2022

Appendix 4E & Annual Report

cashconverters

Cash Converters International Limited
ABN 39 069 141 546
Annual Report – 30 June 2022

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Cash Converters International Limited
ABN 39 069 141 546

Appendix 4E

Preliminary Financial Report for the year ended 30 June 2022
(previous corresponding period 30 June 2021)

Appendix 4E – Results for announcement to the market

	30-Jun 2022 $'000	Restated 30-Jun 2021 $'000	Change $'000	%
Revenue from ordinary activities	245,937	201,346	44,591	22%
Profit from ordinary activities after tax attributable to members	11,177	20,704	(9,527)	-46%
Significant items [1]	7,837	-	7,837	nm
Significant items [2]	-	(5,673)	5,673	nm
Operating Profit from ordinary activities after tax	19,014	15,031	3,983	26%
Net profit for the period attributable to members	11,177	20,704	(9,527)	-46%
Basic profit earnings per fully paid ordinary share	1.80	3.35	cents per share	
Net tangible asset backing per ordinary share [3]	29.94	30.12	cents per share	

1 The operating profit from ordinary activities after tax for 30 June 2022 is presented excluding the non-cash impairment expense of $11.196 million ($7.837 million after tax effect) on the carrying value excluding goodwill of the assets of individual corporate stores where forecast cash flows have been negatively impacted due to factors directly associated with the impact of COVID-19 closures in the first half and uncertainty in the trading conditions beyond reporting date. The operating result is presented to aid the comparability and usefulness of the financial information reflecting the underlying performance of the business. This information should be considered in addition to, but not instead of or superior to, the Group's financial statements prepared in accordance with IFRS. The operating results presented may be determined or calculated differently by other companies, limiting the usefulness of those measures for external comparative purposes.

2 The operating profit from ordinary activities after tax for 30 June 2021 is presented excluding a non-recurring prior year item, highlighted in FY2021, recognising in full the deferred tax asset (DTA) arising from carry forward tax losses from previous years due to the ongoing taxable profit forecast in the UK operation.

3 The calculation of net tangible assets per ordinary share includes right-of-use assets and lease liabilities.

nm Not meaningful

This report should be read in conjunction with any announcements made in the period by the Company in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Additional Appendix 4E disclosure requirements can be found in the directors' report and the 30 June 2022 financial statements and accompanying notes.

Dividends per ordinary share / distributions

	Amount per security (cents)	Franked amount per security	Record date	Paid / payable date
2021 final dividend	1.00	100%	24-Sep-21	14-Oct-21
2022 interim dividend	1.00	100%	25-Mar-22	14-Apr-22

Dividends

The directors of the Company have declared a final dividend of 1.00 cent per share with the release of the final year end results and reporting date of 31 August 2022. The dividend will be 100% franked and will be paid on 14 October 2022 to those shareholders on the register at the close of business on 23 September 2022.

With the declaration of this dividend, the Company's Dividend Reinvestment Plan (DRP) remains suspended.

There is no provision for a final dividend in respect of the year ended 30 June 2022. Provisions for dividends to be paid by the Company are recognised in the Consolidated Statement of Financial Position as a liability and a reduction in retained earnings once the dividend has been declared.

Financial statements

Released with this Appendix 4E report are the following statements:

- Consolidated statement of profit or loss and other comprehensive income together with the notes to the Statement
- Consolidated statement of financial position together with the notes to the Statement
- Consolidated statement of changes in equity together with the notes to the Statement
- Consolidated statement of cash flows together with the notes to the Statement

This report is based on consolidated financial statements which have been audited.

Details over entities over which control has been gained or lost

During the period the Group acquired trade and other assets of three franchise stores.

Details of associates and joint venture entities

The Group holds a 25% equity interest in the Cash Converters Master Franchise for New Zealand which generates income from corporate stores, franchise contracts, financial services and software. The Group's share of the profit of $0.853 million is reflected in the financial result for the period (2021: $1.707 million).

Corporate directory

Directors

Mr Timothy Jugmans	Non-Executive Chairman
Mr Sam Budiselik	Managing Director
Mr Peter Cumins	Executive Deputy Chairman
Mr Lachlan Given	Non-Executive Director
Ms Julie Elliott	Non-Executive Director
Mr Robert Hines	Non-Executive Director
Mr Henry Shiner	Non-Executive Director
Ms Susan Thomas	Non-Executive Director

Company Secretary

Mr Leslie Crockett

Registered and principal office

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Australia
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Web: www.cashconverters.com
Level 11, 141 St Georges Terrace

Share registrar

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000
Australia
Tel: 1300 850 505

Auditors

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000
Australia

Stock Exchange

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000
Australia

ASX code: CCV

Operating and financial review

The activities of Cash Converters International Limited (“Cash Converters” or “the Company”) and entities controlled by the Company and its subsidiaries (“the Group”) are diverse, generating revenues from franchising, consumer retail store operations, personal finance and vehicle finance, supported by a corporate head office in Perth, Western Australia. The Group operates in Australia and the United Kingdom and has an equity interest of 25% in Cash Converters New Zealand. There is a franchise presence in a further 11 countries around the world.

Key financial performance highlights:

The strength of the Company’s diversified business model has continued to underpin the customer service proposition with physical store assets complementing industry-leading online digital assets. With a difficult first quarter resulting in over 24% of lost store trading days across the network a strong operating result was achieved in the financial year, compared to the previous corresponding year, as outlined in the table below:

	As reported		**Operating [1]**	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Total Revenue	245,937	201,346	245,937	201,346
Profit for the year	11,177	20,704	19,014	15,031
EBIT [2]	27,850	33,243	39,046	33,243
EBITDA [2]	41,532	49,958	52,728	49,958
Profit before tax	15,385	21,454	26,581	21,454

1 The operating results for 2022 are presented excluding the non-cash impairment expense of $11.196 million ($7.837 million after tax effect) on the carrying value excluding goodwill of the assets of individual corporate stores where forecast cash flows have been negatively impacted due to factors directly associated with the impact of COVID-19 closures in the first half and uncertainty in the trading conditions beyond reporting date. The operating profit after tax for 2021 is presented excluding a non-recurring prior year tax item of $5.673 million, highlighted in 2021, recognising in full the deferred tax asset (DTA) arising from carry forward tax losses from previous years due to the ongoing taxable profit forecast in the UK operation. The operating result is presented to aid the comparability and usefulness of the financial information reflecting the underlying performance of the business. This information should be considered in addition to, but not instead of or superior to, the Group’s financial statements prepared in accordance with IFRS. The operating results presented may be determined or calculated differently by other companies, limiting the usefulness of those measures for external comparative purposes.

2 The Company reports EBIT calculated as earnings before interest expense and tax and EBITDA calculated as EBIT before depreciation and amortisation. EBIT and EBITDA are non-IFRS measures and are alternative performance measures reported in addition to but not as a substitute for the performance measures reported in accordance with IFRS. These measures focus directly on operating earnings and enhance comparability between periods. The non-IFRS measures calculated and disclosed have not been audited in accordance with Australian Accounting Standards although the calculation is compiled from financial information that has been audited.

The Group recorded a net profit after tax for the year ended 30 June 2022 of $11.177 million (year ended 30 June 2021 restated $20.704 million) including in the current year only the impact of a non-cash impairment expense of $11.196 million ($7.837 million after tax effect), and provision raised against the carrying value of certain individual corporate store assets. Excluding this impairment expense, Cash Converters recorded an operating profit after tax of $19.014 million (year ended 30 June 2021 restated $15.031 million). The comparative information for 2021 has been restated. Refer to note 1 a Changes in presentation for further information.

Revenue growth of 22% reflects a return to a longer-term norm in improved interest earned on the growing personal and vehicle finance loan book, retail sales and franchise fees earned.

As the Small Amount Credit Contract ("SACC") and Medium Amount Credit Contract ("MACC") loan book growth has been weighted to the end of the financial year, emerging earnings are impacted by the significant volume driven increase in the expected credit loss ("ECL") allowance expense. Through the year, the loan book growth rate has continued to improve, most significantly in MACC personal lending in the last few months of the year. The anticipated higher interest revenue earned on the increased loan book will continue to benefit future earnings, over the lifetime of the customer arrangements.

Vehicle finance demand has recovered with the easing of government stimulus through the period. The 224% rise in loan origination since the previous corresponding period illustrates the low base to which demand fell because of government stimulus to customers including early draw down of Superannuation. With new and used car prices remaining well above historic levels the Company has maintained a conservative risk rating approach to mitigate overcapitalising in an inflated market.

	2022 $'000	**2021 $'000**	**Variance**
Principal advanced[1]			
Personal finance	259,120	220,837	17.3 %
Vehicle finance	21,772	6,713	224.3%
Total	280,892	227,550	

1 Principal advanced represents the aggregate loan funding advance to customers. Pawnbroking and Cash Advance services are included in personal finance.

	2022 $'000	**2021 $'000**	**Variance**
Gross loan books			
Personal finance	167,255	133,786	25.0%
Vehicle finance	46,695	44,279	5.5%
Total	213,950	178,065	

The expected credit loss ("ECL") allowance model is forward looking, requiring significant management judgement and does not require evidence of an actual loss event for the allowance to be recognised. In calculating the ECL allowance, the methodology and sophisticated models used have been developed over time including with input from specialist advisers. During the year end results preparation process technical points of error were identified in the models with regard to inputs and assumptions around losses given default over the past three years. Responding has resulted in a restatement to prior period results disclosed in the current year financial statements with the overall provision as a percentage of the vehicle finance gross loan book increasing. The revision includes analysis of data reflecting performance on historically originated loans (dating back to 2016) and we remain comfortable with the origination quality of more recent loan cohorts.

The revised non-cash movement in ECL results in a restatement that reduces the prior year reported net profit after tax comparative in the vehicle finance reporting segment. The vehicle finance loan book has been most impacted by the model revisions due to the longer-term nature of the loans. Where defaults occur, there is a longer period of collections management as an inherent part of managing the non-conforming nature of the customers.

The impact of the revision and restatement does not impact debt facility undertakings and the movement in ECL allowance is a non-cash impacting expense.

These factors along with the significant growth in the loan book compared to the prior comparative period has resulted in the period to period expected credit loss allowance representing a significant $13.448 million variance to the prior period. The period to 30 June 2021 reflected a net release of the allowance with the loan books being in decline at that point because of fiscal stimulus during the peak phase of the COVID pandemic.

	2022	**2021**	
	$'000	**$'000**	**Variance**
Net bad debt expense	34,824	10,844	221.1%
Bad debts written off	36,684	26,870	36.5%
Recovery of write offs	(8,046)	(8,764)	-8.2%
Movement in ECL	6,186	(7,262)	nm

The impact of COVID-19 lockdowns particularly in the first quarter of the financial year impacted momentum in retail, with store retail operations recovering during the second half. During the first half of FY2022 over 24% of available national retail store trade days (compared to available trading days) were lost to intermittent COVID-19 lockdowns. The peak impact was experienced in Victoria, with New South Wales and Queensland also affected significantly.

The Group's Australian customer service and retail locations optimised productivity while transitioning to a combination of work-from-home and safe store or office-based activity for employees, including provision of services online for customers. Focus remained on customer service with emphasis on safe work practices protecting both customers and employees alike. The Group continued to focus on the health and wellbeing of its employees and customers, observing the necessary hygiene and social distancing measures.

The second half of FY2022 was impacted by slower retail store trading volumes due to the impact of employees and customers attending testing centres and self-isolating and reduced consumer sentiment impacting retail trade. As the FY2022 year closed and the new financial year commenced it was evident that a return to greater stability had occurred and with it the ability to have more confidence in the predictions and outlook in retail activity.

Consolidated revenues and results by significant segment as reported are set out below:

	Segment revenues		Operating basis [1] Segment EBITDA [2]		As reported basis Segment EBITDA [2]	
	30-Jun-22 $'000	30-Jun-21 $'000	30-Jun-22 $'000	30-Jun-21 $'000	30-Jun-22 $'000	30-Jun-21 $'000
Personal finance	104,077	72,675	43,482	38,581	43,482	38,581
Vehicle financing	12,149	13,368	7,976	16,315	7,976	16,315
Store operations	112,738	102,667	19,117	13,818	7,921	13,818
Franchise operations	16,904	12,450	9,670	8,436	9,670	8,436
Total	245,868	201,160	80,245	77,150	69,049	77,150
Head Office	69	186	(27,517)	(27,192)	(27,517)	(27,192)
Total	245,937	201,346	52,728	49,958	41,532	49,958
Depreciation and amortisation expense					(13,682)	(16,715)
Finance costs					(12,465)	(11,789)
Profit before tax					15,385	21,454
Income tax (expense) / benefit					(4,208)	(750)
Profit for the period					11,177	20,704

1 The operating results for 2022 are presented excluding the non-cash impairment expense of $11.196 million ($7.837 million after tax effect) on the carrying value excluding goodwill of the assets of corporate stores where forecast cash flows have been negatively impacted due to factors directly associated with the impact of COVID-19 closures in the first half and uncertainty in the trading conditions beyond reporting date. The operating profit after tax for 2021 is presented excluding a non-recurring prior year tax item of $5.673 million, highlighted in 2021, recognising in full the deferred tax asset (DTA) arising from carry forward tax losses from previous years due to the ongoing taxable profit forecast in the UK operation. The operating result is presented to aid the comparability and usefulness of the financial information reflecting the underlying performance of the business. This information should be considered in addition to, but not instead of or superior to, the Group's financial statements prepared in accordance with IFRS. The operating results presented may be determined or calculated differently by other companies, limiting the usefulness of those measures for external comparative purposes

2 The Company reports EBIT calculated as earnings before interest expense and tax and EBITDA calculated as EBIT before depreciation and amortisation. EBIT and EBITDA are non-IFRS measures and are alternative performance measures reported in addition to but not as a substitute for the performance measures reported in accordance with IFRS. These measures focus directly on operating earnings and enhance comparability between periods. The non-IFRS measures calculated and disclosed have not been audited in accordance with Australian Accounting Standards although the calculation is compiled from financial information that has been reviewed.

During the reporting period there were indicators of asset impairment due to declining market conditions within the retail sector including the impacts to the economy, results of operations and impact on outlook of COVID-19, and a deficiency of the market capitalisation position to net assets which remains at 30 June 2022.

Impairment testing supported the conclusion that there is no requirement for a goodwill impairment provision, with goodwill monitored and reported on at the operating segment level. Included in the assessment of the recoverable value of goodwill is the application of judgement with respect to possible regulatory changes on which there remains uncertainty and on which the Group has determined a low likelihood, as well as the potential impact of COVID-19.

Consistent with prior reporting periods, where impairment triggers exist, an impairment test at the individual store cash generating unit (CGU) level is required to determine the recoverability of the carrying amount. The assessment of the carrying value of the relevant assets is on an individual store basis for store fixtures and fittings, intangible assets, and right-of-use assets.

At the half year reporting period, testing on individual store CGUs resulted in reporting a non-cash impairment provision on a number of individual stores. At the year-end stores performance has met or exceeded the expectation set at the time, with an ability to improve the long-term outlook in the forecasts. Offsetting this positive trend has been a need to increase the discount rate used in the impairment testing process, responding to the current rising interest rate environment. The balance of these factors has resulted in an insignificant small change to the non-cash impairment provision already reported at the half year.

The impairment expense does not impact debt facility undertakings and is a non-cash expense which does not impact operating earnings as reported by the Group.

Store locations continue to provide customers with convenient access to products and services. Focus remains on capturing improved lease terms and optimal store locations for the Company to ensure they are well positioned to meet the needs of customers into the future. During the year, in Australia, the Company acquired the trade and other assets of three franchise stores, resulting in a national Australian store footprint totalling 79 owned stores by the end of the year.

A non-recurring prior year tax item, highlighted in FY2021, was recognising in full the deferred tax asset (DTA) arising from carry forward tax losses from previous years due to the ongoing taxable profit forecast in the UK operation. The impact to the consolidated prior year reported accounting net profit after taxation of the Group when translated to Australian dollars results in the equivalent $5.673 million being recognised through the prior year income tax expense line in the statement of profit or loss and other comprehensive income.

Key financial position highlights:

	30-Jun-22 $'000	**30-Jun-21 $'000**	**Variance**
Cash and cash equivalents	58,085	72,166	-19.5%
Net Loan receivables	175,653	146,078	20.2%
Trade and other receivables	7,016	10,860	-35.4%
Inventories	23,944	24,128	-0.8%
Intangible assets	127,470	128,903	-1.1%
Right of use assets	50,221	60,248	-16.6%
Tax assets	26,089	22,164	17.7%
Investment in associate	4,868	7,168	-32.1%
Plant & Equipment	4,842	5,941	-18.5%
Total Assets	**478,188**	**477,656**	
Borrowings	68,365	69,353	-1.4%
Lease Liabilities	64,817	64,409	0.6%
Other liabilities	29,654	25,992	14.1%
Total Liabilities	**162,836**	**159,754**	1.9%
Total Equity	**315,352**	**317,902**	-0.8%

The Group closed the year with a strong balance sheet, which has included the loan book rebuilding including using cash reserves. The reduced carrying value of the investment in associate reflects the cash returns recorded during the year. Gearing has remained very modest.

