7(b)	910	1,533
Contingent consideration	20(c)	–	3,019
Provisions	11	160	673
		227,360	**173,920**
Total liabilities		**292,113**	**191,709**
Net assets		**336,519**	**249,852**
EQUITY			
Share capital	13	229,349	169,472
Reserves	14(a),(b)	2,992	3,570
Retained earnings	15	104,178	76,810
Total equity		**336,519**	**249,852**

The consolidated statement of financial position is to be read in conjunction with the attached notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Share Capital $'000	Retained Earnings $'000	Reserves $'000	Total $'000
Total equity at 1 July 2019		**163,722**	**71,572**	**4,560**	**239,854**
Transition adjustments on adoption of new accounting standards and interpretations					
– AASB 16 *Leases*		–	(161)	–	(161)
– AASB *Interpretation 23*		–	(418)	–	(418)
Restated total equity at 1 July 2019		**163,722**	**70,993**	**4,560**	**239,275**
Profit after income tax expense for the year		–	24,192	–	24,192
Other comprehensive income		–	–	(252)	(252)
Total comprehensive income for the year		–	24,192	(252)	23,940
Transactions with owners in their capacity as owners:					
Issue of shares	13	2,153	–	–	2,153
Share-based payment expenses, net	25	–	–	1,149	1,149
Transfer from reserves to share capital on exercise	13	1,887	–	(1,887)	–
Dividends paid	16	1,710*	(18,375)	–	(16,665)
Closing balance as at 30 June 2020		**169,472**	**76,810**	**3,570**	**249,852**
Total equity at 1 July 2020		**169,472**	**76,810**	**3,570**	**249,852**
Profit after income tax expense for the year		–	39,165	–	39,165
Other comprehensive income		–	–	(41)	(41)
Total comprehensive income for the year		–	39,165	(41)	39,124
Transactions with owners in their capacity as owners:					
Issue of shares	13	58,225	–	–	58,225
Share-based payment expenses, net	25	–	–	1,115	1,115
Transfer from reserves to share capital on exercise	13	1,652	–	(1,652)	(1,652)
Dividends paid	16	–	(11,797)	–	(11,797)
Closing balance as at 30 June 2021		**229,349**	**104,178**	**2,992**	**336,519**

* *Shares issued to shareholders that elected to participate in the Dividend Reinvestment Plan.*

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash flows from operating activities			
Interest, fees and charges from customers		151,045	127,163
Other income		1,361	1,891
Payments to suppliers and employees (GST Inclusive)		(46,340)	(36,418)
Interest received from banks		25	226
Finance costs		(18,594)	(14,919)
Income tax paid		(20,236)	(12,260)
Net cash provided by operating activities before changes in operating assets		67,261	65,683
Loan principal advanced to customers net of repayments		(118,665)	(82,721)
Net cash inflows/(outflows) from operating activities	18	**(51,404)**	**(17,038)**
Cash flows from investing activities			
Payment for property, plant and equipment		(869)	(771)
Proceeds from sale of investments (net of cash equivalents on hand)		–	9,725
Payments for purchase of business		(22,140)	(1,463)
Net cash inflows/(outflows) from investing activities		**(23,009)**	**7,491**
Cash flows from financing activities			
Proceeds from share issue, net		50,084	1,645
Proceeds from borrowings		225,424	45,863
Repayment of borrowings		(180,264)	(11,546)
Repayment of lease liabilities		(863)	(649)
Dividends paid		(11,799)	(16,665)
Net cash inflows/(outflows) from financing activities		**82,582**	**18,648**
Net increase/(decrease) in cash held		**8,169**	**9,101**
Cash and cash equivalents at the beginning of the year		44,474	35,376
Cash acquired on acquisition		2,579	–
Effects of exchange rate changes on cash and cash equivalents		(2)	(3)
Cash and cash equivalents at end of the year	5	**55,220**	**44,474**

The consolidated statement of cash flows is to be read in conjunction with the attached notes.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

Introduction

The financial report covers Money3 Corporation Limited ("Money3" or "the Company") and its controlled entities ("the Group"). Money3 is a company limited by shares whose shares are publicly traded on the Australian Securities Exchange (ASX). Money3 is incorporated and domiciled in Australia. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the functional and presentation currency of Money3 Corporation Limited and amounts are rounded to the nearest thousand dollars, unless otherwise indicated.

The financial report was authorised for issue by the Board of the Company at a Directors meeting on the date shown on the Declaration by the Board attached to the Financial Statements.

1. Summary of Significant Accounting Policies

(a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and complies with other requirements of the law, as appropriate for profit oriented entities. The financial report comprises the consolidated financial statements of the Group. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

The financial statements have been prepared in accordance with Australian Accounting Standards, which are based on the Group continuing as a going concern which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the consolidated 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless a transaction provides evidence of impairment to the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) New standards adopted by the Group

There were no new standards adopted by the Group for the year ended 30 June 2021.

(d) Critical accounting estimates, assumptions and judgements

In the application of Australian Accounting Standards, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

In FY20, an adjustment was recorded upon adoption of AASB *Interpretation 23 Uncertainty over Income Tax Treatments*. The Group identified a tax liability relating to a closed tax period. There was uncertainty as to whether the Australian Tax Office (ATO) would elect to reopen the closed period, and as to the amount of liability, interest and penalties if they elected to do so. Having evaluated the probabilities, an adjustment of $0.4m was recorded reducing opening retained earnings at 1 July 2019. Based on subsequent communications with the Australian Tax Office, this matter has now been closed and an additional $0.1m was expensed in the year ended 30 June 2021.

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

Judgements and estimates which are material to the financial report are found in the following notes:

Note 3	Revenue
Note 6	Loans receivable
Note 8	Intangible assets
Note 20(c)	Contingent consideration

(e) Notes to the financial statements

The notes to the financial statements have been structured to make the financial report relevant and readable, with a focus on information that is material to the operations, financial position and performance of the Group. Additional information has also been included where it is important for understanding the Group's performance.

Notes relating to individual line items in the financial statements include accounting policy information where it is considered relevant to an understanding of these items, as well as information about critical accounting estimates and judgements. Details of the impact of new accounting policies and other accounting policy information are disclosed in Note 31.

(f) Other information

Any subsidies received from the government during the year have been disclosed net of the relevant expense. Employee related expenses are disclosed net of JobKeeper payments received of $2.0m (2020: $2.1m).

(g) Rounding of amounts

The Group and the Company are 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 financial report. Amounts in the financial report have been rounded off in accordance with that Instrument to the nearest thousand dollars, unless otherwise indicated.

2. Segment Information

The Group has identified its operating segments based on internal reports and components of Money3 that are regularly reviewed by the chief operating decision makers in order to allocate resources to the segments and to assess their performance.

Australia

This segment provides lending facilities in Australia generally based on the provision of an underlying asset as security, generally referred through a broker or distributed directly through digital channels.

New Zealand

This segment provides lending facilities in New Zealand generally based on the provision of an underlying asset as security, generally referred through a dealer.

Branch (Discontinued)

This segment provided services and lending facilities in Australia generally without the provision of an underlying asset as security through the branch network. With the disposal of Money3 Branches Pty Ltd in May 2019, this segment is designated as discontinued.

Online (Discontinued)

This segment provided lending facilities in Australia without the provision of an underlying asset as security through the internet. With the disposal of Money3 Services Pty Ltd in May 2019, this segment is designated as discontinued.

Segment profit earned by each segment represents earnings without the allocation of central administration costs and directors' salaries, interest income and expense in relation to corporate facilities, bad debt collection and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance. Corporate costs have not been allocated to the underlying segments. Corporate expenditure is regularly reviewed throughout the year with a view to better align costs to business units.

Consolidated – 2021	Australia $'000	New Zealand $'000	Unallocated $'000	Total $'000
Segment revenue	113,244	31,859	–	145,103
EBITDA/Segment result	69,772	17,550	(6,394)	80,928
Depreciation and amortisation	(626)	(801)	(853)	(2,280)
Net finance costs	(18,258)	(3,985)	–	(22,243)
Profit before tax	**50,888**	**12,764**	**(7,247)**	**56,405**
Income tax expense				(17,240)
Profit after tax				**39,165**
Loans receivable	407,892	147,674	–	555,566

Consolidated – 2020	Australia $'000	New Zealand $'000	Branch & Online (Discontinued) $'000	Unallocated $'000	Total $'000
Segment revenue	102,774	21,260	–	–	124,034
EBITDA/Segment result	48,500	6,397	2,000	(5,816)	51,081
Depreciation and amortisation	(646)	(405)	–	(832)	(1,883)
Net finance costs	(11,358)	(3,702)	–	–	(15,060)
Profit before tax	**36,496**	**2,290**	**2,000**	**(6,648)**	**34,138**
Income tax expense					(9,946)
Profit after tax					**24,192**
Loans receivable	316,507	70,743	–	–	387,250

3. Revenue

	Consolidated 2021 $'000	Consolidated 2020 $'000
Interest, fees and charges	143,742	122,134
Other income	1,361	1,900
Total revenue	**145,103**	**124,034**

Key Estimate

The deferral of loan fees and charges assumes that the loan will be repaid in line with the agreed repayments schedule. This key estimate is regularly reviewed, and it is unlikely any change in the estimate will have a material impact.