The Group reported a net cash utilisation of $13.625 million (2021: $34.539 million). Net operational cash flow provided by operating activities was $7.909 million (2021: $1.685 million). Financing activities included dividend payments of $12.550 million (2021: $6.164 million). Cash flows from investing activities of $1.886 million (2021: $6.454 million used) included $5.990 million (2021: $1.124 million) realised from the New Zealand associate and $3.144 million (2021: $6.684 million) invested in franchise store acquisitions.

The Group was pleased to announce in June 2022 the renewed loan securitisation facility with Fortress Investment Group ("Fortress").

Renewal Summary

- Three-year Availability period.
- Four-year Maturity term commencing 16 June 2022.
- $150.0 million drawdown capacity maintained, with improved advance rates.
- Refinanced on competitive terms with extended tenor.

While other funding proposals were received and considered by the Board, the renewal with Fortress was the most commercial and strategically aligned option, secured ahead of expiry on improved commercial terms. The Group closed the year with undrawn securitisation facility funding lines of $79.750 million. The Group is in compliance with the requirements of the facility. Refer to note 7.f) Borrowings in the annual report for more information on borrowings.

The Group continues to respond in the assessment of the expected credit loss allowance to the potential impact of COVID-19. In addition to the usual considerations applied, the assessment has required the application of judgement in anticipation of potential pandemic related influences. Suitable reserves have been incorporated including for an assessment of economic risk and the impact to modelling risk of potentially unrepresentative data because of out of norm consumer behaviour due to fiscal stimulus. The overall allowance as a percentage of the gross loan book for the year end 30 June 2022 is reported as 17.90% (2021: 17.96%).

The disciplined evaluation of investment opportunities and allocation of capital continues and with a strong balance sheet in place the Board has, with the results release, declared a fully franked final dividend of 1 cent per fully paid ordinary share.

Included in Other Assets in the financial information summarised above is a right-of-use asset with recognition of a corresponding lease liability, and the carrying value of the investment in the New Zealand master franchise operation.

Culture and people

The values and culture of Cash Converters are the foundation of its success and the reason it has continued to operate for over 37 years. The Company recognises the importance of its reputation and standing within the community and with its key stakeholders, such as customers, employees, suppliers, creditors, law makers and regulators.

All team members are encouraged to embrace the Core Values, these values are introduced during induction and kept front of mind through ongoing training programs, internal communications and recognition schemes. Performance in accordance with these values is acknowledged and rewarded through Annual Performance Awards and includes an award for a Values Champion.

The Values Statement is encapsulated as follows:

We're real people who are passionate and proud

- We're genuine, friendly and from your neighbourhood. We're passionate and proud to be here helping our customers.

We're caring and respectful

- We're here to listen and find ways to help makes things possible, supportive of our customers and our colleagues. There's no judgement here. We treat everyone as an individual.

We're tenacious problem solvers

- We don't back down. We always try our best to help others, no matter how hard the task seems.

The Net Promotor Score (NPS) system is used to measure customer engagement. NPS is measured on a customer's willingness to recommend Cash Converters to a friend or family member. Customers are surveyed at multiple stages of the journey and this data is referenced daily to improve service and celebrate team members.

With a positive NPS score of 62 (2021: 61) Cash Converters demonstrates the significant value it adds to its customers and the wider community.

Business Risk Assessment

Like all businesses, Cash Converters faces uncertainty and the ability to understand, manage and mitigate risk provides a competitive advantage.

The Company's ability to accurately assess value, purchase and sell quality consumer goods at appropriate prices is influenced by many factors. While acknowledging these risks, the depth of skill and experience in this specialist area is a source of competitive advantage for Cash Converters. The second-hand retail offer continued to appeal to value and environmentally conscious customers and has stood the Company in good stead throughout the COVID-19 pandemic.

During a period of rising interest rates and inflationary pressure the ability to service the circular economy though provision of recycled goods is a competitive advantage. The business process has focussed on ensuring the customer buying process, which has not suffered from supply chain disruption, is convenient and competitive and results in a continued ability to generate an appropriate margin.

As a responsible provider of personal finance products there is an inherent risk that customers may not meet their expected repayments as they manage their financial commitments. The discontinuation of financial support during the financial year has had a noticed impact on growth opportunities. A continued discipline remains in both the management of credit risk as well as commitment to the highest possible responsible lending standards. Cash Converters' success in working with these customers over time is based on many factors that mitigate compliance risk and risk of default with those who may subsequently experience financial difficulty. These include:

- Treating customers with empathy, care, and respect;
- A high investment in engagement methods to provide customers with freedom of choice;
- Efficient and thorough understanding and assessment of customer eligibility prior to origination; and
- A value-driven culture where a premium is placed on customer service and unlocking possibilities together.

While responsible lending policies and a customer-first approach aims to minimise risk, credit risk is influenced by factors outside the control of Cash Converters such as unemployment, relative income growth, consumer confidence and interest rates. The risk of default is ever-present. Cash Converters often has the advantage in offering credit products to customers that it has served over many years and knows well, affording a unique opportunity to provide a high level of service.

Cash Converters welcomes the industry emphasis towards non-financial risk, including conduct and culture as well as detecting, deterring, and disrupting criminal abuse of the financial system. The Company views these commitments as an area of continuous improvement and continues to strengthen its risk management and compliance capabilities while engaging transparently with financial service sector regulators (ASIC and AUSTRAC).

There has been a marked increase in cyber-criminal activities globally over the last year that impact all companies, large and small, but which also pose a greater risk to those companies with a large online customer base. The Company's cyber defences continue to be enhanced with a focus on educating team members on the threats of cyber-crime activities.

The National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020 ("Bill") lapsed when the last Federal election was called. While considered to have a low probability of progressing, the Bill included proposed responsible lending changes for credit licence holders, operating under the regulated National Credit Act, particularly in relation to proposed SACC lending rule changes. There remains significant uncertainty with respect to the timing of enacting any legislative change, as well as the final scope and form of any eventual change.

Cognisant of the potential risk to earnings, Cash Converters has already proactively responded to legislative recommendations, in advance of any legislative change and remains well equipped to deal with any outcome. New non-SACC product research and development has progressed well, with several new product releases planned for late calendar year 2022. Continuing to diversify loan books remains an ongoing priority, as does addressing increasing competition from lenders operating under National Credit Act exemptions, that do not provide consumers with many of the sensible safeguards that Cash Converters provides in relation to assessing consumer affordability, loan suitability and hardship protections. Cash Converters remains committed to continue offering all personal finance products under the National Consumer Credit Protection Act.

Outside of these exists the accepted risks of regulatory change, poorly executed strategy, failure to respond appropriately to changes in technology and the threat posed through competitor behaviours, all of which are a source of constant consideration and review by the Company's management team and Board of Directors.

Outlook

Cash Converters' proven ability to respond effectively to change as well as the geographic and product offering diversity continues to provide a competitive advantage. The acceleration of online retail continues as many consumers have made it their channel of choice. Reliance on technology and new reporting capabilities has hit a new high due to the acceleration in volumes of online sales, which has now become the preferred channel for many customers. The Group has expanded the omnichannel offering to enhance the customer experience and attract new customers.

The Group continues to be well positioned to respond to the continued increase in demand for personal and vehicle financing. A key pillar of Cash Converters' strategy remains to continue to consolidate its position as a lender and retailer of choice, and to expand its financial product offering. Cash Converters has strengthened its earnings profile by transitioning away from small loans to medium amount loans.

Development of Cash Converters' Line of Credit product is progressing well, designed to aid in customer retention and enhanced lifetime value as a result. This product is expected to enter a pilot phase in Q3 FY2023 prior to a national release later in the year and remains aligned to a vision of offering loyal customers lower cost and more flexible funding options

Selected domestic and international franchise acquisition targets remain under review. The stated objective being to acquire earnings accretive store networks, based on sensible valuation metrics, which will accelerate Group earnings.

The rebound in credit demand observed in FY2022 is expected to continue into H1 FY2023. The Company has leveraged its scale throughout the financial year to prudently manage credit risk exposure across all loan books, whilst gaining market share, particularly in the MACC and secured vehicle finance products. With rising interest rates and inflation putting pressure on household spending, the Company remains confident in its ability to provide customers with a responsible cash solution. A robust data analysis capability and insourced collection function allows Cash Converters to monitor and respond to changes in customer performance and to proactively manage collections performance and customer wellbeing.

With greater clarity on the path out of COVID-19 restrictions in most parts of Australia, confidence continues that the worst of the pandemic is behind us. However, the outlook remains uncertain on the back of possible new variants, and the pace and shape of economic recovery. The pandemic has left 'structural' effects most evidently in the risk of continued inflation impacting the economy in areas such as consumer spending and organisational profitability. The focus for the coming year will be navigating the impacts of heightened inflation, specifically rising interest rates and broader cost of living pressures.

Directors' report

The directors of Cash Converters International Limited submit the following report of the Company for the financial year ended 30 June 2022. To comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about directors

The following persons held office as directors of the Company during the whole of the financial year and until the date of this report unless otherwise stated:

Mr Timothy Jugmans – Non-Executive Chairman
Appointed director 1 April 2022
Appointed Chairman 1 April 2022

Mr Jugmans replaced Mr Kulas as an EZCORP nominee director appointed as Non-Executive Chairman and Director of CCIL on 1 April 2022.

Mr Jugmans was appointed as Chief Financial Officer of EZCORP Inc in May 2021. He was named as Interim Chief Financial Officer in September 2020, having served as the Company's Vice President, Treasury and M&A since December 2016, and as a consultant to EZCORP performing similar duties since March 2015.

From January 2015 to December 2016, Mr Jugmans was a principal of Selene Partners Inc., a financial consulting firm providing strategic advice and other business services to a variety of clients, including the Company and Morgan Schiff & Co, Inc. He served as the Chief Financial Officer of Morgan Schiff from April 2013 to December 2014, and was Chief Financial Officer of ShippingEasy, Inc. from July 2011 to April 2013. From April 2005 to June 2012, he was a Corporate Advisor at Lexicon Partners, an independent corporate advisory and consulting firm based in Sydney, Australia. He served in various analyst and senior analyst positions at boutique investment banks for seven years prior to that.

From April 2015 to April 2021, he served as a non-executive board member and Chairman of Ratecity Pty Ltd., which operates one of Australia's leading financial comparison sites.

Mr Jugmans received a Bachelor of Business degree with a major in Finance and a minor in Mathematics from the University of Technology in Sydney.

Mr Jugmans is on the Company's Board as a nominee of significant shareholder, EZCORP Inc. and as Chairman, pursuant to the Subscription Agreement dated 17 August 2009 between EZCORP and the Company (released to ASX on 9 November 2009). Accordingly, he is not considered to be an independent director.

Over the past 3 years Mr Jugmans has not held any directorships with other listed companies.

Mr Lachlan Given – Non-Executive Director
Appointed director 22 August 2014

In March 2022, Mr Given was elected to EZCORP's Board of Directors.

Mr Given was appointed as non-executive Chairman of the Board of Directors in July 2014, he joined the company as Executive Vice Chairman in August 2014 and became Executive Chairman in February 2015. In July 2019, he stepped down as Executive Chairman and was named Chief Strategy, Mergers and Acquisitions and Strategic Funding Officer, a position he held until January 2022 when he was named Co-Interim Chief Executive Officer.

Before joining the company as an executive, Mr Given provided financial and advisory services to EZCORP Inc. through his own business and financial advisory firm and as a consultant and advisor to Madison Park LLC, which is owned by Phillip E. Cohen, who is the beneficial owner of the company's Class B Voting common Stock.

Mr Given is a member of the board of directors of The Farm Journal Corporation, a 134-year old preeminent US agricultural media company. He is also on the board of Senetas Corporation Limited (SEN.AX), the world's leading developer and manufacturer of certified, defense-grade encryption solutions and CANSTAR Pty Ltd, the leading Australian financial services ratings and research firm.

Mr Given began his career working in the investment banking and equity capital markets divisions of Merrill Lynch in Hong Kong and Sydney, Australia, where he specialized in the origination and execution of a variety of M&A, equity and equity linked and fixed income transactions.

Mr Given graduated from the Queensland University of Technology with a Bachelor of Business, majoring in Banking and Finance (with distinction).

Mr Given is on the Company's Board as a nominee of significant shareholder, EZCORP Inc., pursuant to the Subscription Agreement dated 17 August 2009 between EZCORP and the Company (released to ASX on 9 November 2009). Accordingly, he is not considered to be an independent director.

Over the past 3 years Mr Given has held directorships with the following listed companies:

Company	*Commenced*	*Ceased*
Senetas Corporation Limited	20 March 2013	-
EZCORP Inc	18 July 2014	18 September 2019
EZCORP Inc (re-appointment)	3 March 2022	-

Mr Jason Kulas – Non-Executive Chairman
Appointed director 28 August 2020
Appointed Chairman 28 August 2020
Resigned as Chairman and director 31 March 2022

During the financial year, Mr Kulas retired from his directorship with the Company.

Mr Kulas has over 25 years' experience across banking and financial sectors. Mr Kulas joined EZCORP Inc. as President and Chief Financial Officer in February 2020 and was appointed Chief Executive Officer of that company in July 2020. He resigned as Chief Executive Officer in January 2022 and continues to serve on the Board of Directors.

He has held a variety of other executive-level finance and operations positions, most recently with Santander Consumer USA Inc., a NYSE listed full-service consumer finance company, where he served in a series of roles including Chief Executive Officer, President, Chief Financial Officer and a member of the Board from 2007 to 2017. Between 1995 - 2007 Mr Kulas was an investment banker with JP Morgan in a series of roles culminating in the role of Managing Director at JPMorgan Securities.

As at the date of Mr Kulas' resignation he had held directorships with the following listed company:

Company	*Commenced*	*Ceased*
EZCORP Inc *(non-executive director)*	4 April 2019	28 February 2020
EZCORP Inc *Executive Director*	6 July 2020	13 January 2022
EZCORP Inc *(non-executive director)*	13 January 2022	-

Mr Sam Budiselik – Managing Director
Appointed director 18 December 2020

Mr Budiselik was appointed Chief Executive Officer in February 2020 after serving as Chief Operating Officer (COO) and interim-CEO. Before joining Cash Converters, he was COO at stockbroking and wealth management firm Paterson's Securities, in addition to holding a number of Director positions across franchise and consulting businesses.

Mr Budiselik has spent a total of 12 years abroad during his career working for investment banks UBS and Barclays Capital in London, New York and Singapore before returning to Australia.

Over the past 3 years Mr Budiselik has not held any directorships with other listed companies.

Mr Peter Cumins – Executive Deputy Chairman
Appointed director April 1995
Appointed Executive Deputy Chairman 23 January 2017

Mr Cumins joined the Company in August 1990 as Finance and Administration Manager when the Company had 23 stores, becoming General Manager in March 1992. He became Managing Director in April 1995. Mr Cumins moved from this role to the role of Executive Deputy Chairman on 23 January 2017.

Mr Cumins is a qualified accountant and has overseen the major growth in the number of franchisees in Australia as well as the international development of the Cash Converters franchise system. His experience in the management of large organisations has included senior executive positions in the government health sector, specifically with the Fremantle Hospital Group, where he was Finance and Human Resources Manager.

Over the past 3 years Mr Cumins has held a directorship with the following listed company:

Company	*Commenced*	*Ceased*
EZCORP Inc	28 July 2014	9 April 2019

Ms Julie Elliott – Non-Executive Director
Appointed director 14 April 2020

Ms Elliott is currently a Company Director and Consultant and has over 30 years' experience in both executive and director roles across banking, financial services and government. Her previous positions include Chief Executive Officer at Bank of Sydney, Chair of State Trustees Limited and senior management roles with major banks. In addition to various advisory and consulting roles, Ms Elliott is currently a Director and Chair of the governance and remuneration committee and member of the audit committee at P&N Bank, and a Director of Asia Pacific Capital Ltd and Grow Finance Limited (formerly Australian Invoice Finance Limited). She is a Fellow and Graduate of the Australian Institute of Company Directors and a Fellow of the Chartered Accountants Australia & New Zealand and FINSIA.

Ms Elliott is the Chair of the Company's Governance, Remuneration and Nomination Committee, a member of the Audit and Risk Committee and a member of the Board Investment Committee.

Over the past 3 years Ms Elliott has not held any directorships with other listed companies.

Mr Robert Hines – Non-Executive Director
Appointed director 14 April 2020

Mr Hines brings over 30 years' experience in banking and finance services, agriculture and energy sectors with senior executive roles focusing on finance, retail and operations.

Mr Hines was recently appointed a Director of Mackay Sugar Limited in August 2022. Mr Hines retired from his executive role as Chief Operating Officer at Queensland Sugar Limited (QSL) at the end of October 2020. Mr Hines joined QSL in 2013 as Chief Financial Officer. Prior to joining QSL, Mr Hines was a Director, CFO Advisory at KPMG and he held Chief Financial Officer roles with several leading Queensland companies including, Bank of Queensland Limited, Suncorp Group Limited and Queensland Investment Corporation (QIC). He brings extensive operational and financial expertise to the Board. He is a senior Fellow of FINSIA and a Fellow of the Australian Institute of Company Directors, Institute of Chartered Accountants and CPA Australia.

Mr Hines is the Chair of the Company's Audit and Risk and Board Investment Committees, and a member of the Governance, Remuneration and Nomination Committee.

Over the past 3 years Mr Hines has not held any directorships with other listed companies.

Mr Henry Shiner – Non-Executive Director
Appointed director 1 July 2021

Mr Shiner has accumulated experience over many years of Senior Executive Management and Strategic positions, most recently in the Quick Service Restaurant industry, where he held the positions of Vice President, Chief Information Officer of McDonald's APAC and then as Vice President Global Financial Transformation – IT, at McDonald's Corporation. Mr Shiner has held Non-Executive Director roles on the National Board of Ronald McDonald Charities, Craveable Brands, DragonTail Systems, NoahFace, Guroo Producer, Slikr and Advisory Board roles with numerous other companies.

Prior to McDonald's, Mr Shiner held Senior Executive positions in Norske Skog, Fletcher Challenge Paper, Honeywell Ltd and AGL. His experience across these markets has included leading Strategic Planning, Technology Strategy and Development, Franchising, Cyber Security, Manufacturing operations and Governance and Quality Management.

In addition to an honours degree in Chemical Engineering, Mr Shiner has graduated in Management Studies focused on Global Strategy execution from the IMD School in Lausanne, Switzerland and is a member and graduate of the Australian Institute of Company Directors.

Mr Shiner is a member of the Company's Governance, Remuneration and Nomination Committee, a member of the Audit and Risk Committee and a member of the Board Investment Committee.

Over the past 3 years Mr Shiner has held a directorship with the following listed company:

Company	*Commenced*	*Ceased*
Dragontail Systems Limited*	13 May 2020	13 September 2021

*Dragontail System Limited is no longer a listed entity however it was during the financial year.

Ms Susan Thomas – Non-Executive Director

Appointed director 1 April 2022

Based in Perth in Western Australia, Ms Thomas has over 30 years' experience in the financial services and information technology sectors, having founded and acted as Managing Director of FlexiPlan Australia Limited, which was subsequently sold to MLC/NAB.

Ms Thomas is an experienced company director and risk committee chair with expertise in technology and law who is currently a director of ASX listed companies Temple and Webster Group Limited, Fitzroy River Corporation Limited, Nuix Limited and Maggie Beer Holdings Limited.

Ms Thomas holds a Bachelor of Law and Bachelor of Commerce from the University of New South Wales and has received a diploma from the Australian Institute of Company Directors.

Ms Thomas is a member of the Company's Governance, Remuneration and Nomination Committee and a member of the Board Investment Committee.

Over the past 3 years Ms Thomas has held directorships with the following listed companies:

Company	*Commenced*	*Ceased*
Fitzroy River Corporation Limited (FZR)	26 November 2012	-
Temple and Webster Group Limited (TPW)	23 February 2016	-
Royalco Resources Pty Ltd*	22 February 2017	-
Nuix Limited (NXL)	18 November 2020	-
Maggie Beer Holdings Limited (MBH)	1 July 2022	-

* Royalco Resources Pty Ltd was formerly a listed company "Royalco Resources Limited (RCO)" until February 2020.

Directors' shareholdings

The following table sets out each director's relevant interest in shares and options in shares of Cash Converters International Limited as at the date of this report:

Directors	***Fully paid ordinary shares Number***	***Share options Number***
Mr S Budiselik	248,375	13,249,032
Mr P Cumins	8,810,694	-
Ms J Elliott	20,156	-
Mr L Given	-	-
Mr H Shiner	-	-
Mr R Hines	622,000	-
Mr T Jugmans	-	-
Ms S Thomas	613,985	-

Company Secretary

Mr Leslie Crockett
Appointed with effect from 1 July 2021

A chartered accountant, Mr Crockett has experience working across a range of industries including financial services, property development, construction, retail and manufacturing covering jurisdictions in Australia, Europe, the United Kingdom, Africa, the USA, and the Caribbean. Prior to joining Cash Converters in June 2020, he was the Chief Financial Officer of a listed financial services group for over seven years and served there as the Company Secretary from early 2013 to September 2015. Mr Crockett qualified as a chartered accountant with Deloitte, where he provided audit, consulting, financial advisory, risk management and tax services. He holds a Bachelor of Accounting Science from the University of South Africa and business qualifications from Melbourne Business School and the University of Southern Queensland and is a member and graduate of the Australian Institute of Company Directors. Mr Crockett has continued in the role as Chief Financial Officer.

Principal activities

The principal activity of Cash Converters International Limited and its subsidiaries (the Group) is that of a franchisor, retailer of second-hand goods and financial services, a provider of secured and unsecured loans and the operator of corporate stores in Australia, all of which trade under the Cash Converters name.

Country master franchise licences are also sold to licensees to allow the development of the Cash Converters brand but without the need for support from Cash Converters International Limited.

Review of operations

The Group's net profit attributable to members of the parent entity for the year ended 30 June 2022 was $11.177 million (2021 restated: $20.704 million) after an income tax charge of $4.208 million (2021 restated: $750 thousand). The comparative information for 2021 has been restated. Refer to note 1 a Changes in presentation for further information. A review of the Group's operations and financial performance has been provided on pages 5 to 13.

Changes in state of affairs

During the financial year there were no significant changes in the state of affairs of the Company other than those referred to elsewhere in this financial report and the notes thereto.

Subsequent events

There has not been any other matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the year, that has significantly affected or may significantly affect the operations of the Group.

Future developments

Likely developments in expected results of the Group's operations in subsequent years and the Group's business strategies are referred to elsewhere in this report.

Dividends

The directors of the Company have declared a final dividend of 1.00 cent per share with the release of the final year end results and reporting date of 31 August 2022. The dividend will be 100% franked and will be paid on 14 October 2022 to those shareholders on the register at the close of business on 23 September 2022.

With the declaration of this dividend, the Company's Dividend Reinvestment Plan (DRP) remains suspended and will not apply to this dividend.

Shares under option or issued on exercise of options

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	*Number of shares under option*	*Class of shares*	*Exercise price of option*	*Measurement Date*
Cash Converters International Limited	7,627,025	Ordinary	Nil	30 Jun 2022
Cash Converters International Limited	10,101,190	Ordinary	Nil	30 Jun 2023
Cash Converters International Limited	9,135,336	Ordinary	Nil	30 Jun 2024

The performance rights above are in substance share options with an exercise price of nil, which vest and may potentially be exercised into ordinary shares once certain performance / vesting conditions are met.

The holders of these performance rights do not have the right, by virtue of the performance right, to participate in any share or other interest issue other than bonus share issues of the Company or of any other body corporate.

No shares have been issued as a result of the exercise of share options or performance rights during or since the end of the financial year.

Indemnification and insurance of directors and officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meetings

The number of meetings of directors and meetings of committees of directors held during the year and the number of meetings attended by each director were as follows:

Directors	Board of directors		Audit and Risk Committee		Governance, Remuneration and Nomination Committee		Board Investment Committee	
	Held	***Attended***	***Held***	***Attended***	***Held***	***Attended***	***Held***	***Attended***
Mr J Kulas	7	7	4	3*	4	4*	2	0*
Mr S Budiselik	9	9	4	4*	5	5*	4	4*
Mr P Cumins	9	9	4	4*	5	5*	4	4*
Ms J Elliott	9	9	4	4	5	5	4	4
Mr L Given	9	7	4	3*	5	5*	4	0
Mr R Hines	9	9	4	4	5	5	4	4
Mr H Shiner	9	8	4	4	5	5	4	4
Ms S Thomas	2	2	1	1*	1	1	2	2
Mr T Jugmans	2	2	1	1*	1	1*	2	1*

* Denotes directors who were not a member of the Committee but attended meetings by invitation.

Non-audit services

The directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services during the year by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001, as the nature of the services was limited to income tax and indirect tax compliance, transaction/compliance related matters and generic accounting advice. All non-audit services have been reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor, and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 21 to the financial statements.

Rounding off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials / Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

The auditor's independence declaration is included on page 42.

Remuneration report (audited)

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1. Persons addressed and scope of the Remuneration Report

This remuneration report forms part of the directors' report for the year ended 30 June 2022 and has been prepared in accordance with the Corporations Act, applicable regulations and the Company's policies regarding key management personnel (KMP) remuneration governance.

KMP includes all directors and executives who have authority and responsibility for planning, directing and controlling the activities of the Company. On that basis, the following roles / individuals are addressed in this report:

Non-executive directors	
Mr Timothy Jugmans	Chairman and non-executive director (from 1 April 2022)
Mr Jason Kulas	Chairman and non-executive director (to 31 March 2022)
Mr Lachlan Given	Non-executive director
Ms Julie Elliott	Non-executive director Chair of Governance, Remuneration and Nomination Committee Audit and Risk Committee member Board and Investment Committee member
Mr Robert Hines	Non-executive director Chair of Audit and Risk Committee Chair of Board Investment Committee Governance, Remuneration and Nomination Committee member
Mr Henry Shiner	Non-executive director Audit and Risk Committee member Board and Investment Committee member Governance, Remuneration and Nomination Committee member
Ms Susan Thomas	Non-executive director (from 1 April 2022) Audit and Risk Committee member Board and Investment Committee member Governance, Remuneration and Nomination Committee member
Executive directors	
Mr Sam Budiselik	Managing Director & Chief Executive Officer
Mr Peter Cumins	Executive Deputy Chairman
Executive key management personnel	
Ms Lisa Stedman	Chief Operating Officer
Mr James Miles	Chief Information Officer
Mr Leslie Crockett	Chief Financial Officer

2. Remuneration Governance

The following describes how the Board, the Governance, Remuneration and Nomination Committee and the Managing Director interact to set the remuneration structure and determine the remuneration outcomes for the Group:

2.1. Board

The Board is responsible for the structure of remuneration for directors and executive key management personnel. The goal is to maximise the effectiveness of remuneration in the creation of long-term shareholder value.

2.2. Governance, Remuneration and Nomination Committee

The Governance, Remuneration and Nomination Committee is responsible for reviewing and setting strategy incorporated in the remuneration policies and practices on behalf of the Board. Executive remuneration levels are reviewed annually by the Committee in line with the Remuneration Policy and with reference to market movements. The Committee is responsible for making recommendations to the Board on:

a) remuneration strategy to attract and retain talent to drive long term sustainable results;
b) recruitment, retention, and termination policies and procedures for executive key management personnel;
c) base salaries for executives and Board and Committee fees for non-executive Directors;
d) short term incentives for executive key management personnel; and
e) equity-based incentive remuneration plans.

The Corporate Governance Statement and the Governance, Remuneration and Nomination Committee Charter provide further information on the role of this Committee. These documents and related policies and practices are available on the Company website at https://www.cashconverters.com/governance.

The performance review of the Managing Director is undertaken by the Chairman of the Board, reviewed by the Governance, Remuneration and Nomination Committee, and approved by the Board.

2.3. Managing Director

The performance reviews of executive key management personnel and other direct reports are undertaken by the Managing Director, reviewed by the Governance, Remuneration and Nomination Committee and approved by the Board.

3. Remuneration Framework and link to Strategy

3.1. Executive key management personnel including Managing Director

The remuneration policies are designed to ensure that remuneration outcomes are aligned with the long-term success of the Group and to also attract and retain talent to drive long term sustainable results and strategy. Incentives are based on the achievement of sustained growth in earnings as well as relative shareholder return while adhering to sound risk management and governance principles.

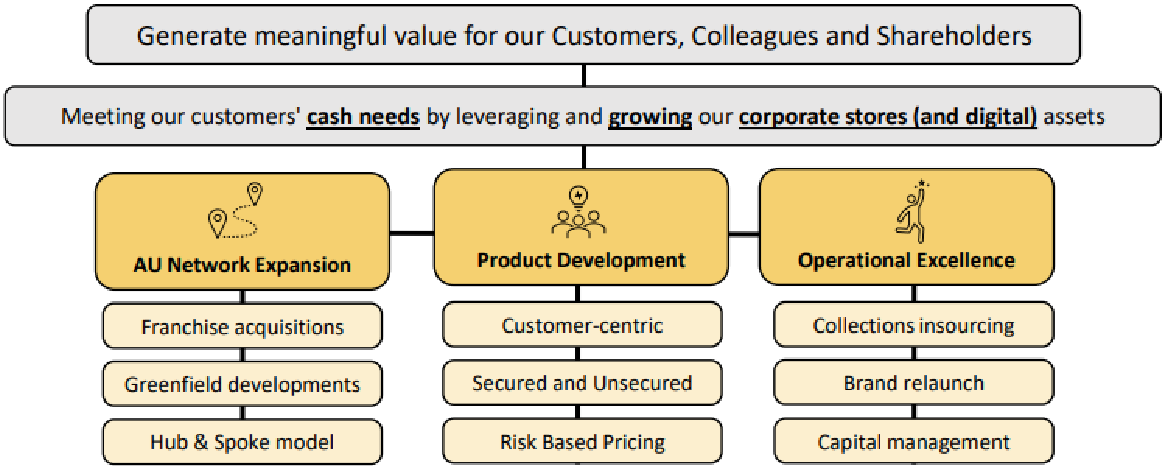
The remuneration strategy is underpinned by the following principles and remuneration structure in the table below:

- align remuneration with customer and shareholder interests;
- support an appropriate risk culture and exemplary employee conduct;
- differentiate pay for behaviour and performance in line with our vision and strategy;
- provide market competitive and fair remuneration;
- recognise the role of non-financial drivers in long term value creation;
- enable recruitment and retention of talented employees; and
- be simple, flexible and transparent.

These measures provide a clear and strong correlation between performance and reward and align the interests of executive key management personnel including the Managing Director with those of the Company's shareholders. The overall remuneration structure for the year ended 30 June 2022 remains consistent to prior years comprising:

Fixed Remuneration	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose		
Attract and retain high quality executives through market competitive and fair remuneration	Ensure a portion of remuneration is variable, at-risk and linked to the delivery of agreed plan targets for financial and non-financial measures that support strategic priorities	Align executive accountability and remuneration with the long-term interests of shareholders by rewarding the delivery of sustained Group performance over the long term
Delivery		
Base salary and superannuation as per the Superannuation Guarantee (Administration) Act 1992	Awarded in cash based on an assessment of performance over the preceding year	Awarded in performance share rights which potentially vest after three years, based on the following: • 50 per cent dependent on earnings per share compound annual growth rate over a three-year performance period; and • 50 per cent dependent on total shareholder return (TSR) relative to Index over the same three-year performance period
Alignment to performance		
Set with reference to market benchmarks in the financial retail services industries as well as the size, responsibilities, and complexity of the role, and skills and experience. Individual performance impacts fixed remuneration adjustments	Performance is assessed using a scorecard comprising financial and non-financial measures linked to the key strategic priorities	Performance is assessed against Earnings per share and TSR which are measures aligned to shareholders (measured over three years)

Strategic objectives were articulated as part of the Chairman's address and the Managing Director presentation at the FY2021 shareholder Annual General Meeting. Regular market updates have been provided during the financial year with progress reports, including the half-year report and full year results investor presentations, aligned to the key objectives.



Aligned to strategic intent, the remuneration structure ensures that if the Group under-performs on its earnings and / or return targets, no STI will be payable to executive key management personnel. Under-performance over the longer-term will also result in no vesting of performance rights.

Eligibility to participate in the STI and/or LTI is at the recommendation of the Governance, Remuneration and Nomination Committee and approval of the Board. The participation level in terms of percentage of fixed remuneration to set STI target awards and the grant of performance rights which may vest over the three-year performance period is determined annually as part of the remuneration review process. The assessment is based on benchmarked relevant market practice in similar companies with similar characteristics.

Remuneration for all executives is reviewed at least annually. There is no guaranteed increase in any executive's employment contract.

3.2. Executive Director: Executive Deputy Chairman Arrangements

The remuneration package for 2022 remained consistent in principle to the arrangements in place at the end of the prior year.

In the later part of the 2021 year, consistent with the terms of his employment contract, the Governance, Remuneration and Nomination Committee and Board approved a variation to the fixed remuneration package for the Executive Deputy Chairman. The base salary per annum was increased from $371,597 to $441,426 reflecting the previously allocated remuneration value assigned to the usage of a fully maintained company car. The Company was released from the contractual requirement to provide usage of the fully maintained company car.

Under the terms of the employment contract, the Governance, Remuneration and Nomination Committee and Board approved the outright sale of the motor vehicle that had previously been provided to the Executive Deputy Chairman. The sale was conducted at arms-length market value and settled in full on the date of transfer of ownership.