Recognition and Measurement

Revenue is measured at the fair value of the consideration received or receivable and recognised to the extent that it is probable that the economic benefits will flow to the economic entity and the revenue can be reliably measured.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement and contract. Interest, fees and charges include interest on loan products, application and credit fees, and other period fees including arrears, default and variation fees. Revenue associated with loans is deferred and recognised over the life of the loans using the effective interest rate method over the loan term.

4 (a). Income Tax

	Consolidated 2021 $'000	Consolidated 2020 $'000
Income tax expense		
Current tax	17,059	14,606
Prior year adjustments	398	51
Total current tax expense	**17,457**	**14,657**
Deferred tax expense		
Decrease/(Increase) in deferred tax assets	364	(4,377)
Decrease in deferred tax liabilities	(581)	(334)
Deferred tax expenses	**(217)**	**(4,711)**
Income tax expense	**17,240**	**9,946**
Income tax expense is attributable to:		
Profit from continuing operations	17,240	9,946
Profit from discontinued operations	–	–
	17,240	**9,946**
Reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	56,395	32,138
Profit from discontinuing operations before income tax expense	–	2,000
	56,395	34,138
Tax at the Australian tax rate of 30%	16,919	10,241
Tax effect of amounts which are not deductible/(taxable)		
Share-based payments	127	346
Amortisation of intangibles	–	(307)
Other non-deductible income/(non-assessable income)	11	(370)
Prior year adjustments	398	51
Difference in overseas tax rates	(183)	(15)
Difference in local tax rates	(32)	–
Income tax expense	**17,240**	**9,946**

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4 (b). Deferred Tax Assets, net

	Consolidated 2021 $'000	Consolidated 2020 $'000
Deferred tax balance comprises temporary differences attributable to:		
Employee leave benefits	1,847	1,179
Allowance for impairment losses	9,995	10,509
Accruals and lease incentives	652	1,282
Borrowings	467	–
Contingent consideration, fair value effect	(76)	169
Acquisition costs capitalised	–	(482)
Dealer commissions capitalised	(246)	–
Borrowings	(106)	–
Intangibles	(1,498)	(1,414)
Tax losses, recognised	265	–
Net balance disclosed as deferred tax assets	**11,300**	**11,243**

4 (c). Tax Losses

	Consolidated 2021 $'000	Consolidated 2020 $'000
Unused tax losses for which no deferred tax asset has been recognised	–	6,263
Potential tax benefit @ 30%	**–**	**1,879**

The unused tax losses represent capital losses on the sale of subsidiaries. These losses have been utilised in the year ended 30 June 2021.

Recognition and Measurement

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances, they relate to are levied by the same taxation authority.

On 1 July 2010, Money3 Corporation Limited ("the head entity") and its wholly owned Australian controlled entities formed a tax consolidated group under the tax consolidation regime. Any entities subsequently acquired in Australia were added to the tax consolidation group from the acquisition date. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the inter-company charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by subsidiaries to the head entity.

5. Cash and cash equivalents

	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash at bank and on call*	55,629	44,474
Total cash and cash equivalents	**55,629**	**44,474**

* *The deposits on call (11am) have an effective interest rate of 0.05% (2020: 0.25%).*

Reconciliation to cash flow statements	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash and cash equivalents	55,629	44,474
Bank overdrafts	(409)	–
Cash and cash equivalents as per cash flows	**55,220**	**44,474**

Recognition and Measurement

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows include $26,754,134 (2020: Nil) which are held by the trust manager of the debt facilities. These deposits are subject to funding related restrictions and are therefore not available for general use by the Group.

6. Loans Receivable

	Consolidated 2021 $'000	Consolidated 2020 $'000
Loans receivable	555,566	387,250
Allowance for impairment losses	(34,042)	(30,828)
Net loans receivable	**521,524**	**356,422**
Current loans receivable	185,519	145,835
Non-current loans receivable	336,005	210,587
Net loans receivable	**521,524**	**356,422**

Gross written loans represent cash to be received at reporting date. Deferred revenue represents interest, fees and charges accumulated on individual loans which will be recognised as revenue in future periods using the effective interest rate method. Gross written loans less deferred revenue represents the loans receivable calculated in accordance with the accounting policy.

	Consolidated 2021 $'000	Consolidated 2020 $'000
Gross written loans	600,905	433,857
Deferred revenue	(45,339)	(46,607)
Loans receivable	**555,566**	**387,250**

Key Estimate

Recognition of income and classification of current and non-current is in line with the expected repayment profile of loans. Also refer Note 19(b).

Recognition and Measurement

Loans and other receivables are non-derivative financial assets, with fixed and determinable payments that are not quoted in an active market. Loans and other receivables are initially recognised at fair value, including direct transaction costs and are subsequently measured at amortised cost using the effective interest method.

Loans and other receivables are due for settlement at various times in line with the terms of their contracts.

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for loans receivable measured at amortised cost. Loans receivable move through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Group collectively assesses ECLs on loans receivable where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these loans receivable, the Group recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Group does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Group collectively assesses ECLs on loans receivable where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these loans receivable, the Group recognises as a collective provision a lifetime ECL (i.e. reflecting the remaining term of the loans receivable). Like Stage 1, the Group does not conduct an individual assessment on Stage 2 loans receivable as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Group identifies, both collectively and individually, ECLs on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision.

A loan receivable balance is written off when the customer is unlikely to pay their obligation and the Group determines there is no reasonable expectation of recovery. In assessing whether reasonable expectation of recovery exists, multiple factors are considered including days past due without repayment, recourse available to the Group such as realisability of security, insurance payout and other related factors.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for loans receivable since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date. This includes quantitative and qualitative information. Refer to Note 19. Loans receivable will move through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the allowance for impairment losses reverts from lifetime ECL to 12-months ECL. Loans receivable that has not deteriorated significantly since origination are considered to have a low credit risk. The allowance for impairment losses for these loans receivable is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

Measurement of Expected Credit Losses (ECLs)

ECLs are derived from unbiased and probability-weighted estimates of expected loss and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at reporting date.

The Group calculates ECL using three main components, a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD instead. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the total value the Group is exposed to when the loan receivable defaults. The LGD represents the unrecovered portion of the EAD considering mitigating effect of realisable value of security. For further details on how the Group calculates ECLs including the use of forward-looking information, refer to the credit quality of financial assets section in Note 19.

7 (a). Property, Plant and Equipment

Year ended 30 June 2021	Motor vehicles $'000	Leasehold Improvements $'000	Furniture & Equipment $'000	Total $'000
Gross carrying amount				
Balance at 1 July 2020	99	–	4,525	4,624
Acquisition of subsidiary	–	8	1,178	1,186
Exchange differences	–	–	(7)	(7)
Additions	9	–	884	893
Disposals	(51)	–	(641)	(692)
Balance at 30 June 2021	**57**	**8**	**5,939**	**6,004**
Accumulated depreciation				
Balance at 1 July 2020	39	–	2,740	2,779
Acquisition of subsidiary	–	2	1,167	1,169
Exchange differences	–	–	(1)	(1)
Depreciation expense	6	–	455	461
Disposals	(35)	–	(351)	(386)
Balance at 30 June 2021	**10**	**2**	**4,010**	**4,022**
Net carrying amount at 30 June 2021	**47**	**6**	**1,929**	**1,982**

Year ended 30 June 2020	Motor vehicles $'000	Leasehold Improvements $'000	Furniture & Equipment $'000	Total $'000
Gross carrying amount				
Balance at 1 July 2019	59	626	3,855	4,540
Exchange differences	(2)	–	(26)	(28)
Additions	42	–	747	789
Disposals	–	(626)	(51)	(677)
Balance at 30 June 2020	**99**	**–**	**4,525**	**4,624**
Accumulated depreciation				
Balance at 1 July 2019	33	344	2,310	2,687
Exchange differences	(1)	–	(10)	(11)
Depreciation expense	7	26	480	513
Disposals	–	(370)	(40)	(410)
Balance at 30 June 2020	**39**	**–**	**2,740**	**2,779**
Net carrying amount at 30 June 2020	**60**	**–**	**1,785**	**1,845**

Recognition and Measurement

Property, Plant and Equipment at Cost

Property, plant and equipment is recorded at cost less accumulated depreciation and cumulative impairment charges. Cost includes those costs directly attributable to bringing the assets into the location and working condition necessary for the asset to be capable of operating in the manner intended by management. Additions, renewals and improvements are capitalised, while maintenance and repairs are expensed.

The carrying values of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

Depreciation

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain plant and equipment, the shorter lease term.