Superannuation as per the Superannuation Guarantee (Administration) Act 1992 remains payable and consistent with prior years, the Executive Deputy Chairman does not participate in any Incentive Plan.

3.3. Non-Executive Director Arrangements

The Remuneration Policy is designed to ensure that remuneration outcomes enable the Company to attract, retain and motivate the high calibre of Non-Executive Directors required for it to meet its objectives.

A Non-Executive Director is not entitled to receive performance-based remuneration. They may be entitled to fees or other amounts, as the Board determines, where they perform duties outside the scope of the ordinary duties of a director. They may also be reimbursed for out-of-pocket expenses incurred.

3.4. Securities Trading Policy

The Securities Trading Policy imposes trading restrictions on all employees, contractors and consultants who are considered to be in possession of market sensitive information. Additionally there are restrictions in the form of closed periods for KMP who are prohibited from trading in the Company's securities, except:

- in a six-week trading window period commencing 24 hours after the release of the final and half-yearly financial results;
- after release of a disclosure document offering equity Securities in the Company; or
- dates as declared by the Board in the circumstances that the Board is of the view that the market can reasonably be expected to be fully informed on those dates.

KMP are prohibited from entering into contracts to hedge their exposure to any securities held in the Company.

4. Performance and reward summary

4.1. Remuneration policy and link to performance

As outlined above, in setting the Company's remuneration strategy, the Governance, Remuneration and Nomination Committee makes recommendations which demonstrate a clear and strong correlation between performance and reward and align the interests of executive key management personnel with those of the Company's shareholders.

The following table shows the statutory key performance indicators of the Group over the last five years:

	Year ended 30 June				
	2022	**Restated (ii) 2021**	**Restated(ii) 2020**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue from continuing operations	245,937	201,346	262,021	281,565	260,345
Net profit / (loss) before tax from continuing operations	15,385	21,454	(22,416)	(2,366)	31,271
Net profit / (loss) after tax (i)					
- continuing operations	11,177	20,704	(16,872)	(1,692)	22,503
- discontinued operations		-	-	-	-
Profit/(loss) after tax	**11,177**	**20,704**	**(16,872)**	**(1,692)**	**22,503**
Share price	**Cents**	**Cents**	**Cents**	**Cents**	**Cents**
- beginning of year	22.0	17.5	16.0	31.0	31.5
- end of year	23.0	22.0	17.5	16.0	31.0
Fully franked dividend					
- interim	1.0	1.0	-	-	-
- final dividend	1.0	1.0	-	-	-
Earnings per share from continuing and discontinued operations					
- basic	1.80	3.35	(2.74)	(0.27)	4.55
- diluted	1.73	3.26	(2.74)	(0.27)	4.43

(i) FY2021 profit after taxation included the recognition of $5.673 million reflecting the recognition in full of the previously unrecognised deferred tax asset (DTA) that arose from carry forward tax losses from previous years in the UK operation being recognised through the income tax expense line in the statement of profit or loss and other comprehensive income for FY2021

(ii) The comparative information for 2021 and 2020 has been restated. Refer to note 1 a Changes in presentation for further information.

5. Performance outcomes for FY2022 including STI and LTI assessment

Outlined in the directors' report, the commendable financial result for FY2022, with demonstrated significant year on year growth in operating earnings, has been a key consideration in determining the appropriateness of incentives awarded. The short-term incentive pool is funded if the operating profit after tax target, determined by the Board, is met.

The performance of executive key management personnel has meant that the operating profit after tax target required for eligibility of payment of the short-term incentive has been exceeded. With this determination, the awarding of short-term incentives to executive key management personnel is then based on an assessment of team and individual performance against the key performance indicators set at the commencement of the financial year. The performance measures comprise a mix of financial and non-financial metrics linked to Group and business unit targets. Together they provide a balanced assessment of performance against measurable initiatives that support the delivery of the Group's strategy and demonstrably contribute to financial performance.

The impact of COVID-19 and prevailing uncertainty during FY2022 predicated caution with respect to forward-looking statements with a continued focus on presenting appropriate disclosure with respect to business impacts, risks and uncertainties and key assumptions. The further waves of infections and ease of transmission of the Delta variant since mid-June 2021, led to quick and extended lockdowns and the reinstatement of certain government support measures to protect the economy and jobs. These outbreaks, followed by the subsequent impact of the Omicron variant resulted in significant disruption, to in-store trade and required the business to pivot and respond rapidly, as has been commented on in detail in the FY2022 Operating and Financial Review presented in the Directors' Report.

In this context, the ability to service customers while ensuring a safe environment and demonstrating prudent risk management while growing earnings has demonstrated resilience and an ability to operate effectively during periods of significant uncertainty and change.

The table below illustrates the significant growth achieved in operating earnings before tax of 24% with growth in the operating earnings after tax in the normal course of business of 26%.

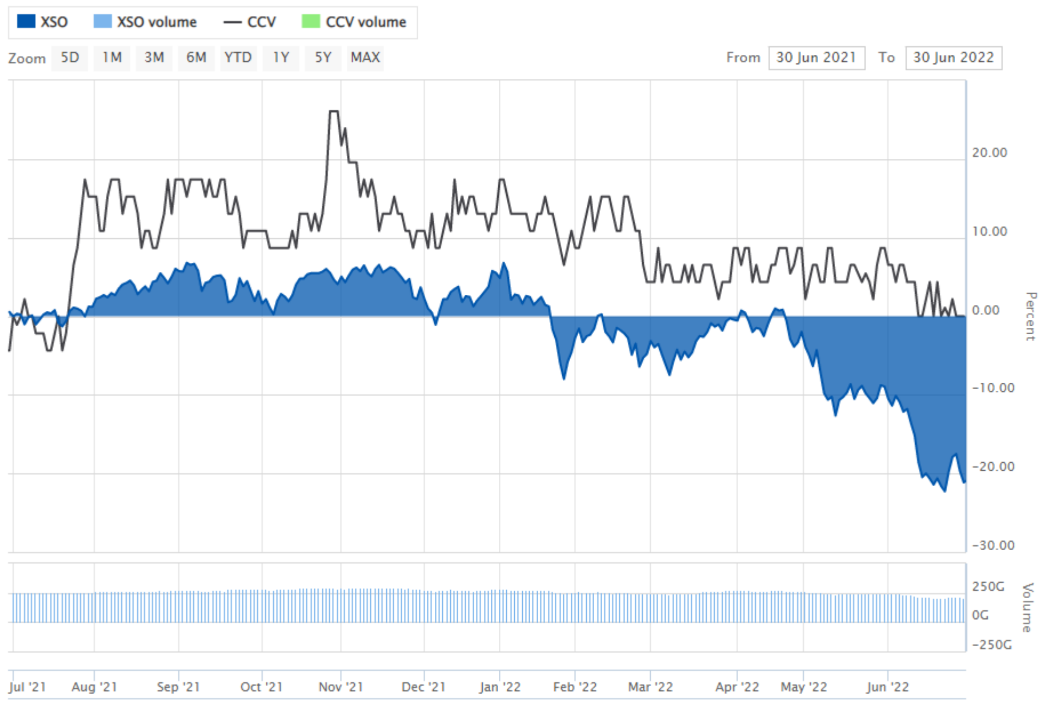
Operating[1] Results Analysis	**Growth YoY**	**2022 $'000**	**Restated 2021 $'000**
Revenue	22.1%	245,937	201,346
EBITDA[2]	5.5%	52,728	49,958
EBIT[2]	17.5%	39,046	33,243
Profit / (loss) for the year before tax	23.9%	26,581	21,454
Income tax charge excl. UK DTA recognition[3]	17.8%	(7,567)	(6,423)
Profit for the year after normal tax charge	26.5%	19,014	15,031
Impact of UK DTA[3]	nm	-	5,673
Adjusted Profit for the year after tax	-8.2%	19,014	20,704
Tax adjusted impact of impairment[1]	nm	(7,837)	-
Reported Profit for the year after tax	-46.0%	11,177	20,704

1 The operating results for FY2022 are presented excluding the non-cash impairment expense of $11.196 million ($7.837 million after tax effect) on the carrying value excluding goodwill of the assets of corporate stores where forecast cash flows have been negatively impacted due to factors directly associated with the impact of COVID-19 closures in the first half and uncertainty in the trading conditions beyond reporting date. The operating profit after tax for FY2021 is presented excluding a non-recurring prior year tax item of $5.673 million, highlighted in FY2021, recognising in full the deferred tax asset (DTA) arising from carry forward tax losses from previous years due to the ongoing taxable profit forecast in the UK operation. The operating result is presented to aid the comparability and usefulness of the financial information reflecting the underlying performance of the business. This information should be considered in addition to, but not instead of or superior to, the Group's financial statements prepared in accordance with IFRS. The operating results presented may be determined or calculated differently by other companies, limiting the usefulness of those measures for external comparative purposes

2 The Company reports EBIT calculated as earnings before interest expense and tax and EBITDA calculated as EBIT before depreciation and amortisation. EBIT and EBITDA are non-IFRS measures and are alternative performance measures reported in addition to but not as a substitute for the performance measures reported in accordance with IFRS. These measures focus directly on operating earnings and enhance comparability between periods. The non-IFRS measures calculated and disclosed have not been audited in accordance with Australian Accounting Standards although the calculation is compiled from financial information that has been reviewed.

3 The FY2021 Directors' Report noted that in the UK operations, profit had been achieved over the last three years, including during COVID impacted trading conditions. Ongoing taxable profit forecasts supported recognising in full in FY2021 the previously unrecognised deferred tax asset (DTA) that arose from carry forward tax losses from previous years. The impact to the FY2021 profit after taxation results in $5.673 million being recognised through the income tax expense line in the statement of profit or loss and other comprehensive income for FY2021.

An interim dividend of $0.01 per share was declared and then paid with the release of the half year results, and a final dividend of $0.01 has been declared with the release of the full year results. The CCV share price outperformed the S&P/ASX Small Ordinaries index consistently through the year.



During the year the Group reported to shareholders on the success achieved in progressing the strategic pillars of Australian network expansion, new product development and operational excellence. Achievements included completing three key franchise store acquisitions, piloting new finance products, optimising assessing and collections performance and pivoting to an online customer service delivery during the very challenging first quarter in which COVID lockdowns forced closure of a significant number of stores. Executing a sensible growth strategy remains a key focus of the management team with increasing profitability anticipated beyond FY2022.

In considering the award of STI and LTI remuneration the Board, has in addition to the profitability performance and positive risk culture, been cognisant of the continuing challenging economic environment, including the effect of COVID-19. Consistent with performance incentives awarded across the broader business the Board has recognised executive performance and delivery of significant real operating earnings growth. The awards continue to reflect the need to attract and retain the team in a period of abnormal economic uncertainty, tight labour markets and ongoing regulatory scrutiny.

Operational achievements have put the Group in a strong position which has underpinned the ability to secure renewed funding facilities with a four-year maturity period and on improved commercial terms. With $58.1million in cash and cash equivalents and nearly $80 million in undrawn credit lines, the Group can continue to invest and look for opportunities during a period of continued economic uncertainty.

Short-term incentives (STI)

With the context of profitability performance outlined above, the STI component of remuneration currently consists of a cash bonus that is focused on a balanced scorecard approach, with financial and non-financial measures. The Board reserves the right to amend, vary or revoke the terms of any incentive plan from time to time, at its sole and absolute discretion.

The STI achieved in relation to the FY2022 period has been accrued in the FY2022 results and is payable on release of the audited financial results.

The key performance indicators (KPIs) are considered and approved at the beginning of the financial year by the Board. KPIs are selected based on what needs to be achieved over the performance period to achieve the business strategy over the longer term, varied to reflect individual executive roles and responsibilities. The average amount awarded to KMP in STI as a percentage of target STI for FY2021 was 100%.

In relation to the completed FY2022 period the following KPIs and weightings applied to executive key management personnel participants:

Feature	**Description**
Maximum opportunity	Individual award outcomes are determined on individual and Group performance through performance measured to a balanced scorecard. The performance measures comprise a mix of financial and non-financial metrics linked to Group and business unit targets. Together they provide a balanced assessment of performance against measurable initiatives that support the delivery of the Group's strategy. Proportion of award relative to base salary varies by role and tenure, and ranges from 30% to 100%.
Performance metrics	Performance award outcomes are determined through assessment of the balanced scorecard and are subject to an assessment gateway based on meeting or exceeding the operating earnings threshold approved by the Board, appropriate to the circumstances experienced during the year and reflecting the earnings growth illustrated above. Key Performance Indicators (KPIs) are aligned to the strategic priorities of sustained growth in earnings and relative shareholder return.

Specific performance measures – Managing Director			
Strategic Priority & Weighting	**Strategic Goal**	**Required KPI threshold / Smart measurements**	**Rationale for award**
Sustainable Network Growth	Network expansion	Identify and evaluate business and asset targets (including international) aligned to our core strategy - as measured by the assessment of transaction and asset evaluation throughout the year and execution of purchases or transactions where they exceed investment committee hurdles.	Exceeded. Multiple opportunities in excess of the target were evaluated with refined short list of priority opportunities approved by Board.
Expanding market share	New product development	As measured by launching at least one new product to 5,000 customers by 30/06/22	Exceeded. Successful pilot of Earned Wage Access product has exceeded customer take up target.
Consolidation of Franchise network	Franchising	Develop a modern franchise agreement for Australia & implement for any future transactions by 30/06/22	Achieved. Revised agreement provides for improved "future proofing" in network expansion in future years.
Increase Shareholder value	Shareholder engagement	As measured by engaging with financial news media partners and financial journal partners to communicate performance highlights	Exceeded. Engagement has exceeded the required targets and regular shareholder updates have continued to be provided, aligned to commentary on the key strategic initiatives.

Shared performance measures – All Executive Key Management Personnel including Managing Director			
Strategic Priority & Weighting	**Strategic Goal**	**Required KPI threshold / Smart measurements**	**Rationale for award**
Our Customers *10%*	Improve our customer experience	As measured by an achievement of required annual average NPS	Exceeded required annual average NPS.
Behavioural Competencies *10%*	Requirement to consistently meet required behavioural competencies	Assessed across Values, Accountability, Culture, Innovation, Compliance and Strategy	Achieved, performance reviews undertaken by the Managing Director, reviewed by the Governance, Remuneration and Nomination Committee and approved by the Board. Managing Director approved by the Board.
Our People *10%*	Enhance our people capability	As measured by the delivery of an organisation wide engagement survey that identifies priority areas of employee feedback and results in an action plan	Achieved with a high participation rate and engagement score indicating high levels of employee engagement. Action plan in place to maintain and improve priority areas.
Conduct and Risk Management *10%*	Embed a risk culture	As measured by completion of an enterprise wide risk framework review with updated risk management strategy and framework	Achieved, with approval from the Audit and Risk Committee and Board, with integration of significant regulatory changes requiring enhanced compliance framework.

Individual Performance measures – executive Key Management Personnel			
Strategic Priority & Weighting	**Strategic Goal**	**Required KPI threshold / Smart measurements**	**Rationale for award**
Individual Objectives aligned to strategic delivery and Managing Director KPIs *Between 3 to 5 KPIs aggregating to 60 %*	Balanced assessment of individual performance to support the delivery of the Group's strategy	Role appropriate financial and non-financial measures linked to Group and business unit targets on Operational Excellence, Product Development, and Network Expansion, set and approved with approval of Group Strategy by the Board at commencement of the financial year. Strategic Goals outlined in investor presentation and market updates including the FY 2021 AGM and aligned to the objectives set for the Managing Director as disclosed in detail above.	Assessment of performance of executive key management personnel to KPIs aligned to strategic goals undertaken by the Managing Director, reviewed by the Governance, Remuneration and Nomination Committee and approved by the Board. Managing Director approved by the Board.

Following the end of the Measurement Period (the financial year) the Board assessed the extent to which target levels of performance had been achieved in relation to each KPI and determined the total award payable.

Executive	Target STI opportunity	% of fixed remuneration	% achieved	% forfeited
Mr S Budiselik	$577,500	100%	100%	-
Mr L Crockett	$190,000	50%	100%	-
Mr J Miles	$150,000	50%	100%	-
Ms L Stedman	$165,000	50%	100%	-

Long-term incentives (LTI)

At the Annual General Meeting held on 26 October 2021, shareholders approved the Cash Converters Equity Incentive Plan (Plan). The Plan is available for review at Cash Converters Rights Plan Rules (https://www.cashconverters.com/wp-content/uploads/2021/10/Equity-Incentive-Plan-Rules.pdf)

The Plan provides eligible participants with an incentive plan that recognises ongoing contribution to the achievement by the Company of its strategic goals, and to provide a means of attracting and retaining skilled and experienced employees. Participation in the Plan is at the discretion of the Board.

Subject to the achievement of performance conditions, participants may be entitled to be granted Performance Rights and / or Indeterminate Rights as approved by the Board.

LTI awards delivered in Performance Rights may vest into Shares on the achievement of certain performance criteria or, Indeterminate Rights, where the Board, in their absolute and unfettered discretion, make a cash payment equivalent to the number of vested Indeterminate Rights multiplied by the then value of the Company's share price.

The LTI is designed to align the interests of shareholders and executive key management personnel by motivating and rewarding participants to achieve compound annual earnings growth and produce strong shareholder returns over the medium- to long-term.

The LTI right grant awards made to eligible participants on 26 October 2021 were offered across two equal tranches and based on performance hurdles in which each hurdle operates independently and applies to 50 per cent of the potential LTI allocation. The Board believes this structure provides a balance between alignment of shareholder returns whilst mitigating the risk of excessive focus on share price performance.

Of the total number of performance rights granted

- 50% are subject to a Relative Total Shareholder Return ("rTSR Rights") measure, assessing the Company's performance relative to constituents of the S&P/ASX Small Ordinaries index excluding materials, utilities, and REITs over the Performance Period; and
- 50% are subject to a normalised earnings per share ("EPS Rights") measure

The FY2022 grant of performance rights is subject to performance conditions measured over a performance period of 3 years commencing on 1 July 2021 and ending on 30 June 2024. Calculation of the achievement against the performance conditions will be determined by the Board of the Company in its absolute discretion at the conclusion of the performance period, having regard to any matters that it considers relevant. In line with the Plan rules, unless otherwise determined by the Board, the performance rights will lapse, where the vesting condition applicable to the award cannot be satisfied as at the end of the performance period. On this basis the expiry date for the performance rights is 30 September 2024. The number of performance rights that vest will depend on the level of performance achieved.

The Board also retains overall discretion to determine whether vesting of performance rights is appropriate considering, among other factors it considers relevant, Company performance from the perspective of Shareholders.

TSR Rights

Total Shareholder Return ("TSR") calculates the return Shareholders would earn if they held a notional number of Shares over a period and measures the change in the Company's Share price together with the value of dividends during the period, assuming that all those dividends are re-invested into new Shares.

For any Rights subject to the rTSR measure to vest, a threshold level of performance must be achieved. The percentage of rTSR Rights that vest, if any, will be determined by the Board as follows:

Company's TSR relative to constituents of the S&P/ASX Small Ordinaries index excluding companies from the materials, utilities, and REIT sectors*	Performance Level	Percentage of rTSR Rights vesting
Less than 50th percentile	< Threshold	Nil
At 50th percentile	Target	50%
Between 50th percentile and 100th percentile	Pro-rate	Straight line pro-rate vesting between 50% and 100%
At 100th percentile	Stretch	100%

*This index is designed to measure companies included in the S&P/ASX300 but not in the S&P/ASX100.

EPS Rights

EPS measures the profit generated by the Company attributable to each Share on issue, adjusted for certain accounting items. The table below sets out the percentage of Rights subject to the EPS hurdle that can vest depending on the Company's FY2024 EPS. For the purposes of assessing performance against the EPS target, the Board will consider whether any adjustments to statutory earnings are appropriate on a case-by-case basis to ensure that inappropriate outcomes are avoided.

FY2024 EPS	Percentage of Rights that vest (%)
Less than 3.40	Nil
3.40 (Threshold)	25%
3.40 to 3.85	Straight line pro-rata vesting between 25% and 50%
3.85 (Target)	50%
3.85 to 4.33	Straight line pro-rata vesting between 50% and 100%
4.33 (Stretch)	100%

Subject to the terms of the Plan, any performance rights that do not vest will lapse.

In June 2020, under a shareholder approved plan, performance right grants were awarded to eligible participants, which included the Managing Director, in two equal tranches. 50% of the grant had a TSR performance measurement relative to a selected index and 50% based on EPS growth.

With a Measurement Date of 30 June 2022, there are two tranches with separate measurement conditions, the iTSR tranche and the NEPSG tranche.

The iTSR tranche required the measurement of total shareholder return of shares in the company compared to the S&P ASX Small Industrials Index over the vesting period.

- The index was outperformed by over 10% resulting in a performance level in which a stretch award was achieved.

The NEPSG tranche required the measurement of the compound annual growth rate of the normalised earnings per share of the company over the vesting period.

- The growth rate achieved was in excess of 10% resulting in a performance level in which a stretch award was achieved.

Due to measurement conditions being met, the Board has determined that there will be an allocation of one fully paid share in the Company for each right that will vest for the Managing Director. Shares were acquired for this purpose during the year on market and were retained by the Employee Share Trust.

6. Remuneration records for FY2022 (statutory disclosures)

The following table outlines the remuneration received by directors and executive key management personnel of the Company during the years ended 30 June 2022 and 2021, prepared according to statutory disclosure requirements and applicable accounting standards:

	Short-term employee benefits			Post-employment benefits	Other long-term benefits	Share-based payments	Total
	Salary and fees	Cash STI	Non-monetary benefits	Super-annuation			
	$	$	$	$	$	$	$
2022							
Non-executive directors							
Mr Timothy Jugmans (1)	42,500	-	-	-	-	-	42,500
Mr J Kulas (2)	127,500	-	-	-	-	-	127,500
Mr L Given	95,000	-	-	-	-	-	95,000
Ms J Elliott	102,542	-	-	10,345	-	-	112,887
Mr R Hines	114,097	-	-	11,513	-	-	125,610
Mr H Shiner (3)	90,005	-	-	9,079	-	-	99,084
Ms S Thomas (4)	25,000	-	-	2,500	-	-	27,500
Executive directors							
Mr S Budiselik	587,890	577,500	24,980	23,568	28,376	931,118	2,173,432
Mr P Cumins	477,598	-	11,684	23,568	8,705	-	521,555
Other executives							
Ms L Stedman	335,292	165,000	24,816	23,568	-	80,780	629,456
Mr J Miles	297,351	150,000	24,684	23,568	-	75,435	571,038
Mr L Crockett	384,185	190,000	24,980	23,568	-	110,452	733,185
	2,678,960	1,082,500	111,144	151,277	37,081	1,197,785	5,258,747

2021							
Non-executive directors							
Mr J Kulas (5)	143,495	-	-	-	-	-	143,495
Mr L Given	95,000	-	-	-	-	-	95,000
Ms J Elliott	101,287	-	-	9,622	-	-	110,909
Mr R Hines	101,287	-	-	9,622	-	-	110,909
Executive directors							
Mr S Budiselik (6)	536,913	525,000	12,692	21,694	11,405	373,175	1,480,879
Mr P Cumins	478,614	-	31,334	21,694	14,899	-	546,541
Other executives							
Ms L Stedman (7)	252,636	90,000	8,533	18,214	-	35,397	404,780
Mr J Miles	308,169	150,000	12,692	21,694	-	35,397	527,952
Mr L Crockett	346,388	175,000	12,692	21,168	-	68,827	624,075
	2,363,789	940,000	77,943	123,708	26,304	512,796	4,044,540

(1) Appointed 1 April 2022
(2) Resigned 31 March 2022
(3) Appointed 1 July 2021
(4) Appointed 1 April 2022
(5) Appointed 28 August 2020
(6) Appointed Managing Director 18 December 2020
(7) Appointed 7 September 2020

The cash bonus values reported in this table include the STIs awarded for the performance period, which will be paid in the financial year following the year to which they relate (i.e. the value shown for 2022 is the value earned and accrued for in FY2022 and will be paid during FY2023).

The LTI value reported in the table is the accounting charge of all grants, recognised over the vesting period. Where a market-based measure of performance is used as a vesting condition, such as comparison to a TSR index, no adjustments can be made to the profit or loss to reflect rights that lapse unexercised due to measurement conditions not having been met. However, in relation to non-market vesting conditions, such as EPS, adjustments have been made to the profit or loss to reverse amounts previously expensed for rights that have lapsed during the period due to not meeting measurement conditions.

Variances in the accounting charge reported arise where a lapse or performance rights occurs in one reporting period but not another. In additional each reporting period accounting charge considers the probability of future vesting of grants held by participants. Where the probability is below 100% in one period this results in a reduced accounting charge which may be subsequently required to be caught up in subsequent periods where the probability rises due to an improved performance outlook.

The following table shows the relative proportions of remuneration for the year that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense:

Name	**Year**	**Fixed remuneration**	**At risk remuneration**	
			STI	**LTI**
Mr S Budiselik	2022	31%	26%	43%
Mr L Crockett	2022	59%	26%	15%
Mr J Miles	2022	61%	26%	13%
Ms L Stedman	2022	61%	26%	13%

7. Employment terms for executive key management personnel

The remuneration and other terms of employment for executive officeholders are covered in formal employment contracts of an ongoing nature. All employees are entitled to receive pay in lieu of any accrued but untaken annual and long service leave on cessation of employment. However, amounts payable will be limited to the terms of Part 2D.2 of the Corporations Act.

A summary of contract terms is presented below:

Name	Position held	Period of notice	
		From Company	From KMP
Mr P Cumins	Executive Deputy Chairman	12 months	6 months
Mr S Budiselik	Chief Executive Officer	12 months	12 months
Mr L Crockett	Chief Financial Officer	6 months	6 months
Mr J Miles	Chief Information Officer	6 months	6 months
Ms L Stedman	Chief Operating Officer	6 months	6 months

Mr Budiselik commenced as Chief Executive Officer on 26 February 2020 on a permanent basis with the termination notice periods as outlined above and was appointed, on the same remuneration terms, as Managing Director on 18 December 2020. A base salary of $577,500 plus minimum statutory superannuation contribution was payable during the reporting period. Mr Budiselik participates in the incentive programmes outlined at the discretion of the Board with a target STI set as 100% of base salary and LTI set as 75% of base salary.

For all participants, termination of employment will trigger a forfeiture of all unearned incentive entitlements except under certain limited circumstances defined in the Plan. Amounts that are not forfeited will be tested and potentially awarded or paid based on actual performance relative to the performance goals, following the end of the Measurement Period. Under the Plan rules the Board retains discretion to trigger or accelerate payment or vesting of incentives, provided that the limitations on termination benefits as outlined in the Corporations Act are not breached.

On appointment to the Board, all Non-Executive Directors (NEDs) enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation relevant to the office of the director and does not include a notice period. NEDs are not eligible to receive termination payments under the terms of the appointments.

8. Changes in KMP-held equity

The following tables outline the changes in equity held by KMP over the financial year end 30 June 2022.

Fully paid ordinary shares of Cash Converters International Limited

	Balance at 1 July 2021 Number	Granted as remuneration Number	Rights exercised Number	Other changes during the year Number	Balance at 30 June 2022 Number	Nominally held 30 June 2022 Number
Directors						
Mr J Kulas	-	-	-	-	-	-
Mr S Budiselik	248,375	-	-	-	248,375	248,375
Mr P Cumins	8,175,694	-	-	635,000	8,810,694	8,810,694
Ms J Elliot	147	-	-	20,009	20,156	20,156
Mr R Hines	422,000	-	-	200,000	622,000	622,000
Mr L Given	-	-	-	-	-	-
Mr T Jugmans	-	-	-	-	-	-
Ms S Thomas	-	-	-	613,985	613,985	613,985
Mr H Shiner	-	-	-	-	-	-
Executive key management						
Mr L Crockett	6,371	-	-	11,140	17,511	17,511
MS L Stedman	-	-	-	-	-	-
Mr J Miles	-	-	-	-	-	-

Performance rights of Cash Converters International Limited

	Balance at 1 July 2021 Number	Granted as remuneration Number	Rights exercised	Rights lapsed / forfeited	Balance at 30 June 2022 Number
Executive Director					
Mr S Budiselik	9,992,454	3,256,578	-	-	13,249,032
Executive key management personnel					
Mr L Crockett	2,050,380	1,428,572	-	-	3,478,952
Ms L Stedman	1,054,482	1,240,602	-	-	2,295,084
Mr J Miles	1,054,482	1,127,820	-	-	2,182,302
	14,151,798	7,053,572	-	-	21,205,370

	Balance at 1 July 2020 Number	Granted as remuneration Number	Rights exercised	Rights lapsed / forfeited	Balance at 30 June 2021 Number
Executive Director					
Mr S Budiselik	6,505,762	4,613,356	-	(1,126,664)	9,992,454
Executive key management personnel					
Mr L Crockett	-	2,050,380	-	-	2,050,380
Ms L Stedman	-	1,054,482	-	-	1,054,482
Mr J Miles	-	1,054,482	-	-	1,054,482
	6,505,762	8,772,700	-	- 1,126,664	14,151,798

Terms and conditions of share-based payment arrangements affecting remuneration of KMP in the current or future financial years are set out below:

Tranche	Grant date	Grant date fair value (i)	Exercise price	Measurement date	Expiry date
		$	$		
Tranche 27	9 Jun 2020	0.171	-	30 Jun 2022	30 Sep 2022
Tranche 28	9 Jun 2020	0.195	-	30 Jun 2022	30 Sep 2022
Tranche 29	29 Sep 2020	0.096	-	30 Jun 2023	30 Sep 2023
Tranche 30	29 Sep 2020	0.150	-	30 Jun 2023	30 Sep 2023
Tranche 31	26 Oct 2021	0.162	-	30 Jun 2024	30 Sep 2024
Tranche 32	26 Oct 2021	0.213	-	30 Jun 2024	30 Sep 2024

(i) The grant date fair value is calculated as at the grant date using a Monte Carlo pricing model for tranches 27, 29 and 31 and a binomial pricing model for tranches 28 and 30. Tranche 32 uses a trinomial model.

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

The following table outlines the value of performance rights granted to KMP during the year that may be realised in the future:

Name	Tranche	Number of rights	Value at grant		Value expensed in current year	Value to be expensed in future years
			Per right	Total		
			$	$	$	$
Mr S Budiselik	31	1,628,289	0.1621	263,946	66,661	197,285
	32	1,628,289	0.2132	347,151	87,675	259,476
Mr L Crockett	31	714,286	0.1621	115,786	29,242	86,544
	32	714,286	0.2132	152,286	38,461	113,825
Ms L Stedman	31	620,301	0.1621	100,551	25,395	75,156
	32	620,301	0.2132	132,248	33,400	98,848
Mr J Miles	31	563,910	0.1621	91,410	23,086	68,324
	32	563,910	0.2132	120,226	30,364	89,862
		7,053,572		1,323,604	334,284	989,320

9. Non-Executive Director fee policy rates for FY2022 and FY2021 and fee limit

Non-executive director fees are managed within the current annual fees limit (AFL or fee pool) of $800,000 which was approved by shareholders on 18 November 2015. With the appointment of additional directors and there being four independent directors appointed at reporting date it is considered appropriate to propose an increase in the non-executive director fee pool for the first time in 7 years. An increase to $1,000,000 will be tabled for shareholder approval at the next AGM.

The following table outlines the Non-Executive Director Remuneration policy rates that were applicable as at the end of FY2022.

The Non-Executive Director Remuneration policy is designed to ensure that remuneration is reasonable, appropriate, and produces outcomes that fall within the fee limit, at each point of being assessed. The Board assessed the current level of NED fees for FY2022 and determined that no change would be applicable to main Board fees. The Board assessed the requirements for members of the board committees and determined it would be appropriate and consistent with industry practice for members fees to be paid, this was implemented with effect 27 March 2022.

Function	**Role**	**Fee including superannuation**
Main Board	Chair	$170,000
	Member	$95,000
Audit and risk committee	Chair	$15,000
	Member	$5,000*
Governance, Remuneration &	Chair	$15,000
Nomination committee	Member	$5,000*
Investment Committee**	Chair	$15,000
	Member	$5,000*

*Member fees effective from 27 March 2022
**Board Investment Committee formalised on 28 July 2021

This directors' report is signed in accordance with a resolution of directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the directors

Sam Budiselik
Managing Director

Perth, Western Australia
31 August 2022

Deloitte Touche Tohmatsu
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The Board of Directors
Cash Converters International Limited
Level 11, 37 St Georges Terrace
Perth WA 6000

31 August 2022

Dear Directors

Cash Converters International Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cash Converters International Limited.

As lead audit partner for the audit of the financial statements of Cash Converters International Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants

Corporate governance statement

The statement outlining Cash Converters International 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 website, Corporate Governance - Cash Converters, under Corporate Governance in accordance with listing rule 4.10.3.

Cash Converters International Limited
ABN 39 069 141 546
Annual Financial Report - 30 June 2022

Financial statements

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These financial statements are consolidated financial statements for the group consisting of Cash Converters International Limited and its subsidiaries. A list of major subsidiaries is included in note 15.

The financial statements are presented in the Australian currency.