Estimates of remaining useful life are made on a regular basis for all assets, with annual reassessments for major items. The expected useful life of plant and equipment is as follows:

Leasehold improvements	2 to 10 years
Furniture, fittings and equipment	3 to 10 years
Motor vehicles	4 to 5 years

7 (b). Leases

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in the statement of financial position:

	Consolidated 2021 $'000	Consolidated 2020 $'000
Right-of-use assets		
Buildings	1,569	1,913
	1,569	**1,913**
Lease liabilities		
Current	963	749
Non-current	910	1,533
	1,873	**2,282**

Additions (arising from the acquisition of AFS) to the right-of-use assets during the financial year ended 30 June 2021 were $0.5m (2020: Nil).

(ii) Amounts recognised in the statement of profit or loss. The statement of profit or loss shows the following amounts relating to leases:

	Consolidated 2021 $'000	Consolidated 2020 $'000
Depreciation charge of right-of-use assets – Buildings	719	647
Interest expense (included in finance cost)	143	164
	862	**811**

The total cash outflow for leases in for the financial year ended 30 June 2021 is $0.9m (2020: $0.8m).

Recognition and Measurement

The Group leases various offices. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payments that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of $3.2m have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

8. Intangible Assets

Year ended 30 June 2021	Goodwill $'000	Brand $'000	Dealer/ broker relationship $'000	Internally generated software $'000	Total $'000
Cost	27,202	1,055	5,064	973	34,294
Accumulated amortisation	–	–	(1,415)	(405)	(1,820)
Net book amount	**27,202**	**1,055**	**3,649**	**568**	**32,474**
Balance at 1 July 2020	18,136	776	3,203	734	22,849
Assets acquired (Note 20)	9,066	279	1,076	–	10,421
Amortisation charge	–	–	(630)	(166)	(796)
Balance at 30 June 2021	**27,202**	**1,055**	**3,649**	**568**	**32,474**

Year ended 30 June 2020	Goodwill $'000	Brand $'000	Dealer/ broker relationship $'000	Internally generated software $'000	Total $'000
Cost	18,136	776	3,988	973	23,873
Accumulated amortisation	–	–	(785)	(239)	(1,024)
Net book amount	**18,136**	**776**	**3,203**	**734**	**22,849**
Balance at 1 July 2019	18,136	776	3,757	903	23,572
Amortisation charge	–	–	(554)	(169)	(723)
Balance at 30 June 2020	**18,136**	**776**	**3,203**	**734**	**22,849**

Recognition and Measurement

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

Goodwill represents the excess of the cost of acquisition over the fair value of the entity's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill and Brand are considered to be indefinite life intangible assets, considering that each of the Brand has a long history and strong brand equity in the market. Goodwill and Brands are not amortised, instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Acquired brands and dealer relationships represent separately identifiable intangible assets from goodwill and are recognised at their fair value at acquisition date. Subsequently, all definite life intangible assets are carried at cost less accumulated amortisation and impairment losses.

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Dealer/broker relationships	7 to 10 years
Internally generated software	5 to 8 years

Cash generating units

Goodwill and Brand are allocated to the Cash Generating Units (CGUs) as given below for impairment testing purposes.

	2021 $'000	2020 $'000
MNY	10,295	10,295
AFS	9,345	–
GCF	8,617	8,617
Total Goodwill and Brand	**28,257**	**18,912**

Impairment testing and key assumptions

Goodwill and Brand are tested annually as to whether it has suffered impairment. The recoverable amounts of CGUs have been determined based on value in use calculations. These calculations require the use of assumptions.

The recoverable amount of the CGU is based on several key assumptions as detailed below.

The Group tests at least annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment, and when there is an indication of impairment. The tests incorporate assumptions regarding future events which may or may not occur, resulting in the need for future revisions of estimates. There are also judgements involved in determination of CGUs.

The recoverable amount of Australia and New Zealand CGUs was determined based on a value in use discounted cash flow ("DCF") model. The 'value in use' calculations use cash flow projections based on the 2022 financial budgets extended over the subsequent four-year period ("Forecast Period") and applies a terminal value calculation using estimated growth rates approved by the Board for the business relevant to each CGU. The following are the key assumptions used in determining the recoverable value:

	MNY	AFS	GCF
2022 Budget revenue growth	8%	30%	26%
2022 Budget expense growth	6%	22%	15%
Terminal value > 5 years	2%	2%	2%
Revenue growth rate > 1 year	10%	26%	17%
Expense growth rate > 1 year	8%	8%	10%
Pre-tax discount rate applied to cash flow	15%	8%	12%

The Directors concluded that, based on these assumptions, the recoverable amount exceeds the carrying amount and as such, there is no impairment of goodwill in the current year (2020: Nil).

Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the CGUs.

9. Trade and other payables

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current liabilities (Unsecured):		
Trade payables	2,682	1,723
Accrued expenses	7,360	5,305
Taxes payable	430	85
Unearned revenue	402	274
Commission retention	10,245	–
Total trade and other payables	**21,119**	**7,387**

Recognition and Measurement

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

Commission retention relates to risk share arrangements with dealers in New Zealand operations which are payable based on performance the underlying loan portfolio. The liability is initially recognised at fair value and subsequently measured at amortised cost in accordance with AASB 9.

10. Employee Benefit Obligations

	Consolidated 2021 $'000	Consolidated 2020 $'000
Employee leave obligations – Current	2,420	1,510
Employee leave obligations – Non-current	207	273
Total employee benefit obligations	**2,627**	**1,783**

Recognition and Measurement

The leave obligations cover the Group's liability for long service and annual leave.

The current portion of this liability includes all the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances.

Liabilities for unpaid salaries, salary related costs and provisions for annual leave are recorded in the statement of financial position at the salary rates which are expected to be paid when the liability is settled. Obligations for long service leave and other long-term benefits are recognised at the present value of expected future payments to be made. In determining this amount, consideration is given to expected future salary levels and employee service histories. Expected future payments are discounted to their net present value using Milliman corporate bond rates.

Other Employee Obligations – Defined Contribution Superannuation Benefits

Eligible employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed contribution to the employee's superannuation fund of choice or the New Zealand Inland Revenue (for NZ operations). All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position. The defined contribution plan expense for the year was $1,449,685 (2020: $1,291,445) and is included in employee expenses.

11. Provisions

	Consolidated 2021 $'000	Consolidated 2020 $'000
Provisions – Current	–	116
Provisions – Non-current	160	673
Total provisions	**160**	**789**

Movements in Provisions

	Consolidated 2021 $'000	Consolidated 2020 $'000
Carrying amount at the start of the year	789	435
Acquired during the year	10	–
Exchange differences	–	(6)
Additional provision charged	–	1,188
Amounts used during the year	(639)	(828)
Carrying amount at the end of the year	**160**	**789**

Recognition and Measurement

Provisions relate to make-good provision on leased premises ($0.2m) in Australian operations payable on termination of the lease. There was a $0.01m movement in make good provisions during the year arising from the AFS acquisition. Provisions are recognised when the Group has a present obligation (legal, equitable or constructive) as a result of a present or past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the discounted present value of those cash flows. As that discount is unwound it is expensed in the statement of profit or loss.

12. Borrowings

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current		
Overdraft facility	409	–
Finance facility	34,900	1,750
Unamortised borrowing costs	(262)	(414)
	35,047	**1,336**
Non-current		
Finance facility	227,438	171,981
Unamortised borrowing costs	(1,355)	(3,559)
	226,083	168,422
Total borrowings	**261,130**	**169,758**

Recognition and Measurement

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method including the borrowing costs.

Finance Facility

In November 2020, the Company entered into a variable rate $250m revolving warehouse facility for the Australian operations led by a large international bank. The facility has a two year availability period ending in November 2022. Additionally, the AFS acquisition introduced a variable rate $55m revolving warehouse facility led by a major bank in Australia. This facility is subject to an annual review and has a maturity in June 2023.

In March 2019, the Group entered into a variable rate $35.8m funding facility and $1.0m overdraft facility for the New Zealand operations maturing in April 2020. In April 2021, the Group secured an additional variable rate $38m funding facility maturing in April 2024 for the New Zealand operations. The lenders have security over the property of the entities within the Go Car Finance Group.

Financing Facilities Available

	Consolidated 2021 $'000	Consolidated 2020 $'000
Finance facility	378,058	194,452
Used at reporting date	(262,338)	(173,731)
Unused at reporting date	**115,720**	**20,721**

Assets Pledged as Security

Under the terms of the financing facilities, there are general security agreements (fixed and floating charges) over all present and after acquired assets of the Group. The carrying amounts of assets pledged as security for borrowings are:

	Consolidated 2021 $'000	Consolidated 2020 $'000
Current assets		
– Cash and cash equivalents	861	44,474
– Receivables	373,587	145,835
Total current assets pledged as security	**374,448**	**190,309**
Non-current assets		
– Receivables	103,508	210,587
– Property, plant and equipment	1,111	1,845
– Intangible assets	22,179	22,849
Total non-current assets pledged as security	**126,798**	**235,281**
Total assets pledged as security	**501,246**	**425,590**

Compliance with Loan Covenants

Money3 Corporation Limited has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting periods.