Cash Converters International Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Cash Converters International Limited
Level 11, 141 St Georges Terrace
Perth, Western Australia
6000

The financial statements were authorised for issue by the directors on 31 August 2022. The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available at our Investor Centre on our website: https://www.cashconverters.com/

Consolidated statement of profit or loss and other comprehensive income

	Notes	30-Jun-22 $'000	Restated 30-Jun-21 $'000
Continuing operations			
Franchise fee revenue		14,580	10,088
Financial services interest revenue		148,457	118,797
Sale of goods		80,391	69,914
Other revenues		2,509	2,547
Total revenue	3	245,937	201,346
Financial services cost of sales	1.a, 5	(37,140)	(13,481)
Cost of goods sold		(46,094)	(39,676)
Other cost of sales		(2,477)	(1,615)
Total cost of sales		(85,711)	(54,772)
Gross profit		160,226	146,574
Employee expenses	5	(76,533)	(67,459)
Administrative expenses	5	(8,726)	(6,742)
Advertising expenses		(11,085)	(8,333)
Occupancy expenses	5	(4,090)	(5,091)
Depreciation and amortisation expense	1.a, 5	(13,682)	(16,715)
Other expenses	5	(7,917)	(10,698)
Finance costs	1.a, 5	(12,465)	(11,789)
Impairment non-current assets	4	(11,196)	-
Share of net profit of equity accounted investments		853	1,707
Profit before income tax		15,385	21,454
Income tax expense	1.a, 6	(4,208)	(750)
Profit for the year		11,177	20,704
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(1,002)	210
Total comprehensive profit for the year		10,175	20,914
Profit (Loss) per share			
Basic (cents per share)	1.a, 22	1.80	3.35
Diluted (cents per share)	1.a, 22	1.73	3.26

The accompanying notes form an integral part of the consolidated statement of profit or loss and other comprehensive income.

Consolidated statement of financial position

	Notes	30-Jun-22 $'000	Restated 30-Jun-21 $'000
Current assets			
Cash and cash equivalents	7.d	58,085	72,166
Trade and other receivables	7.a	3,562	4,733
Loan receivables	1.a, 7.b	143,256	118,133
Inventories	8.a	23,944	24,128
Prepayments	7.c	1,684	1,233
Total current assets		230,531	220,393
Non-current assets			
Trade and other receivables	7.a	1,770	4,894
Loan receivables	1.a, 7.b	32,397	27,945
Plant and equipment	8.b	4,842	5,941
Right-of-use assets	1.a, 8.c	50,221	60,248
Deferred tax assets	1.a, 8.f	26,089	22,164
Goodwill	8.d	110,481	109,305
Other intangible assets	8.e	16,989	19,598
Investments in associates	15.c	4,868	7,168
Total non-current assets		247,657	257,263
Total assets		478,188	477,656
Current liabilities			
Trade and other payables	7.e	15,398	13,027
Lease liabilities	8.c	6,854	6,925
Current tax payable		1,839	587
Borrowings	7.f	51,957	51,318
Provisions	1.a, 8.g	9,873	9,620
Total current liabilities		85,921	81,477
Non-current liabilities			
Lease liabilities	8.c	57,963	57,484
Borrowings	7.f	16,408	18,035
Provisions	1.a, 8.g	2,544	2,758
Total non-current liabilities		76,915	78,277
Total liabilities		162,836	159,754
Net assets		315,352	317,902
Equity			
Issued capital	9	249,663	251,213
Reserves		8,433	7,656
Retained earnings	1.a	57,256	59,033
Total equity		315,352	317,902

The accompanying notes form an integral part of the consolidated statement of financial position.

Consolidated statement of changes in equity

	Notes	Issued capital $'000	Foreign currency translation reserve $'000	Share-based payment reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2020 Restated	1.a	248,714	6,730	338	44,208	299,990
Profit for the year		-	-	-	20,704	20,704
Exchange differences arising on translation of foreign operations		-	210	-	-	210
Total comprehensive profit for the year		-	210	-	20,704	20,914
Share-based payments		-	-	890	-	890
Transfer reserve balance to retained earnings		-	-	(285)	285	-
Transfer to provisions		-	-	(227)	-	(227)
Dividends paid	13.b	-	-	-	(6,164)	(6,164)
Contributions to equity from dividend re-investment plan		2,499	-	-	-	2,499
Balance at 30 June 2021		251,213	6,940	716	59,033	317,902
Balance at 1 July 2021 Restated	1.a	251,213	6,940	716	59,033	317,902
Profit for the year		-	-	-	11,177	11,177
Exchange differences arising on translation of foreign operations		-	(1,002)	-	-	(1,002)
Total comprehensive profit for the year		-	(1,002)	-	11,177	10,175
Share-based payments		-	-	1,375	-	1,375
Treasury shares acquired	9	(1,550)	-	-	-	(1,550)
Transfer reserve balance to retained earnings		-	-	404	(404)	-
Dividends paid	13.b	-	-	-	(12,550)	(12,550)
Balance at 30 June 2022		249,663	5,938	2,495	57,256	315,352

The accompanying notes form an integral part of the consolidated statement of changes in equity.

Consolidated statement of cash flows

	Notes	30-Jun-22 $'000	30-Jun-21 $'000
Cash flows from operating activities			
Receipts from customers		161,774	119,342
Payments to suppliers and employees		(152,382)	(137,346)
Payment for Class Action settlement		-	(10,000)
Interest received		69	479
Interest received from personal loans		79,506	66,348
Net increase in personal loans advanced		(61,673)	(25,279)
Interest and costs of finance paid		(12,478)	(11,715)
Income tax paid		(6,907)	(144)
Net cash flows provided by operating activities	10.a	7,909	1,685
Cash flows from investing activities			
Payment for acquisition of stores, net of cash acquired	14.b	(3,144)	(6,684)
Acquisition of intangible assets		(498)	(941)
Purchase of plant and equipment		(1,399)	(2,651)
Instalment credit loans repaid by franchisees		937	2,698
Loan to associate repaid		2,837	-
Return on equity investment		3,153	1,124
Net cash flows from (used) in investing activities		1,886	(6,454)
Cash flows from financing activities			
Proceeds from borrowings		70,250	78,750
Repayment of borrowings		(70,250)	(97,792)
Payment of borrowing costs		(1,875)	-
Repayment of lease liabilities		(7,445)	(7,063)
Dividends paid	13.b	(12,550)	(6,164)
Employee share trust funding	9	(1,550)	-
Shares issued under DRP		-	2,499
Net cash flows used in financing activities		(23,420)	(29,770)
Net decrease in cash and cash equivalents		(13,625)	(34,539)
Cash and cash equivalents at the beginning of the year		72,166	106,548
Effects of exchange rate changes on the balance of cash held in foreign currencies		(456)	157
Cash and cash equivalents at the end of the year	7.d	58,085	72,166

The accompanying notes form an integral part of the consolidated statement of cash flows.

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1. Basis of preparation

Cash Converters International Limited is a for-profit company limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange.

The financial report of the Company for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of directors dated 31 August 2022. The financial report comprises the consolidated financial report of Cash Converters International Limited and its subsidiaries (the Group, as outlined in note 15).

The financial report complies with Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB).

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except where noted. The financial report is presented in Australian dollars.

The financial statements have been prepared on a going concern basis.

1.a) Changes in presentation

Certain classifications on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and in the notes to the financial statements have been reclassified. The group believes that this will provide more relevant information to stakeholders. The comparative information has been reclassified accordingly.

Restatement of comparative information as first reported in the half-year financial statements

Adjustment 1 - Right-of-use asset and "make-good" provision

The Group recognises right-of-use assets at the commencement date of the lease. The cost of the right-of-use asset is required to include an estimate of the costs that are anticipated to be incurred in dismantling and removing the underlying asset and restoring the site on which it is located to the condition required by the terms and conditions of the lease. These "make-good" obligations are required to be recognised as a provision.

During the reporting period the Company conducted a review of all existing lease contracts and identified leases where a make-good clause exists, and for which the required provision had not been recognised. In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Company has corrected the right-of-use asset and the related make-good provision comparative balances and the associated profit or loss items in the comparative period. The differences arising on initial application of the revised calculation of the lease make-good provision and right-of-use assets has been recognised from 1 July 2019. The adjustments to prior year comparative information resulting from the recognition of the provision are included in the table below. In addition, the current provisions recognised as at 30 June 2021 have been reassessed and an amount has been reclassified as non-current based on management's schedule of works.

Adjustment 2 – Expected Credit Loss allowance

The expected credit loss ("ECL") allowance model is forward looking, requiring significant management judgement and does not require evidence of an actual loss event for the allowance to be recognised. In calculating the ECL allowance, the methodology and sophisticated models used have been developed over time including with input from specialist advisers. During the year end results preparation process technical points of error were identified in the models with regard to inputs and assumptions around losses given default over the past three years.

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Company has corrected the expected credit loss allowance comparative balances and the associated profit or loss items in the comparative period. The differences arising on initial application of the revised allowance has been recognised from 1 July 2019. The adjustments to prior year comparative information resulting from the recognition of the allowance are included in the table below.

Adjustment 3 - Deferred tax asset for the Group's UK operations

During the reporting period the Company identified that the deferred tax asset, which includes carry forward tax losses, recognised as at 30 June 2021 in relation to the Group's subsidiary, Cash Converters UK Holdings PLC, was determined using the current UK corporate tax rate of 19% and did not contemplate the rate increase to 25% with effect from 1 April 2023 from which a portion of the associated carry forward tax losses expect to be utilised. The UK Finance Bill 2021 was substantively enacted on 24 May 2021 and therefore the additional increase in tax rate should have been accounted for as part of the FY 2021 Annual Report of Cash Converters International Limited. In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Company has corrected the deferred tax asset comparative balance by recording an additional $1.446 million in deferred tax assets included in the table below.

The comparative profit or loss has not been restated as the change in tax rate was not substantially enacted until after the comparative profit or loss reporting date.

Consolidated statement of financial position

Year ended 30 June 2020	**As reported $'000**	**Adjustments $'000**	**Restated $'000**
Loans receivable - Current	97,148	(3,682)	93,466
Loans receivable - Non-Current	38,058	(5,172)	32,886
Right-of-use assets	50,523	1,262	51,785
Deferred tax assets	18,181	2,735	20,916
	203,910	(4,857)	199,053
Provisions - Current	8,055	32	8,087
Provisions - Non-current	1,257	1,492	2,749
	9,312	1,524	10,836
Net assets	306,371	(6,381)	299,990
Retained earnings	50,589	(6,381)	44,208
Total equity	306,371	(6,381)	299,990

Year ended 30 June 2021	As reported $'000	Adjustments $'000	Restated $'000
Loans receivable - Current	120,586	(2,453)	118,133
Loans receivable - Non-Current	29,700	(1,755)	27,945
Right-of-use assets	59,177	1,071	60,248
Deferred tax assets	19,295	2,869	22,164
	228,758	(268)	228,490
Provisions - Current	9,799	(179)	9,620
Provisions - Non-current	971	1,787	2,758
	10,770	1,608	12,378
Net assets	319,778	(1,876)	317,902
Retained earnings	60,909	(1,876)	59,033
Total equity	319,778	(1,876)	317,902

Consolidated statement of profit or loss and other comprehensive income

Year ended 30 June 2021	As reported $'000	Adjustments $'000	Restated $'000
Financial services cost of sales	18,127	(4,646)	13,481
Depreciation and amortisation expense	16,512	203	16,715
Finance costs	11,717	72	11,789
Income tax benefit	884	(134)	750
Profit for the year	16,199	4,505	20,704
Profit per share			
Basic (cents per share)	2.62		3.35
Diluted (cents per share)	2.55		3.26

1.b) New and amended standards adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*

In the prior year, the Group adopted AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions* that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to AASB 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In April 2021, the Board issued AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions* beyond 30 June 2021 that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied AASB 2021-3 (as issued by the Board in June 2021). The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying AASB 16 as if the change were not a lease modification.

The Group did not benefit from any rent concessions in the current financial year.

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard / amendment	Effective for annual reporting periods beginning on or after
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*, AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* and AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	1 January 2025 (Editorial corrections in AASB 2017-5 applied from 1 January 2018)
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* and AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*	1 January 2023
AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	1 January 2022
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 January 2023
AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

2. Segment information

2.a) Description of segments and principal activities

The Group's operating segments are organised and managed separately according to the nature of their operations. Each segment represents a strategic business unit that provides different services to different categories of customer. The Managing Director and Chief Executive Officer (chief operating decision-maker) monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group's reportable segments under AASB 8 *Operating Segments* are therefore as follows:

Franchise operations
This involves the sale of franchises for the retail sale of new and second-hand goods and the sale of master licenses for the development of franchises in countries around the world.

Store operations
This segment involves the retail sale of new and second-hand goods, cash advance and pawnbroking operations at corporate owned stores in Australia.

Personal finance
This segment comprises the Cash Converters Personal Finance personal loans business and Mon-E, which is responsible for providing the administration services for the Cash Converters network in Australia to offer small cash advance loans to customers.

Vehicle financing
This segment comprises Green Light Auto Group Pty Ltd, which provides motor vehicle finance.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review.

Segment profit represents the profit earned by each segment without the allocation of central administration costs and directors' salaries, interest income and expense in relation to corporate facilities and tax expense. This is the measure reported to the Managing Director and Chief Executive Officer (chief operating decision-maker) for the purpose of resource allocation and assessment of segment performance.

Year ended 30 June 2022	Personal finance $'000	Vehicle financing $'000	Store operations $'000	Franchise operations $'000	Head office $'000	Total $'000
Interest revenue [1]	94,336	12,149	42,903	231	-	149,619
Other revenue	-	-	80,734	18,346	-	99,080
Transaction with other segments	9,741	-	(10,899)	(1,673)	-	(2,831)
Segment revenue	104,077	12,149	112,738	16,904	-	245,868
External interest revenue[2]	-	-	-	-	69	69
Total revenue	104,077	12,149	112,738	16,904	69	245,937
EBITDA[3] before impairment of non-current assets	44,111	7,972	16,486	11,676	(27,517)	52,728
Impairment of non-current assets	-	-	(11,196)	-	-	(11,196)
EBITDA	44,111	7,972	5,290	11,676	(27,517)	41,532
Transaction with other segments	(629)	4	2,631	(2,006)	-	-
EBITDA	43,482	7,976	7,921	9,670	(27,517)	41,532
Depreciation and amortisation	(2,096)	(652)	(8,871)	(305)	(1,758)	(13,682)
EBIT	41,386	7,324	(950)	9,365	(29,275)	27,850
Interest expense	(5,157)	(2,016)	(4,683)	(21)	(588)	(12,465)
Profit (Loss) before tax	36,229	5,308	(5,633)	9,344	(29,863)	15,385
Income tax expense						(4,208)
Profit for the period						11,177

Year ended 30 June 2021 Restated	Personal finance $'000	Vehicle financing $'000	Store operations $'000	Franchise operations $'000	Head office $'000	Total $'000
Interest revenue [1]	66,068	13,368	40,365	297	-	120,098
Other revenue	-	-	70,210	13,222	-	83,432
Transaction with other segments	6,607	-	(7,908)	(1,069)	-	(2,370)
Segment revenue	72,675	13,368	102,667	12,450	-	201,160
External interest revenue [2]	-	-	-	-	186	186
Total revenue	72,675	13,368	102,667	12,450	186	201,346
EBITDA[3] before impairment of non-current assets	39,477	16,313	11,416	10,844	(28,092)	49,958
Impairment of non-current assets	-	-	-	-	-	-
EBITDA	39,477	16,313	11,416	10,844	(28,092)	49,958
Transaction with other segments	(896)	2	2,402	(2,408)	900	-
EBITDA	38,581	16,315	13,818	8,436	(27,192)	49,958
Depreciation and amortisation	(614)	(484)	(9,136)	(555)	(5,926)	(16,715)
EBIT	37,967	15,831	4,682	7,881	(33,118)	33,243
Interest expense	(4,976)	(2,432)	(3,885)	(19)	(477)	(11,789)
Profit (Loss) before tax	32,991	13,399	797	7,862	(33,595)	21,454
Income tax expense						(750)
Profit for the year						20,704

1 Interest revenue comprises personal loan interest, cash advance fee income, pawnbroking interest from customers and commercial loan interest from third parties
2 External interest is interest received on bank deposits
3 EBITDA is earnings before interest, tax, depreciation, amortisation and impairment

2.b) Segment assets

	30-Jun 2022 $'000	30-Jun 2021 $'000
Group assets by reportable segment		
Personal finance	242,555	212,581
Vehicle financing	40,932	37,551
Store operations	115,842	124,618
Franchise operations	14,877	13,312
Total of all segments	414,206	388,062
Unallocated assets	63,982	89,594
Consolidated total assets	478,188	477,656

2.c) Segment liabilities

	30-Jun 2022 $'000	30-Jun 2021 $'000
Group liabilities by reportable segment		
Personal finance	54,383	54,551
Vehicle financing	21,593	21,817
Store operations	67,007	65,359
Franchise operations	4,558	3,132
Total of all segments	147,541	144,859
Unallocated liabilities	15,295	14,895
Consolidated total liabilities	162,836	159,754

2.d) Other segment information

	Profit interest in associate under equity method 25% interest		Additions to non-current assets	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Personal finance	-	-	338	106
Vehicle financing	-	-	214	4
Store operations	-	-	9,279	13,793
Franchise operations	853	1,707	885	388
Total of all segments	853	1,707	10,716	14,291
Unallocated liabilities	-	-	40	7,682
Consolidated total liabilities	853	1,707	10,756	21,973

2.e) Geographic information

The Group operates in two principal geographical areas – Australia (country of domicile) and the United Kingdom. The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below.

	Revenue from external customers		Non-current assets	
	30-Jun 2022 $'000	30-Jun 2021 $'000	30-Jun 2022 $'000	30-Jun 2021 $'000
Australia	234,257	195,023	238,393	247,354
United Kingdom	10,962	5,607	9,264	9,909
Rest of world	718	716	-	-
Consolidated total liabilities	245,937	201,346	247,657	257,263

3. Revenue

	30-Jun 2022 $'000	30-Jun 2021 $'000
Financial services interest revenue		
Personal loan interest and establishment fees	102,351	70,821
Pawnbroking fees	27,700	27,491
Cash advance fee income	6,028	6,824
Vehicle loan interest and establishment fees	12,149	13,364
Other financial services revenue	229	297
	148,457	118,797
Sale of goods		
Retail sales	80,391	69,914
Other revenue		
Bank interest	69	186
Webshop revenue	2,219	1,526
Other revenue	221	835
	2,509	2,547

Accounting policies

Franchise fees
Franchise fees and levies in respect of particular services are recognised as income when they become due and receivable and the costs in relation to the income are recognised as expenses when incurred.

Personal loan, cash advance, vehicle finance loan and pawnbroking fees
Interest revenue is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, inclusive of commissions paid to originate the loan, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Loan establishment fee revenue
Establishment fees are deferred and recognised over the life of the loans at the effective interest rate applicable so as to recognise revenue at a constant rate to the underlying principal over the expected life of the loan.

Retail sales
The retail sale of new and second-hand goods, in store and online are recognised when the Group has transferred the risks and rewards of the goods to the buyer or when the services are provided.

Other categories of revenue
Other categories of revenue, such as webshop commissions, are recognised when the Group has transferred the risks and rewards of the goods to the buyer or when the services are provided. Bank interest is recognised as earned on an accruals basis.

No entities within the Group have made any claims under the JobKeeper Payment scheme allowances.

4. Material profit or loss items

Impairment of non-current assets

Impairment expenses are recognised to the extent that the carrying amount of assets exceeds their recoverable amount. Refer to note 25.h for further details on impairment.

	30-Jun 2022 $'000	30-Jun 2021 $'000
Impairment of non-current assets		
Other intangible assets	22	-
Plant and equipment	917	-
Right-of-use assets	10,257	-
	11,196	-

5. Expense items

	Notes	30-Jun 2022 $'000	30-Jun 2021 $'000
Financial services cost of sales			
Bad debts written off		36,684	26,870
Movement in expected credit loss allowance	1.a	6,186	(7,262)
Recovery of bad debts written off		(8,046)	(8,764)
Other financial services cost of sales		2,316	2,637
		37,140	13,481
Employee expenses			
Employee benefits		69,400	61,474
Share-based payments		1,375	890
Superannuation expense		5,758	5,095
		76,533	67,459
Administrative expenses			
General administrative expenses		3,413	3,036
Communications expenses		905	783
IT expenses		3,995	2,781
Travel costs		413	142
		8,726	6,742
Occupancy expenses			
Rent		103	263
Outgoings		1,809	2,185
Lease modifications		(735)	-
Other - cleaning, repairs, security, electricity		2,913	2,643
		4,090	5,091

	30-Jun 2022 $'000	30-Jun 2021 $'000
Depreciation and amortisation expense		
Depreciation	1,747	1,763
Depreciation of right-of-use assets	7,703	10,032
Amortisation of other intangible assets	4,158	4,574
Loss on write down of assets	74	346
	13,682	16,715
Other expenses		
Legal fees	345	885
Professional and registry costs	2,928	5,789
Auditing and accounting services	909	790
Bank charges	956	795
Other expenses from ordinary activities	2,779	2,439
	7,917	10,698
Finance costs		
Interest	6,978	7,198
Interest expense on lease liabilities	5,487	4,591
	12,465	11,789

6. Income tax

6.a) Income tax expense

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current income tax expense		
Current year	9,705	2,076
Adjustment for prior years	(818)	-
Deferred income tax expense		
Temporary differences	(5,873)	3,961
Adjustment for prior years	1,295	386
Deferred tax asset on recognition of carry forward UK losses	(101)	(5,673)
Income tax expense / (benefit) reported in income statement	4,208	750

6.b) Numerical reconciliation of income tax expense to prima facie tax payable

	Note	30-Jun 2022 $'000	30-Jun 2021 $'000
Tax reconciliation			
Profit before tax from continuing operations		15,385	21,454
Income tax at the statutory rate of 30% (2021: 30%)		4,616	6,437
Adjustments relating to prior years		477	386
Income tax rate differential		(315)	(34)
Other adjustments		(484)	(397)
Tax effect of share-based payment expense		15	267
Deferred tax asset on recognition of carry forward UK losses	1.a	(101)	(5,909)
Income tax expense on profit before tax		4,208	750

6.c) Tax losses

	30-Jun 2022 $'000	30-Jun 2021 $'000
Tax losses	-	-

A deferred tax asset in respect of carry forward losses of $8.136 million (2021: $8.511 million) has been recognised in relation to the Group's UK operations. Profit has been achieved in the last three years with the FY 2022 year reflecting utilisation of the carry forward losses because of taxable profits arising. Ongoing taxable profit forecasts have supported recognising in full the deferred tax asset (DTA) that arises from unused tax losses from previous years.

Carry forward losses of $Nil (2021: $Nil) have been recognised in relation to losses in the Group's Australian operations during the current year. Refer to note 25.e for further information supporting the recognition of these losses.

6.d) Uncertainty over Income Tax Treatments

There were no adjustments to the amounts recognised in the financial report as a result of adopting IFRIC 23 *Uncertainty over Income Tax Treatments*.

The Group adopted IFRIC 23 for the first time during the year ended 30 June 2020. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments, under AASB 12 *Income Taxes*.

The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a Group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - if yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - if no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

6.e) Relevance of tax consolidation to the Group

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Cash Converters International Limited. The members of the tax-consolidated group are identified in note 15.

6.f) Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Cash Converters International Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligation. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

See note 8.f for Deferred tax balances.

See note 25.e for the accounting policy.

7. Financial assets and financial liabilities

	30-Jun 2022 $'000	30-Jun 2021 $'000
Financial assets		
Cash and cash equivalents	58,085	72,166
Trade and other receivables	5,332	9,627
Loan receivables	175,653	146,078
	239,070	227,871
Financial liabilities		
Trade and other payables	15,398	13,027
Borrowings	68,365	69,353
	83,763	82,380

7.a) Trade and other receivables

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current		
Trade receivables	1,333	1,315
Allowance for expected credit losses	(308)	(99)
Total trade receivables (net)	1,025	1,216
Vendor finance loans	275	818
Other receivables	2,262	2,699
Total trade receivables	3,562	4,733
Non-current		
Vendor finance loans	-	394
Loan to associate	-	2,837
Other receivables	1,770	1,663
Total trade and other receivables	1,770	4,894

Trade receivables include weekly franchise fees and OTC fees. Where the collection of the debtor is doubtful, an allowance for expected credit losses is recognised. The average credit period on sales is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter, interest may be charged on the outstanding balance.

Vendor finance loans are loans made to purchasers of the Group's UK corporate stores during the year ended 30 June 2017 as part of the purchase agreement. The loans have various terms of up to 6 years, and bear interest at rates between nil and 8%. The receivables are held at amortised cost.

Commercial loan advanced to Cash Converters Holdings LP (New Zealand master franchisee) with a maturity date of 14 September 2023. Interest is charged quarterly at a rate of 5% per annum. The commercial loan was settled during the current financial year.

Other receivables include development agent fees outstanding, sub-master license sales, Mon-E fees, financial commission, and instalment credit loans.

As at 30 June the ageing analysis of trade receivables was as follows:

	30-Jun 2022 $'000	30-Jun 2021 $'000
0 to 30 days	535	451
31 to 60 days past due not impaired	36	19
61 to 90 days past due not impaired	35	173
90+ days past due not impaired	419	573
Stage 3 expected credit loss	308	99
Balance at end of year	1,333	1,315

Allowance for expected credit losses

As at 30 June 2022, trade receivables of $308 thousand (2021: $99 thousand) were considered to be in Stage 3 of expected credit losses as described in the accounting policy. Movements in the allowance for expected credit losses of trade receivables were as follows:

	30-Jun 2022 $'000	30-Jun 2021 $'000
Balance at beginning of year	99	154
Expected credit losses recognised on receivables	213	(57)
Foreign currency exchange differences	(4)	2
Balance at end of year	308	99

See note 25.k for the accounting policy.

7.b) Loan receivables at amortised cost

30-June-2022	Note	Personal Finance $'000	Vehicle Financing $'000	Store Operations $'000	Total $'000
Current					
Outstanding balance		132,872	22,767	17,755	173,394
Allowance for expected credit losses		(23,088)	(5,377)	(1,673)	(30,138)
Net		109,784	17,390	16,082	143,256
Non-current					
Outstanding balance		16,628	23,928	-	40,556
Allowance for expected credit losses		(2,575)	(5,584)	-	(8,159)
Net		14,053	18,344	-	32,397

30-June-2021	Note	Personal Finance $'000	Vehicle Financing $'000	Store Operations $'000	Total $'000
Current					
Outstanding balance		103,493	21,091	19,295	143,879
Allowance for expected credit losses Restated	1.a	(16,896)	(6,594)	(2,256)	(25,746)
Net		86,597	14,497	17,039	118,133
Non-current					
Outstanding balance		10,998	23,188	-	34,186
Allowance for expected credit losses Restated	1.a	(1,543)	(4,698)	-	(6,241)
Net		9,455	18,490	-	27,945

The credit period provided in relation to personal short-term unsecured loans varies up to 24 months. Interest is charged on these loans at a fixed rate which, for pawnbroking loans, varies dependent on the state of origin. An expected credit loss allowance has been made for estimated unrecoverable amounts arising from loans already issued, which has been determined by reference to past default experience. Before accepting any new customers, the Group uses an internally developed scoring system, which uses available credit data, to assess the potential customer's credit quality and define credit limits by customer. There is no concentration of credit risk within the personal loan book.

Vehicle finance loans are secured loans advanced for financing the purchase of vehicles. The average remaining term of these loans is 2.4 years (2021: 2.6 years) and the average interest rate is 24.4% (2021: 24.2%).

As at 30 June the ageing analysis of personal loan and store operations receivables was as follows:

	30-Jun 2022 $'000	30-Jun 2021 $'000
0 to 30 days	127,724	104,641
31 to 60 days past due not impaired	6,961	4,300
61 to 90 days past due not impaired	3,571	2,613
90 + days past due not impaired	1,663	1,537
Loan receivables carrying value	139,919	113,091
Allowance for expected credit loss	27,336	20,695
Gross carrying value	167,255	133,786

As at 30 June the ageing analysis of vehicle finance loan receivables was as follows:

	30-Jun 2022 $'000	30-Jun 2021 $'000
0 to 30 days	24,532	22,385
31 to 60 days past due not impaired	2,208	2,196
61 to 90 days past due not impaired	1,289	1,705
90 + days past due not impaired	7,705	6,701
Loan receivables carrying value	35,734	32,987
Allowance for expected credit loss	10,961	11,292
Gross carrying value	46,695	44,279

Allowance for expected credit losses

In determining the recoverability of a personal loan, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit loss allowance required in excess of the loss allowance.

The following table explains changes in the loss allowance between the beginning and end of the year:

Personal loan receivables Loss allowance	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2021	5,120	7,231	8,344	20,695
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(534)	534	-	-
Transfers from Stage 1 to Stage 3	(684)	-	684	-
Transfers from Stage 2 to Stage 1	135	(135)	-	-
Transfers from Stage 2 to Stage 3	-	(967)	967	-
Transfers from Stage 3 to Stage 1	100	-	(100)	-
Transfers from Stage 3 to Stage 2	-	865	(865)	-
New financial assets originated	5,599	6,292	7,362	19,253
Changes in PDs/LGDs/EADs	589	(570)	712	731
Changes to model assumptions and methodologies	612	1,145	2,210	3,967
Written off and settled loans	(4,064)	(6,415)	(6,831)	(17,310)
Total net change during the period	1,753	749	4,139	6,641
Balance at 30 June 2022	6,873	7,980	12,483	27,336

The following table further explains changes in the gross carrying amount of the loans and receivables to help explain their significance to the changes in the loss allowance:

Personal loan receivables Gross carrying amount	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2021	96,022	21,552	16,212	133,786
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(5,903)	5,903	-	-
Transfers from Stage 1 to Stage 3	(5,966)	-	5,966	-
Transfers from Stage 2 to Stage 1	449	(449)	-	-
Transfers from Stage 2 to Stage 3	-	(2,400)	2,400	-
Transfers from Stage 3 to Stage 1	203	-	(203)	-
Transfers from Stage 3 to Stage 2	-	1,952	(1,952)	-
New financial assets originated	108,669	23,287	18,541	150,497
Changes in outstanding balances	(7,695)	(5,501)	(1,955)	(15,151)
Written off and settled loans	(73,810)	(17,210)	(10,857)	(101,877)
Total net change during the period	15,947	5,582	11,940	33,469
Balance at 30 June 2022	111,969	27,134	28,152	167,255

In determining the recoverability of a vehicle finance loan, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The Group has made a provision based on known historical losses and a reasonable estimation of expected future losses. As these loans are secured by the underlying vehicle financed, the total loss will be reduced by the recoverable amount. Accordingly, the directors believe that there is no further credit loss allowance required in excess of the loss allowance for expected credit losses.

The following table explains changes in the loss allowance between the beginning and end of the year:

Vehicle finance loans receivables Loss allowance	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2021	1,743	2,266	7,283	11,292
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(266)	266	-	-
Transfers from Stage 1 to Stage 3	(222)	-	222	-
Transfers from Stage 2 to Stage 1	218	(218)	-	-
Transfers from Stage 2 to Stage 3	-	(1,146)	1,146	-
Transfers from Stage 3 to Stage 1	98	-	(98)	-
Transfers from Stage 3 to Stage 2	-	91	(91)	-
New financial assets originated	1,332	846	1,253	3,431
Changes in PDs/LGDs/EADs	(410)	483	396	469
Changes to model assumptions and methodologies	(228)	(101)	(510)	(839)
Written off and settled loans	(309)	(509)	(2,574)	(3,392)
Total net change during the period	213	(288)	(256)	(331)
Balance at 30 June 2022	1,956	1,978	7,027	10,961

The following table further explains changes in the gross carrying amount of the loans and receivables to help explain their significance to the changes in the provision as discussed above:

Vehicle finance loans receivables Gross carrying amount	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2021	29,855	5,245	9,179	44,279
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(3,136)	3,136	-	-
Transfers from Stage 1 to Stage 3	(2,299)	-	2,299	-
Transfers from Stage 2 to Stage 1	543	(543)	-	-
Transfers from Stage 2 to Stage 3	-	(2,527)	2,527	-
Transfers from Stage 3 to Stage 1	126	-	(126)	-
Transfers from Stage 3 to Stage 2	-	120	(120)	-
New financial assets originated	19,169	1,764	914	21,847
Changes in outstanding balances	(6,419)	(1,180)	(1,388)	(8,987)
Written off and settled loans	(6,091)	(1,195)	(3,158)	(10,444)
Total net change during the period	1,893	(425)	948	2,416
Balance at 30 June 2022	31,748	4,820	10,127	46,695

Changes in the loss allowance between the beginning and end of the year were attributable to the following items:

- Transfers to/(from) stages: movements due to transfers of credit exposures between Stage 1, Stage 2 and Stage 3.
- New financial assets originated: movements in credit exposures and provisions for impairment due to new financial assets originated.
- Changes in PDs/LGDs/EADs: movements due to changes in probability of default, loss given default and exposure at default. Expected loss rates are based on payment profiles, age and expected lifetime of the receivables, changes in underlying credit quality and historic loss experience.
- Changes to model assumptions and methodologies: movements in provisions for impairment due to adjustments reflecting forward-looking macro-economic information or other assumptions.
- Written-off and settled loans: derecognition of credit exposures and provisions for impairment upon write-off or repayment of receivables.

Accounting policy

Loan receivables that have fixed or determinable payments that are not quoted in an active market are classified as loan receivables and are measured at amortised cost using the effective interest method including transaction costs, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Key estimate – impairment of financial assets
Under AASB 9, a three-stage approach is applied to measuring expected credit losses (ECL) based on credit migration between the stages as follows:

- Stage 1
  At initial recognition, a provision equivalent to 12 months ECL is recognised.
- Stage 2
  Where there has been a significant increase in credit risk (SICR) since initial recognition, a provision equivalent to full lifetime ECL is required.
- Stage 3
  Lifetime ECL is recognised for loans where there is objective evidence of impairment.