13. Share Capital

	Number of Shares 2021	Number of Shares 2020	Consolidated 2021 $'000	Consolidated 2020 $'000
Fully paid ordinary shares	208,675,595	185,285,095	229,349	169,472

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Movement in Shares on Issue

Movement in the shares on issue of the Company during the financial year are summarised below:

	Consolidated 2021		Consolidated 2020	
	Number of ordinary shares '000	Value $'000	Number of ordinary shares '000	Value $'000
Balance at the beginning of the financial year	185,285	169,472	182,125	163,722
Issued during the year:				
New issue – capital raise	19,260	50,636	–	–
New issue on acquisition of Go Car Finance	2,877	7,559	204	485
Issue of shares – exercise of options	745	338	1,398	2,285
Issue of shares – employees share scheme	509	1,344	766	1,270
Issue of shares – DRP	–	–	792	1,710
Balance at end of the financial year	**208,676**	**229,349**	**185,285**	**169,472**

Recognition and Measurement

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. The Company does not have limited authorised capital and issued shares have no par value.

Dividend Reinvestment Plan

Money3 Corporation Limited has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by issue of new ordinary shares rather than being paid in cash.

Options

Information relating to the Money3 Employee Share Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the year is set out in Note 25.

14. Reserves

(a) Option and rights reserve

	Consolidated 2021 $'000	Consolidated 2020 $'000
Balance at the beginning of the financial year	3,803	4,541
Share-based payments expensed for the year, net of forfeitures	1,115	1,149
Transferred to share capital	(1,652)	(1,887)
Balance at the end of the financial year	**3,266**	**3,803**

The share option reserve is used to recognise the grant date fair value of options and rights issued to employees and directors but not exercised.

(b) Foreign currency translation reserve

	Consolidated 2021 $'000	Consolidated 2020 $'000
Balance at the beginning of the financial year	(233)	19
Translation differences	(41)	(252)
Balance at the end of the financial year	**(274)**	**(233)**

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

15. Retained earnings

	Consolidated 2021 $'000	Consolidated 2020 $'000
Balance at the beginning of the financial year	76,810	71,572
Transition adjustments on adoption of new accounting standards and interpretations	–	(579)
Net profit for the year	39,165	24,192
Dividends paid	(11,797)	(18,375)
Balance at the end of the financial year	**104,178**	**76,810**

16. Dividends

	2021 $'000	2020 $'000
Recognised amounts		
Fully paid ordinary shares		
Final dividend for the year ended 30 June 2020 of 3.00 cents (2019: 5.00 cents), fully franked at 30% tax rate	5,561	9,122
Interim dividend for the year ended 30 June 2021 of 3.00 cents (2020: 5.00 cents), fully franked at 30% tax rate	6,236	9,253
Total Dividend Paid	**11,797**	**18,375**
Unrecognised amounts		
Final dividend of 7.00 cents (2020: 3.00 cents) fully franked at 30% tax rate	14,607	5,559

On 16 August 2021, the Directors declared a fully franked final dividend of 7.00 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2021, to be paid to shareholders on 14 October 2021. The dividend will be paid to shareholders based on the Register of Members on 9 September 2021. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $14.6m. The Group has $66.6m of franking credits at 30 June 2021 (2020: $50.4m).

17. Earnings per share

	Consolidated 2021 Cents	Consolidated 2020 Cents
(a) Basic earnings per share attributable to the ordinary equity holders of the Company		
From continuing operations	19.85	12.08
From discontinued operations	–	1.09
Total basic earnings per share	19.85	13.17
(b) Diluted earnings per share attributable to the ordinary equity holders of the Company		
From continuing operations	19.57	11.97
From discontinued operations	–	1.08
Total diluted earnings per share	19.57	13.05

	Consolidated 2021 $'000	Consolidated 2020 $'000
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company		
From continuing operations	39,165	22,192
From discontinued operations	–	2,000
	39,165	**24,192**

	2021 Number	2020 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	197,304,676	183,649,537
Dilutive potential ordinary shares	2,828,740	1,671,304
Weighted average number of ordinary shares and potential ordinary shares used in calculation of diluted earnings per share	200,133,416	185,320,841

Recognition and Measurement

Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Options granted to employees and directors are considered to be ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

18. Cash flow information

(a) Reconciliation of Operating Profit after Income Tax to Net Cash Flows used in Operating Activities

	Consolidated 2021 $'000	Consolidated 2020 $'000
Net profit after tax	39,165	24,192
Non-cash items		
Depreciation and amortisation expense	2,280	1,883
(Loss)/gain on sale of property, plant and equipment	(6)	268
Allowance for impairment losses	878	14,362
Amortisation of borrowing costs	4,181	367
Net exchange differences	340	(159)
Net fair value adjustments	568	564
Share-based payments	1,115	1,149
Finance charge accruals (non cash)	(246)	(463)
Changes in Movements in assets and liabilities:		
(Increase)/decrease in assets		
Loans receivable	(93,152)	(54,393)
Other assets	(108)	28
Other receivables	(419)	(2,128)
Foreign tax credit receivable	(215)	(486)
Deferred tax assets	637	(4,681)
Increase/(decrease) in liabilities		
Lease liabilities	(70)	(649)
Trade and other payables	(4,872)	928
Current tax payable	(3,417)	2,367
Provisions and employee entitlements	1,937	(187)
Net cash inflows/(outflows) from operating activities	**(51,404)**	**(17,038)**

18 (b) Non-cash investing and financing activities

	Consolidated 2021 $'000	Consolidated 2020 $'000
Acquisition of Right-of-Use Assets (on adoption of AASB 16)	–	2,931
	–	**2,931**

Non-cash investing and financing activities disclosed in other notes are:

- Options and shares issued to employees under the Employee Share Plan for no cash consideration (note 13);
- Dividends satisfied by the issue of shares under the dividend reinvestment plan (note 13); and
- Partial settlement of a business combination through the issue of shares (note 20a).

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash and cash equivalents	55,629	44,474
Borrowings & lease liabilities – current	(36,272)	(2,282)
Borrowings & lease liabilities – non-current	(228,348)	(165,250)
Net debt	**(208,991)**	**(131,539)**
Cash and cash equivalents	55,629	44,474
Overdraft	(409)	–
Borrowings & lease liabilities – fixed interest rates	(1,873)	(10,763)
Borrowings – variable interest rates	(262,338)	(165,250)
Net debt	**(208,991)**	**(131,539)**

	Liabilities from financing activities				
	Borrowings $'000	Leases $'000	Subtotal $'000	Cash/bank overdraft $'000	Total $'000
Net debt at 1 July 2019	(138,229)	(2,931)	(141,160)	35,376	(105,784)
Exchange differences	(213)	–	(213)	(3)	(216)
Cash flows	(35,289)	649	(34,640)	9,101	(25,539)
Net debt as at 30 June 2020	**(173,731)**	**(2,282)**	**(176,013)**	**44,474**	**(131,539)**
Acquisition of AFS	(41,804)	(457)	(42,261)	2,579	(39,682)
Exchange differences	171	3	174	(2)	172
Cash flows	(46,974)	863	(46,111)	8,169	(37,942)
Net debt as at 30 June 2021	**(262,338)**	**(1,873)**	**(264,211)**	**55,220**	**(208,991)**

19. Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Group's objectives, policies and processes for managing and measuring these risks. The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Board ensures that the Group maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risk inherent in the Group's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk and credit risk are reviewed by management on a regular basis and are communicated to the Board so that it can evaluate and impose its oversight responsibility. The Group does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

Specific Risks

Market risk

Credit risk

Liquidity risk

Financial Assets/Liabilities Used

The principal categories of financial assets/liabilities used by the Group are:

Financial assets

Cash and cash equivalents – Note 5

Loans receivables – Note 6

Financial liabilities

Trade and other payables – Note 9

Borrowings – Note 12

Contingent consideration – Note 20(c)

Objectives, Policies and Processes

The risk management policies of the Group seek to mitigate the above risks and reduce volatility on the financial performance of the Group. Financial risk management is carried out centrally by the Finance Department of the Group.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2020.

In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Gearing Ratio

The Board reviews the capital structure on a semi-annual basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Financial assets			
Debt (long-term and short-term borrowings)	12	262,747	169,758
Cash and cash equivalents	5	(55,629)	(44,474)
Net debt		**207,118**	**125,284**
Total equity		336,519	249,852
Debt to equity ratio		**61.5%**	**50.1%**

(a) Market Risk

(i) Price risk

The Group does not hold financial assets or liabilities that are subject to price risk.

(ii) Interest Rate Risk

The Group's exposure to market interest rates relates primarily to the Group's short-term deposits held, deposits at call and borrowings. The interest income earned or paid on these balances can vary due to interest rate changes.

The Group policy is to maintain its borrowings at floating rates. Where necessary, the Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. The gain or loss relating to the effective portion of the interest rate swaps, hedging variable rate borrowings, is recognised in the profit or loss within finance costs at the same time as interest expense on the hedged borrowings.

	Impact on post tax profit		Impact on equity	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Interest rates – increase by 25 bps (100 bps)	(362)	(226)	(362)	(226)
Interest rates – decrease by 100 bps (50 bps)	362	905	362	905

(iii) Foreign exchange risk

The Group operates in Australia and New Zealand but the exposure to foreign currency risk is not significant. The entities within the Group do not have any significant financial instruments that are denominated in a currency other than their functional currency. Translation related risks are not included in the assessment of the Group's exposure to currency risks. However, foreign currency denominated inter-company receivables and payables which do not form part of a net investment in a foreign operation are included in the sensitivity analysis for foreign currency risks.

	Impact on post tax profit		Impact on equity	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
NZD/AUD exchange rate increase by 5%	(9)	(538)	(9)	(538)
NZD/AUD exchange rate decrease by 5%	9	538	9	538

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables, net of any allowance for impairment losses, as disclosed in the statement of financial position and notes to the financial report.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Except for its dealings with core customers, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

(i) Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. Explanation of terms: 12-month ECL, lifetime ECL and credit impaired are included in Note 6.

	Consolidated 2021 $'000				Consolidated 2020 $'000
Loans receivable	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total	Total
Strong	321,636	–	–	321,636	179,062
Good	139,800	–	–	139,800	123,084
Watch list	19,065	59,951	–	79,016	71,830
Sub-standard	–	14,662	–	14,662	9,963
Credit impaired	–	–	452	4525	3,311
Gross carrying amount, net of deferred revenue	**480,501**	**74,613**	**452**	**555,566**	**387,250**
Allowance for impairment	(18,294)	(15,296)	(452)	(34,042)	(30,828)
Carrying amount	**462,207**	**59,317**	**–**	**521,524**	**356,422**

Quality classification definitions

- 'Strong' exposures demonstrate a strong capacity to meet financial commitments, with negligible to low probability of default.
- 'Good' exposures demonstrate a good capacity to meet financial commitments with low default risk.
- 'Watch list' exposures require closer monitoring and a reasonable capacity to meet financial instruments, with moderate default risk.
- 'Sub-standard' exposures require varying degree of attention and default risk is high.
- 'Credit impaired' exposures have been assessed as impaired.

The credit quality classifications defined above encompass a range of granular internal credit rating grades.

Cash and cash equivalents

The Group held cash and cash equivalents of $55.6m at 30 June 2021 (2020: $44.5m). The cash and cash equivalents are held with financial institutions that are rated A to AA-, based on Fitch ratings.

(ii) Collateral held and other credit enhancements

The Group holds collateral and other credit enhancements against certain of its credit exposures. The nature of collateral held by the Group against loans receivable are motor vehicles and trailers. There were no significant changes in the quality of the collateral subject to normal wear and tear of the underlying vehicles. There are no financial assets where the Group has not recognised a loss allowance because of the collateral.

(iii) Amounts arising from Expected Credit Losses (ECL)

Expected credit loss is measured from the initial recognition of a financial asset. The maximum period considered when measuring ECL is the maximum contractual period over which the Group is exposed to credit risk.

Inputs, assumptions and techniques used for estimating impairment

The Group calculates ECL using three main components, a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD).

PD estimates are determined using statistical models based on internally compiled data on performance, default information on exposures that are segmented into homogeneous portfolios, generally by product. LGD is the magnitude of the likelihood of a loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The EAD represents the exposure in the event of a default. The EAD of a financial asset is its gross carrying value less deferred revenue. There were no changes made to the estimation techniques or significant assumptions during the reporting period.

Significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience. Each loan receivable is assigned a credit rating at initial recognition. Credit risk is deemed to have increased significantly if the credit rating has significantly deteriorated at the reporting date relative to the credit rating at the date of initial recognition. Deterioration in credit rating is not only based on the number of payment dishonours but also considers other qualitative information about the customer such as status of employment, other sources of income and credit score from credit agencies in line with the Group's credit policies. A backstop approach based on delinquency is not used due to the nature of the customer segment the Group operates in.

Modified financial assets

The contractual terms of a loan may be modified for several reasons. The revised terms usually include extending the maturity, changes to interest rate and changes to the timing of interest and fee payments. A loan that is renegotiated is derecognised as if the existing agreement is cancelled and a new agreement is made on substantially different terms. Loan modifications that do not result in derecognition are considered to be a commercial restructure. The credit risk on these loans are considered to have increased significantly as such modifications are generally due to financial difficulties of the customer.

Forward looking economic inputs

The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. The Group incorporates forward looking information in the measurement of ECL as a management overlay. The economic factors that are considered include but are not limited to, gross domestic product, unemployment, interest rates and inflation.

The PD, LGD and EAD models which support these determinations are reviewed periodically to compare the loss estimates against actual loss experience. COVID-19 had a significant impact on the adjustments arising from forward looking information. Having considered the future economic outlook as a result of COVID-19, the Group took an additional provision of up to 2.5% (2020: 3%) in certain risk categories within the portfolio of loan receivables.

The following table shows the reconciliation from the opening to the closing balance of the loss allowance.

	Consolidated 2021 $'000			
Loans receivable	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at 1 July 2020	**14,921**	**14,545**	**1,362**	**30,828**
New originations	16,348	24		16,372
Transfer to lifetime ECL – not credit impaired	(3,607)	3,607	–	–
Transfer to lifetime ECL – credit impaired	(1)	–	–	(1)
Transfer to 12-month expected credit losses	2,379	(2,379)	–	–
Financial assets derecognised/written off	(2,241)	(7,793)	(1,083)	(11,117)
Net remeasurement of loss allowance	(9,508)	7,295	173	(2,040)
Loss allowance at 30 June 2021	**18,291**	**15,299**	**452**	**34,042**

For all trade receivables and contract assets, the Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. The expected loss rates are based on the payment profiles on the receivables, the historical loss experience, uncertainty over recoverability and forward-looking information on macroeconomic factors affecting the ability to settle the receivables.

(iv) Concentrations of credit risk

The Group operates across Australia and New Zealand, providing consumer loans. The Group does not monitor the geographical concentration of exposure.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to pay its debts as and when they fall due. The Group has borrowings and the Directors ensure that the cash on hand is sufficient to meet the commitments of the Company and Group at all times.

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Liquidity risk includes the risk that the Group:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; and
- may be unable to settle or recover a financial asset at all.

To help reduce these risks where possible, the strategy is to borrow long term and lend short term and maintain adequate cash reserves.

Maturity of Financial Liabilities

The Group holds the following financial instruments. Amounts presented below represent the contractual maturities of financial liabilities at their undiscounted cash flows and their carrying value at reporting date.

	Consolidated				
2021	< 1 year $'000	1-5 years $'000	> 5 years $'000	Total Contractual cash flows $'000	Carrying amount $'000
Financial Liabilities:					
Borrowings*	48,962	235,547	–	284,509	262,747
Trade and other payables	21,119	–	–	21,119	21,119
Lease liabilities	1,048	917	–	1,965	1,873
Contingent consideration	3,723	–	–	3,723	3,468
Total financial liabilities	**74,852**	**236,464**	**–**	**311,316**	**289,207**

* *Gross of borrowing costs.*

	Consolidated				
2020	< 1 year $'000	1–5 years $'000	> 5 years $'000	Total Contractual cash flows $'000	Carrying amount $'000
Financial Liabilities:					
Borrowings*	14,429	183,218	–	197,647	173,518
Trade and other payables	7,387	–	–	7,387	7,387
Lease liabilities	837	1,632	–	2,469	2,282
Contingent consideration	1,869	3,737	–	5,606	4,759
Total financial liabilities	**24,522**	**188,587**	**–**	**213,109**	**187,946**

* *Gross of borrowing costs.*

The contractual maturities in the table above reflect gross cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Also, affecting liquidity are cash at bank and non-interest-bearing receivables and payables. Liquidity risk associated with these financial instruments is represented by the carrying amounts as shown above.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

- the net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

20. Business combination

(a) Automotive Financial Services Pty Ltd

On 4 January 2021, Money3 acquired 100% of the issued share capital of Automotive Financial Services Pty Ltd ("AFS"), a near prime lender specialising in vehicle loans of up to $100,000. AFS expands the Group's product offering in Australia.

Details of the purchase consideration, the net assets acquired, and related goodwill are given below:

	$'000
Purchase consideration	
Cash paid	3,227
Ordinary shares issued	7,560
Total purchase consideration	**10,787**

The Group has completed the acquisition of AFS issuing 2,877,348 shares valued using the 30 days VWAP. Compared to the previous disclosure based on provisional accounting in the financial report for the half year ended 31 December 2020, the key changes to the fair value of assets and liabilities include the valuation of intangible assets and related deferred tax liabilities which offset the goodwill balance.

The assets and liabilities recognised as a result of the acquisition are as follows:

	$'000
Cash at bank	2,579
Loans receivable, net	45,888
Other receivables	28
Other assets	1,338
Property, plant & equipment	24
Intangible assets	1,355
Deferred tax liabilities, net	(622)
Trade & other payables	(6,820)
Employee benefit obligations	(245)
Borrowings	(41,804)
Net identifiable assets acquired	**1,721**
Add: Goodwill	9,066
Net assets acquired	**10,787**

The goodwill is attributable to the intellectual property and the workforce. The goodwill will not be deductible for tax purposes.

Purchase consideration – cash outflow

	$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash paid	3,227
Less: Cash balances acquired	2,579
Net outflow of cash – investing activities	**648**

Acquisition costs amounted to $0.1m and expensed in the period when the business combination is accounted. Since acquisition, AFS contributed to $3.4m in revenue and $0.2m in net loss for the year ended 30 June 2021. Since there were significant changes to the underlying lending activities post acquisition, it is not practicable to determine the revenue and profit contribution from AFS as if acquisition occurred at the beginning of the reporting period.

(b) GMF Australia Pty Ltd

On 2 February 2021, Money3 acquired 100% of the issued share capital of GMF Australia Pty Ltd ("GMFA") for a purchase consideration of $17.1m, settled in cash. The consideration was determined based on a ratio of the net loans receivable balance on acquisition date. The acquisition of GMFA adds $23.3m of prime quality gross written loans to the Group. The Group has completed the accounting for the acquisition of GMFA. The fair values of the assets and liabilities acquired is given below.

	$'000
Loans receivable, net	17,119

The GMFA acquisition has been assessed by management as an acquisition of assets, as the value of the gross assets acquired is substantially concentrated in a group of similar assets, being loans receivable.

(c) Go Car Finance Group (GCF) – Contingent Consideration

On 12 March 2019, Money3 acquired 100% of the issued share capital of Go Car Finance Group (GCF). The purchase price included contingent consideration payable if Go Car Finance achieved certain pre-determined annual profitability and its growth over the first three years post acquisition where additional consideration of up to $1.9m would become payable annually in cash or in equity in the first two years and up to $3.8m in the third year.

The potential undiscounted amount payable under the agreement is for a pre-tax profit hurdle of $4.2m in the first year with 20% incremental hurdles in the following two years. The first two years earnout payment of $1.9m on 7 April 2020 was settled partly through cash and equity. The second payment of $1.9m on 22 March 2021 was settled through cash.

The fair value of the contingent consideration at 30 June 2021 is $3.5m (2020: $4.8m) and was estimated by calculating the present value of the future expected cash flows using a pre-tax discount rate of 15.3% and probability adjusted three-year forecast profit before tax between $4.2m and $6.5m.

21. Discontinued operations

(a) Description

On 22 February 2019, the Group agreed to sell Money3 Branches Pty Ltd and Money3 Services Pty Ltd (wholly owned subsidiaries) to Commit Co Pty Ltd. The sale was completed on 20 May 2019. The entities sold also represents the two segments (Branch and Online). Accordingly, these segments have been designated as 'discontinued' in Note 2.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended 30 June 2020 and the comparative period is from 1 July 2018 to 20 May 2019.

Financial Performance	2021 $'000	2020 $'000
Revenue	–	–
Expenses	–	–
Profit before income tax	–	–
Income tax expense	–	–
Profit after income tax of discontinued operations	–	–
Gain/(loss) on sale of the subsidiaries after income tax (see (c) below)	–	2,000
Profit from discontinued operations	**–**	**2,000**

Cash flow	2021 $'000	2020 $'000
Net cash inflow/(outflow) from operating activities	–	–
Net cash inflow/(outflow) from investing activities – incl. cash inflows from the sale of the subsidiary $Nil (2020: $9.7m)	–	9,725
Net increase in cash generated by the subsidiaries	**–**	**9,725**

(c) Details of the sale of subsidiaries

	2021 $'000	2020 $'000
Sale consideration, net of impairment provision	–	–
Carrying amount of net assets sold (including allocated goodwill)	–	–
Selling costs	–	–
Reversal of impairment provision	–	2,000
Profit/(Loss) on sale before income tax	**–**	**2,000**
Income tax (expense)/benefit on gain	–	–
Gain/(Loss) on sale after income tax	**–**	**2,000**

22. Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of subsidiaries in accordance with the accounting policy described in Note 1. The subsidiaries of the Company are:

Name	Country of incorporation	Equity held 2021 %	Equity held 2020 %	Acquisition date	Investment 2021 $'000	Investment 2020 $'000
Money3 Loans Pty Ltd[1]	Australia	100	100	01-Nov-16	–*	–*
Bennji Pty Ltd^^[1]	Australia	100	100	16-Apr-07	–*	–*
M3 Group Services Pty Ltd[1]	Australia	100	100	13-Mar-08	–*	–*
Australian Car Leasing Pty Ltd[1]	Australia	100	100	03-May-13	–*	–*
Antein Pty Ltd[1]	Australia	100	100	01-Jul-06	2,362	2,362
Bellavita Pty Ltd[1]	Australia	100	100	01-Jul-06	2,314	2,314
Hallowed Holdings Pty Ltd[1]	Australia	100	100	01-Jul-06	2,262	2,262
Debt Resolutions Pty Ltd[1]	Australia	100	100	01-Jul-06	369	369
Nexia Pty Ltd[1]	Australia	100	100	01-Jul-06	1,268	1,268
Pechino Pty Ltd[1]	Australia	100	100	01-Jul-06	1,286	1,286
Happy.com.au Pty Ltd[1]	Australia	100	100	01-Jul-06	369	369
Tannaster Pty Ltd[1]	Australia	100	100	01-Jul-06	2,208	2,208
Tristace Pty Ltd[1]	Australia	100	100	01-Jul-06	1,327	1,327
Money3 Warehouse Trust No. 1[1]	Australia	100	–	28-Oct-20	–*	–
Automotive Financial Services Pty Ltd[1]	Australia	100	–	04-Jan-21	14,286	–
AFS Auto-1 Trust[1]	Australia	100	–	04-Jan-21	–*	–
M3 HOL Pty Ltd[1]	Australia	100	–	02-Feb-21	17,119	–
Finance Investment Group Limited[2]	New Zealand	100	100	12-Mar-19	21,637	21,637
Go Car Finance Limited[2]	New Zealand	100	100	12-Mar-19	–*	–*
Go Car Finance 2018 Limited[2]	New Zealand	100	100	12-Mar-19	–*	–*
Go Car Services Limited^[2]	New Zealand	100	100	12-Mar-19	–*	–*
My On Road Plan Limited[2]	New Zealand	100	100	12-Mar-19	–*	–*
Go Car Funding Limited[2]	New Zealand	100	100	12-Mar-19	–*	–*
Go Car Funding 2018 Limited[2]	New Zealand	100	100	12-Mar-19	–*	–*
Aqua Cars Limited[2]	New Zealand	100	100	12-Mar-19	–*	–*
Debt Resolutions Limited[2]	New Zealand	100	100	12-Mar-19	–*	–*
Go Car SPV Holding Limited[2]	New Zealand	100	100	8-Dec-20	–*	–*
Total					**66,807**	**35,402**

* *The investment in these entities is less than $1,000.*

^ *Formerly FIG Services Limited.*

^^ *Formerly Money3 Franchising Pty Ltd.*

[1] *Part of a 'closed group' of companies that are parties to a deed of cross guarantee, as described in Note 27.*

[2] *Part of the 'extended closed group' of companies which are controlled by Money3 Corporation Limited but are not party to the deed of cross guarantee.*

23. Commitments

There are no commitments as at 30 June 2021 (2020: Nil). Non-cancellable operating leases are disclosed under Note 7(b) Leases.

24. Contingent assets and liabilities

There are no contingent assets or liabilities as at 30 June 2021 (2020: Nil).

25. Share-based Payments

Options

Movement in the share options of the Group during the financial year are summarised below:

	2021 Number of options	2021 Weighted average exercise price $	2020 Number of options	2020 Weighted average exercise price $
Balance at the beginning of the financial year	6,180,000	1.8236	8,420,000	1.7587
Granted during the financial year	–	–	–	–
Exercised during the financial year	(744,265)	1.5000	(1,502,846)	1.5640
Forfeited during the financial year*	(630,734)	1.5000	(737,154)	1.6115
Balance at the end of the financial year	**4,805,001**	**1.9162**	**6,180,000**	**1.8236**
Exercisable at the end of the financial year	4,805,001	1.9162	4,180,000	1.5000

* *Forfeitures relate to cashless exercise of options.*

Options on issue have the following conditions:

- The options vest in full when an event occurs which gives rise to a change in control of the Company;
- If the Company, after having granted these options, restructures its issued share capital, ASX Listing Rules will apply to the number of shares issued to the option holder on exercise of an option;
- Employee and director options will not be listed on the ASX, but application will be made for quotation of the shares resulting from the exercise of the options;
- On issue of the resulting shares, they will rank equally with ordinary shares on issue at that time; and
- Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional specific requirements of the allocation.

Consideration received on the exercise of options is recognised as contributed equity. No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price	Share Options 2021	Share Options 2020
28-Nov-16	23-Nov-21	1.5000	2,805,001	4,180,000
28-Nov-18	27-Nov-23	2.5000	2,000,000	2,000,000
Total			**4,805,001**	**6,180,000**
Weighted average remaining contractual life of options outstanding at the end of the year			**1.24 years**	**2.05 years**

Performance Rights

Movement in performance rights during the financial year are summarised below:

	2021 Number of rights	2020 Number of rights
Balance at the beginning of the financial year	1,167,559	1,796,878
Granted during the financial year	898,293	150,000
Exercised during the financial year	(494,165)	(754,319)
Forfeited during the financial year	(126,501)	(25,000)
Balance at the end of the financial year	**1,445,186**	**1,167,559**
Exercisable at the end of the financial year	–	–

Performance rights granted during the year were subject to the following conditions:

- The performance rights vest in full when an event occurs which give rise to a change in control of the Company;
- If the Company, after having granted these performance rights, restructures its issued share capital, ASX Listing Rules will apply to the number of shares issued to the rights holder on exercise of a right;
- Employee and director performance rights will not be listed on the ASX, but application will be made for quotation of the shares resulting from the exercise of the rights;
- On issue of the resulting shares, they will rank equally with ordinary shares on issue at that time;
- Performance rights carry no rights to dividends and no voting rights. In accordance with the terms of the performance rights schemes, rights are automatically issued on vesting; and
- No performance rights expired during the periods covered by the above tables.

Performance rights outstanding at the end of the year have the following vesting dates and expiry dates:

Grant Date	Vesting Date	Expiry Dates	Performance Rights 2021	Performance Rights 2020
1-Jul-16	30-Jun-20	30-Jun-21	–	173,773
1-Jan-18	31-Dec-21	31-Jan-22	287,500	625,000
3-Dec-18	02-Dec-21	31-Dec-21	109,393	218,786
1-Jul-19	30-Jun-22	30-Jun-22	150,000	150,000
1-Jul-20	30-Jun-23	30-Sep-23	474,513	–
1-Jul-20	30-Jun-22	30-Sep-22	423,780	–
Total			**1,445,186**	**1,167,559**
Weighted average remaining contractual life of rights outstanding at the end of the year			**1.19 years**	**2.33 years**

The fair value of the Performance Rights has been determined in accordance with AASB 2 using the following inputs:

Grant date	01-Jul-20	01-Jul-20
Vesting date	30-Jun-22	30-Jun-23
Expiry date	30-Sep-22	30-Sep-23
Share price at measurement date	1.70	1.70
Dividend yield	5.9%	5.9%

Recognition and Measurement

Options, restricted shares and performance rights are granted under Money3 Corporation Limited's Share Option Plan for no consideration. The Board meets to determine eligibility for the granting of options, restricted shares and performance rights and to determine the quantity and terms of options, restricted shares and performance rights that will be granted. The valuation of options, restricted shares and performance rights are generally determined by an independent expert considering the terms and conditions upon which the instruments were granted. The expected price volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2021 $	2020 $
Options issued under employee share option plan	53,333	386,155
Performance rights issued under employee share plan	1,061,945	613,139
Restricted shares issued under employee share plan	–	150,157
Total	**1,115,278**	**1,149,451**

Employee Share Scheme

A scheme under which shares may be issued by the Company to employees for no cash consideration was approved. All Australian resident permanent employees (excluding executive directors, other key management personnel of the Group and the Group company secretary) who have been continuously employed by the Group for a period of at least one year are eligible to participate in the scheme. Employees may elect not to participate in the scheme.

26. Auditor's Remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Money3 Corporation Limited, its related practices and non-related audit firms.

	Consolidated 2021 $	Consolidated 2020 $
(a) BDO Audit Pty Ltd*		
Audit and review of the financial reports (inclusive of GST)	250,916	187,000
(b) Network firm of BDO		
Audit and review of the financial reports (inclusive of GST)	111,345	97,037
Total services provided by BDO	362,261	284,037
(c) Other auditors		
Audit and review of the financial reports (inclusive of GST)	65,539	–
Other assurance services	4,620	–
Non-audit services		
Tax compliance services	14,960	–
Other	1,500	–
Total services provided by other auditors	86,619	–
Total remuneration of auditors	**448,880**	**284,037**

* *The BDO entity performing the audit of the group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd on 14 February 2020. The disclosures include amounts received or due and receivable by BDO East Coast Partnership, BDO Audit Pty Ltd, and their respective related entities.*

27. Deed of cross guarantee

Money3 Corporation Limited and its wholly owned subsidiaries in Australia are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly owned Companies) Instrument 2016/785. The companies that represent a 'closed group' for the purposes of the instrument are described in Note 22.

(a) Consolidated statement of profit or loss, statement of comprehensive income and summary of movements in consolidated retained earnings

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2021 of the closed group.

Consolidated statement of comprehensive income	2021 $'000	2020 $'000
Revenue from continuing operations	113,246	104,294
Loan origination, servicing and employee costs	24,411	20,843
Impairment expense	17,216	31,283
Other expenses from ordinary activities	5,349	8,702
Finance costs, net	18,258	11,358
Profit before income tax	**48,012**	**32,108**
Income tax expense	14,902	10,038
Profit for the period	**33,110**	**22,070**
Profit from discontinued operations	–	2,000
Total comprehensive income for the period	**33,110**	**24,070**
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	76,822	71,127
Profit for the period	33,110	24,070
Dividends paid	(11,797)	(18,375)
Retained earnings at the end of the financial year	**98,135**	**76,822**

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2021 of the closed group.

	2021 $'000	2020 $'000
ASSETS		
Current assets		
Cash and cash equivalents	54,767	43,915
Loans receivable	147,188	125,339
Other assets	1,700	1,125
	203,655	**170,379**
Non-current assets		
Loans receivable	232,497	177,963
Property, plant & equipment	871	688
Right-of-use assets	917	1,021
Investments in subsidiaries	64,650	22,010
Intangible assets	20,639	10,295
Deferred tax assets	**10,728**	**11,020**
	330,302	**222,997**
Total assets	**533,957**	**393,376**
LIABILITIES		
Current liabilities		
Trade and other payables	8,320	5,995
Current tax payable	(2,064)	2,956
Lease liabilities	714	485
Employee benefit obligations	2,075	1,280
Contingent consideration	3,468	1,740
Derivative financial instruments	65	–
	12,578	**12,456**
Non-current liabilities		
Borrowings	189,830	126,583
Employee benefit obligations	207	248
Lease liabilities	431	824
Contingent consideration	–	3,019
Provisions	160	150
	190,628	**130,824**
Total liabilities	**203,206**	**143,280**
Net assets	**330,751**	**250,096**
EQUITY		
Share capital	229,349	169,472
Reserves	3,267	3,802
Retained earnings	98,135	76,822
Total equity	**330,751**	**250,096**

28. Parent Entity Financial Information

(a) Summary Financial Information

The financial position and results of Money3 Corporation Limited, the parent entity, are as follows:

	2021 $'000	2020 $'000
ASSETS		
Total current assets	17,363	22,612
Total non-current assets	303,201	365,101
Total assets	**320,564**	**387,713**
LIABILITIES		
Total current liabilities	9,906	11,304
Total non-current liabilities	150	126,733
Total liabilities	**10,056**	**138,037**
Net assets	**310,508**	**249,676**
EQUITY		
Issued capital	229,349	169,472
Share option reserve	2,992	3,572
Retained earnings	78,167	76,632
Total equity	**310,508**	**249,676**
(Loss)/Profit from continuing operations*	(12,599)	22,070
Total comprehensive (loss)/income	(12,599)	22,070

* *Dividends from subsidiary companies of $26.0m was declared in July 2021 related to financial year ended 30 June 2021.*

(b) Guarantees entered by the Parent Entity

The parent entity has not entered into guarantees for any of its subsidiaries (2020: Nil).

(c) Contingent Liabilities of the Parent Entity

The parent entity has no contingent liabilities at the time of the report (2020: Nil).

(d) Contractual Commitments by the Parent Entity

The parent entity has contractual commitments for leases of $0.8m covering the period from July 2021 to December 2022 (2020: $1.4m).

29. Related Party Transactions

(a) Parent and Ultimate Controlling Entity

The parent and ultimate controlling entity is Money3 Corporation Limited which is incorporated and domiciled in Australia.

(b) Key Management Personnel Remuneration

The aggregate compensation of the KMPs of the Group is set out below:

	Consolidated 2021 $	Consolidated 2020 $
Short-term employee benefits	2,149,307	2,135,294
Post-employment benefits	93,812	119,114
Long-term benefits	3,448	40,282
Share-based payments	861,400	859,308
Total	**3,107,967**	**3,153,998**

(c) Other Transactions with KMP or their Related Parties

There were no transactions with KMP or their related parties in the current year.

In FY20 (comparative period), Money3 engaged with Nicholson Ryan Lawyers and Panorama Pty Limited to perform legal services and compliance services respectively. Both these entities are related to Leath Nicholson (NED until 15 November 2019). Legal expenses amounted to $66,279 and compliance expenses amounted to $52,800. Amounts payable at 30 June 2020 was nil. Money3 also engaged with Moses & Pope Pty Ltd which is related to Symon Brewis-Weston (NED) to perform project advisory amounting to $3,300. Amounts payable at 30 June 2020 was nil.

All transactions with related parties are at arm's length on normal commercial terms and conditions at market prices.

30. Significant Matters Subsequent to the Reporting Date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of Money3, the results or the state of affairs of the Group.

31. Changes in Accounting Policies

Impact of Standards Issued but not yet applied

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period and have not been early adopted by the Group. As at the date of this report there are no new accounting standards that have been issued but not yet applied that have a material effect on the results of the Group.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Money3 Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Money3 Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

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

BDO

Revenue recognition

Key audit matter	*How the matter was addressed in our audit*
The Group earns revenue from various sources including interest on loan products, application and credit fees and other period fees including arrears, default and variation fees which are required to be recognised using the effective interest rate method. As there are a large number of loan contracts and the terms vary by product, significant risk exists that revenue is incorrectly recognised. Revenue recognition is significant to our audit as the Group may incorrectly account for interest and fees leading to revenue and profit not being recognised consistently over the life of a loan contract. Refer to Note 3 of the accompanying financial statements.	Our procedures included: • Understanding the Group's revenue recognition policies and assessing whether they are in accordance with AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. • Performing a detailed analysis of deferred fees and charges to test whether they are recognised over the life of a loan using the effective interest rate method in accordance with AASB 9 *Financial Instruments*. • Utilising our Audit Information Technology specialists, in conjunction with other audit procedures, to test the Group's controls over: loan initiation and approval; standard terms, fees and charges; calculation of interest, revenue and deferred revenue in respect of fees and charges; controls for recording transactions in the company's loan systems and the general ledger; and testing for duplicate loans. • Evaluating and validating manual controls relevant to the approval and recording of loans to customers. • Testing a sample of loans to agree the interest, fees and charges revenue were calculated using the effective interest rate method. • Performing a detailed analysis of revenue and the timing of its recognition based on expectations derived from our industry knowledge and knowledge of the company's products, fees and charges. • Reviewing the appropriateness of the disclosures in regards to revenue recognition.

BDO

Valuation and Recoverability of Loans Receivable

Key audit matter	*How the matter was addressed in our audit*
The Group has a significant balance of receivables which consists of personal loans contracts with customers. The assessment of the recoverable value of customer loans using an Expected Credit Loss ("ECL") model requires significant judgement, using both qualitative and quantitative assumptions, to estimate the recoverability of the loans receivable. Further, the impact of the COVID-19 pandemic on the macroeconomic environment could have an adverse effect on the recoverability of the Group's loans receivables. Additional audit considerations have been required to respond to the latest developments arising from the COVID-19 pandemic. Correctly estimating the allowance for impairment losses against loans receivable is significant to our audit. Refer to Note 6 of the accompanying financial statements.	Our procedures included: • Understanding the Group's ECL model to ensure it is in accordance with AASB 9 *Financial Instruments*. • Performing a detailed analysis of management's estimate of the impairment allowance and the adequacy of procedures and processes adopted by management. • Performing a detailed analysis of loans in arrears or that are subject to special payment terms. Giving consideration to prior period history of loans in these categories subsequently going into default, and using this evidence to support the appropriateness of the impairment allowance at year-end. • Evaluating and validating controls around the aged debtors in the group's loans software system and the application of the business rules for recognising loans in default. • Assessing management's impairment allowance based on expectations derived from our industry knowledge and knowledge of the Group's credit risk and understanding the variances from our initial expectations. • In response to the future economic uncertainty present in the COVID-19 climate, we performed a detailed review of the forward looking information aspect of the ECL model. In evaluating the model's reasonableness, we challenged the assumptions made against our understanding of the economic environment faced by the Group to satisfy ourselves that the revised calculations are in compliance with the requirements as prescribed in AASB 9 *Financial Instruments*. • Evaluating the adequacy of the disclosures in the financial report.

BDO

Acquisition of Automotive Financial Services Pty Ltd

Key audit matter	*How the matter was addressed in our audit*
Accounting for the acquisition of Automotive Financial Services Pty Ltd is a key audit matter due to the complexity of accounting for business combinations and the significant judgements and assumptions made by management in determining the valuation of intangible assets, including goodwill. Refer to Note 20 of the accompanying financial statements.	Our procedures included: • Reviewing the purchase agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management. • Obtaining an understanding of the transaction including an assessment of the accounting acquirer and whether the transaction constituted a business combination or an asset acquisition. • Comparing the assets and liabilities recognised on acquisition against the executed agreements and the historical financial information provided by the acquired business. • Reviewing the valuation reports prepared by management to assess the fair value of the identifiable intangible assets associated with the acquisition. We engaged BDO Corporate Finance specialists to assist with the review. • Reviewing management's disclosures of the transaction within the financial report for compliance with the disclosure requirement of AASB 3 *Business Combinations*.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

BDO

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 36 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Money3 Corporation Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

James Mooney
Director

Melbourne, 16 August 2021

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 4 August 2021.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of equity are:

	Ordinary Shares			Unlisted Options & Performance Rights		
Distribution of Shareholdings	**Number of Holders**	**Number of Shares**	**%**	**Number of Holders**	**Number of Options & Rights**	**%**
100,001 and Over	137	171,762,485	82.4	7	6,000,186	95.8
10,001 to 100,000	983	28,238,148	13.5	14	237,500	3.8
5,001 to 10,000	612	4,596,753	2.2	4	25,000	0.4
1,001 to 5,000	1,318	3,422,113	1.6	–	–	–
1 to 1,000	1,366	656,096	0.3	–	–	–
Total	**4,416**	**208,675,595**	**100**	**25**	**6,262,686**	**100**
The number of shareholders holding less than a marketable parcel of shares are	236	6,021				

(b) Twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
	Name of Holder	**Number of Shares**	**% of Holding**
1	UBS NOMINEES PTY LTD	27,156,193	13.01
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	19,516,050	9.35
3	NATIONAL NOMINEES LIMITED	17,753,199	8.51
4	CITICORP NOMINEES PTY LIMITED	15,665,317	7.51
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,017,791	4.80
6	RUBI HOLDINGS PTY LTD	9,750,000	4.67
7	CS THIRD NOMINEES PTY LIMITED	5,824,950	2.79
8	HOSKING FINANCIAL INVESTMENTS PTY LTD	5,430,414	2.60
9	BALDWIN BROTHERS INVESTMENTS PTY LTD	3,710,000	1.78
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	3,009,018	1.44
11	SANDHURST TRUSTEES LTD	2,785,752	1.33
12	EQUITAS NOMINEES PTY LIMITED	2,713,969	1.30
13	AFICO PTY LTD	2,500,000	1.20
14	CRAIG HARRIS	2,353,763	1.13
15	WALLBAY PTY LTD	1,566,108	0.75
16	DASH GROWTH LIMITED	1,541,433	0.74
17	MATOOKA PTY LTD	1,518,470	0.73
18	MR MICHAEL RUDD	1,504,326	0.72
19	PLATEY PTY LTD	1,500,000	0.72
20	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,368,585	0.66
	Top 20 shareholders	**137,185,338**	**65.74**

(c) Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares	% Held
Thorney Opportunities Ltd (TOP), Tiga Trading Pty Ltd & associated entities	26,669,711	12.83%

(d) Voting rights

The voting rights attached to equity securities are set out below:

(i) Ordinary shares:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(ii) Options and performance rights

Options and performance rights are not entitled to voting rights.

(e) Unquoted equity securities holdings greater than 20%

The following unlisted options were issued to directors outside of the Employee Equity Share Plan.

(i) Scott Baldwin & Associates 4,180,000

(f) Equity securities subject to escrow

The following shares issued outside of the Employee Equity Share Plan are subject to voluntary escrow arrangements:

(i) 263,736 Ordinary Shares escrowed to 11 March 2022

(g) On market buy-back

There is no current on-market buy-back of the Company's securities.

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Corporate Information

Money3 Corporation Limited is a company incorporated and domiciled in Australia.

Company Directors

Stuart Robertson
Non-Executive Director (Chairman)

Symon Brewis-Weston
Non-Executive Director

Kate Robb
Non-Executive Director

Scott Baldwin
Managing Director

Company Secretary

Terri Bakos

Head Office

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Registered Office

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Share Registry

Link Market Services Limited
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Melbourne Victoria 3008

Auditors

BDO Audit Pty Ltd
Tower 4, Level 18, 727 Collins Street
Melbourne Victoria 3008

Solicitors

Nicholson Ryan Legal Pty Ltd
Level 7, 420 Collins Street
Melbourne Victoria 3000

Bankers

Bendigo Bank
4 Prospect Hill Road
Camberwell Victoria 3124

Westpac Bank
Melbourne Head Office
150 Collins Street
Melbourne VIC 3000

Bank of New Zealand
80 Queens Street
Auckland, New Zealand 1010

Stock Exchange Listing

Money3 Corporation Limited shares
re listed on the Australian Securities Exchange
(ASX code MNY)

Website

https://www.money3.com.au/

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