ECL are probability weighted and determined by evaluating a range of possible outcomes, taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Probability of default

To measure the expected credit losses, loan receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of loan receivables over a period prior to 1 July 2022 and the corresponding historical credit losses experienced within this period. Default is defined as 90 days past due. For personal loans, the days past due measure used to calculate probability of default is based on days since last missed repayment and for vehicle finance loans, the days past due measure used to calculate probability of default is based on contractual repayment arrears. The default definitions align with definitions used for internal credit risk management purposes and reflect the unique customer repayment behaviour, loan management and collections strategies applied to the different loan products.

Noting the uncharacteristic macro-economic environment in which originations have occurred during the reporting period, the assessment has been informed by stress testing alternative scenarios and assessing model outcomes arising from alternative data windows pre-COVID.

During the period there was a change to the specific provision for accounts reported as being in a formal hardship arrangement, to reflect the reduction in uncertainty and estimated credit risk for this customer cohort based on observed customer repayment behaviour post-COVID. The outcome of this is a $3.098 million (2021: $1.684 million) specific provision for personal loans receivable and $0.504 million (2021: $0.641 million restated) specific provision for vehicle finance loan receivables.

Macro-economic scenarios

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis to identify key economic variables impacting credit risk and expected credit losses for Personal Loans and Motor Vehicle Loans. Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The ECL model is adjusted to reflect forward-looking macro-economic information to allow for additional risk in compliance with AASB 9. An assessment was undertaken to determine the most relevant and reliable economic indicator on which to base a forward-looking assessment of expected credit loss.

Unemployment and inflation rates were chosen as key indicators of impairment levels for the portfolios. Using publicly available forecasts for unemployment rates over the next year, alternate scenarios, outlined below, were determined.

The outlook in forecast unemployment has continued to improve since June 2021 although management remain concerned with the potential for continued short-term volatility given the rapid change in a relatively short period of time and the potential impact of the removal of fiscal and monetary stimulus from the economy.

The outcome of this estimate, weighing continued improvement in unemployment forecasts compared to June 2021 and the potential for continued volatility in unemployment rates, is an additional $0.925 million (2021: additional $0.596 million) provision for personal loan receivables and an additional $0.144 million (2021: $0.232 million) provision for vehicle finance loan receivables.

The table below provides a summary of the unemployment rate forecasts used in the baseline, upside and downside scenarios:

Unemployment rate	FY 2023 (forecast)	FY 2024 (forecast)
Baseline	3.7%	3.6%
Upside	3.2%	2.6%
Downside	4.1%	4.3%

Management have elected to utilise a specific provision to address inflationary risk in the loan book. Utilising data from customer loan applications, serviceability was stress tested at forecast inflationary levels, and a cohort of customers identified as vulnerable to inflationary pressure have had additional provisions made. The impact of this specific provision is $1.326 million additional provision for personal loans receivable and $0.463 million for vehicle finance loan receivables.

The forecast inflation rate that management have used for the above specific provision is 5.9%.

Loss given default

Loss given default is estimated based on historical data related to amounts recovered post write off.

Write-off policy

The Group writes off financial assets in whole or in part on the following basis:

- For personal loans, when payments on the loan reach 90 days past due, based on days since last missed repayment, unless the loan is in a hardship arrangement or in dispute.
- For motor vehicle loans, the date on which all practical asset recovery efforts have been exhausted with no reasonable expectation of further recoveries, if, prior to write off, a loan has reached 180 days in contractual arrears and no payment has been received for 90 days it is subject to a specific provision for the full outstanding balance.

Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral such that there is no reasonable expectation of full recovery. Written off loans can subsequently be sent to third party collection agents for recovery.

7.c) Prepayments

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current		
Other prepayments	1,684	1,233

See note 25.i for the accounting policy.

7.d) Cash and cash equivalents

	30-Jun 2022 $'000	30-Jun 2021 $'000
Cash on hand	2,959	2,993
Cash at bank	55,126	69,173
	58,085	72,166

Cash at bank includes restricted cash of $9.262 million (2021: $4.836 million) that is held in accounts controlled by the CCPF Receivables Trust No 1 that was established to operate the Company's securitisation facility with Fortress Finance. The facility prescribes that cash deposited in this account can only be used to fund new principal advances. Surplus funds at the end of the period are redistributed in keeping with the terms of the securitisation facility. Cash at bank includes a further $6.220 million (2021: $6.220 million) on deposit as security for banking facilities.

See note 25.j for the accounting policy.

7.e) Trade and other payables

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current		
Trade payables	1,127	1,319
Accruals	14,271	11,708
	15,398	13,027

The Group has financial risk management policies in place to ensure that all payables are paid within the allowed credit period in order to avoid the payment of interest on outstanding accounts.

See note 25.o for the accounting policy.

7.f) Borrowings

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current		
Securitisation facility	51,957	51,318
Non-current		
Securitisation facility	16,408	18,035
Total	68,365	69,353

The securitisation facility represents a liability owed by CCPF Receivables Trust No 1, a consolidated subsidiary established as part of the borrowing arrangement with the Fortress Investment Group. This liability is secured against eligible receivables (which includes Small and Medium Amount Credit Contracts issued by Cash Converters Personal Finance and secured vehicle loans provided by Green Light Auto) which have been assigned to the Trust. Collections from Trust receivables are used to pay interest of the securitisation facility, with the remainder remitted to the Group twice per month. Receivables have maturities of up to 5 years and the facility has accordingly been presented as current and non-current liabilities in line with the maturities of the underlying receivables.

The Group renewed the loan securitisation facility with Fortress Investment Group (“Fortress”) in June 2022.

Renewal Summary

- Three-year Availability period.
- Four-year Maturity term commencing 16 June 2022.
- $150.0 million drawdown capacity maintained, with improved advance rates.
- Refinanced on competitive terms with extended tenor.

The Group closed the year with undrawn securitisation facility funding lines of $79.750 million. The Group is in compliance with the requirements of the facility.

Reconciliation of liabilities arising from financing activities – see note 10.c.

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	30-Jun 2022 $'000	30-Jun 2021 $'000
Total facilities		
Securitisation facilities	150,000	150,000
Used at balance date		
Securitisation facilities	70,250	70,250
Unused at balance date		
Securitisation facilities	79,750	79,750

See notes 25.q for the accounting policy.

Loan facility undertakings and review events

The Group's borrowing facilities are subject to various undertakings. The securitisation has various eligibility criteria which the receivables of the Group must meet to be funded under the facility. During the reporting period there have been no events of default or potential events of default.

8. Non-financial assets and liabilities

8.a) Inventories

	30-Jun 2022 $'000	30-Jun 2021 $'000
New and pre-owned goods at cost	25,941	25,923
Provision for obsolete stock	(1,997)	(1,795)
New and pre-owned goods (net)	23,944	24,128

See note 25.l for the accounting policy.

8.b) Property, plant and equipment

	Leasehold improvements	Plant and equipment	Total
	$'000	$'000	$'000
Cost			
Balance at 1 July 2020	12,863	7,896	20,759
Additions	134	2,580	2,714
Additions from business combinations	-	425	425
Disposals	(129)	(1,399)	(1,528)
Foreign currency exchange differences	-	7	7
Balance at 30 June 2021	12,868	9,509	22,377
Additions	1,524	448	1,972
Additions from business combinations	-	240	240
Disposals	(325)	(570)	(895)
Foreign currency exchange differences	-	(26)	(26)
Balance at 30 June 2022	14,067	9,601	23,668
Depreciation			
Balance at 1 July 2020	10,037	6,094	16,131
Disposals	(87)	(1,377)	(1,464)
Depreciation expense	938	825	1,763
Foreign currency exchange differences	-	6	6
Balance at 30 June 2021	10,888	5,548	16,436
Disposals	(84)	(178)	(262)
Depreciation expense	788	959	1,747
Impairment non-current assets	550	367	917
Foreign currency exchange differences	1	(13)	(12)
Balance at 30 June 2022	12,143	6,683	18,826

An impairment has been recognised in the year ended 30 June 2022 (2021: Nil), see note 4.

See note 25.m for the accounting policy.

8.c) Leases

The Group's weighted average incremental borrowing rates applied to the lease liabilities is 8.02% (2021: 7.83%) for leases in Australia and 7.13% (2021: 7.05%) for leases in the United Kingdom.

Right-of-use assets

	30-Jun 2022 $'000	30-Jun 2021 $'000
Cost		
Balance at beginning of year	78,751	61,159
Additions	4,256	10,163
Terminations	(4,551)	(922)
Other remeasurements	272	(211)
Additions from business combinations	2,323	5,291
Lease extensions	2,109	4,589
Lease reductions	(1,019)	(1,340)
Foreign currency exchange differences	10	22
Balance at end of year	82,151	78,751
Depreciation		
Balance at beginning of year	18,503	9,374
Terminations	(4,551)	(922)
Depreciation expense	7,703	10,032
Impairment non-current assets	10,257	-
Foreign currency exchange differences	18	19
Balance at end of year	31,930	18,503
Net book value	50,221	60,248
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	7,703	10,032
Interest expense on lease liabilities	5,487	4,591
Expense relating to short-term leases	103	263
Impairment non-current assets	10,257	-
	23,550	14,886

The Group right-of-use assets relate to property leases. The average lease term is 6.18 years (2021: 6.43 years).

See note 25.f for the accounting policy.

Lease liabilities

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current	6,854	6,925
Non-current	57,963	57,484
	64,817	64,409
Maturity analysis		
Year 1	11,467	11,252
Year 2	11,016	10,442
Year 3	10,186	9,870
Year 4	9,833	8,937
Year 5	9,281	8,563
Onwards	41,457	44,500
	93,240	93,564
Less: unaccrued interest	(28,423)	(29,155)
	64,817	64,409

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

See note 25.f for the accounting policy.

8.d) Goodwill

Gross carrying amount

	30-Jun 2022 $'000	30-Jun 2021 $'000
Balance at beginning of year	109,305	106,967
Recognition on business combinations	1,176	2,338
Balance at end of year	110,481	109,305

Goodwill related to acquisitions of franchise stores completed during the period as disclosed in note 14 has been allocated to Store operations.

Accounting policy

Goodwill arising on an acquisition of a business is carried at cost at the date of acquisition of the business less accumulated impairment losses, if any.

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

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

Allocation of goodwill to CGUs

Goodwill has been allocated for impairment testing purposes to the following CGUs or groups of CGUs:

	30-Jun 2022 $'000	**30-Jun 2021 $'000**
Personal finance	90,561	90,561
Store operations	19,920	18,744
	110,481	109,305

Impairment losses recognised

No impairment losses of goodwill have been recognised in the years ended 30 June 2022 or 30 June 2021.

Impairment testing and key assumptions

Impairment modelling for each CGU has been prepared separately based on a value in use model which uses cash flow projections based on budgets approved by management covering a five-year period. Cash flows beyond the five-year period are estimated using industry growth rates and a terminal value calculated based on a terminal growth rate under standard valuation principles.

Key assumptions are based on a combination of past experience for mature products and external sources (market data) for less mature products and economic metrics such as interest rates. There is inherent uncertainty associated with the key assumptions supporting the cash flow projections including the current economic assumptions for the initial impact of COVID-19.

Working capital requirements are factored into the modelling based on historic requirements for each CGU, and vary in line with earnings growth. Capital investment, required to run the business (i.e. replacement and non-expansionary capital expenditure) has been included based on budgeted amounts for the next financial year and incremental growth in subsequent years consistent with increasing revenues.

The recoverable value of all non-current assets, including goodwill, property, plant and equipment (note 8.b), right-of-use assets (note 8.c) and other intangible assets (note 8.e) is assessed using the impairment testing as outlined in this note.

Significant accounting estimates and assumptions

Significant management judgement is required with respect to estimating the timing and amount of forecast cash flows including:

- projecting loan origination volumes, customer repayments and forecast expected credit losses;
- consideration of the impact of COVID-19 on lending volumes, loan loss rates and retail sales;
- allocation of overheads on a reasonable apportionment basis; and
- the potential impact of possible future changes in legislation.

Significant management judgement is required with respect to the application of an appropriate discount rate to present value the forecast cash flows in which the purpose is to estimate, as far as possible:

- a market assessment of expectations about possible variations in the amount or timing of those cash flows;
- the time value of money, represented by the current market risk-free rate of interest;
- the price for bearing the uncertainty inherent in the asset; and
- other, sometimes unidentifiable, factors (such as illiquidity) that market participants would reflect.

Regulatory background

The Personal Finance business operates in a regulated industry. The impairment testing for this business segment is based on management's expectation of performance, at the date of the impairment testing, being 30 June 2022.

There has been consideration of the potential impact of possible future regulatory changes that are not yet legislated.

On 3 March 2016, the Small Amount Credit Contracts Review Final Report (the Final Report) was delivered by the Review Panel (the Panel) to the Minister for Small Business and Assistant Treasurer. The Final Report outlines proposed regulatory requirements relating to the Protected Earnings Amount (PEA) cap that have the potential to significantly impact Small Amount Credit Contract (SACC) lending volumes, which would impact the Group's Personal Loan and Cash Advance products. One of the recommendations is to extend the SACC protected earnings amount (PEA) requirement to all consumers and lowering it to 10 per cent of the consumer's net income. The Company is continuing discussions with the Government around the Panel recommendations, with no changes to the applicable SACC legislation currently under consideration nor enacted.

Various legislative Bills have been proposed since the date of the Final Report. Most recently the National Consumer Credit Protection Amendment (Supporting Economic Recovery) Bill 2020 ("the Bill") which lapsed when the last Federal election was called. While considered to have a low probability of progressing, the Bill included proposed responsible lending changes for credit licence holders, operating under the regulated National Credit Act, particularly in relation to proposed SACC lending rule changes. There remains significant uncertainty with respect to the timing of enacting any legislative change, as well as the final scope and form of any eventual change.

The Bill included the potential consideration for Small Amount Credit Contract (SACC) ‘protected earnings amounts’ (PEA legislation) changes. As the Bill lapsed, a very low (less than 10%) chance is ascribed to the potential for the Bill, or similar Bill, to complete the legislative process in its current form for the foreseeable future. The considerations behind this assumption included the lobbying undertaken, the reported lack of support for the Bill in the required Senate majority, and the current status of the bill stated as “Not Proceeding” in the current parliamentary business listing of bills and legislation.

Given the very low probability for the potential impact on cashflows from the PEA legislation becoming enacted it is ascribed zero weighting in the forecast cashflows supporting the recoverable value at 30 June 2022.

Key Assumptions

Forecast revenue growth rates in the table below reflect the assumptions in the forecast cashflows. Revenue growth projections for FY2023 reflect an improvement in lending volumes and retail sales with an expectation of reaching pre-COVID-19 levels in FY2023 from a diminished revenue base in FY2021 and FY2022 which were impacted by COVID-19 business disruptions. Management has considered financial performance in FY2022 along with predicted market environments for Personal finance and Store operations in refining FY2023 forecast assumptions.

The following key assumptions were used in the impairment testing:

Assumption	Personal finance	Store operations
2023 Budget Revenue growth / (reduction)	16%	13%
2023 Budget Expense growth / (reduction)	8%	8%
2024 Forecast Revenue growth / (reduction)	4%	4%
2024 Forecast Expense growth / (reduction)	7%	2%
Revenue growth rate beyond year 2	3% to 5%	3%
Expense growth rate beyond year 2	3% to 5%	2%
Terminal growth rate > 5 years	2.5%	2.5%
Post-tax discount rate applied to cash flows	10.8%	10.9%

For the year ended 30 June 2021, the following key assumptions were used in the impairment testing:

Assumption	Personal finance	Store operations
2022 budget revenue growth	34%	30%
2022 budget expense growth	44%	17%
2023 forecast revenue growth	2%	1%
2023 forecast expense growth	4%	2%
Revenue growth rate beyond year 2	3% to 5%	2%
Expense growth rate beyond year 2	5%	2%
Terminal growth rate > 5 years	2%	2%
Post-tax discount rate applied to cash flows	10.6%	10.6%

Impairment sensitivity

The post-tax discount rate applied to cash flows is the discount rate applied to the cash flows of each of the Group's CGUs. It is based on the risk-free rate for ten-year bonds issued by the government. These rates are adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific CGU. In making this adjustment, inputs required are the equity market risk premium (that is the required return over and above a risk-free rate by an investor who is investing in the market as a whole) and the risk adjustment beta, applied to reflect the risk of the specific CGU relative to the market. In determining the risk adjusted discount rate, management has applied an adjustment for the systematic risk to each of the CGUs determined using an average of the betas of comparable listed retail or lending companies. The following table outlines the maximum increase in WACC for the Personal Finance and Store Operations CGUs, being the most sensitive to changes in this assumption, before an impairment would be triggered:

CGU	Discount rate 30 June 2022	Maximum discount rate before impairment
Personal Finance	10.8%	12.1%
Store Operations	10.9%	13.2%

Based on current economic conditions and CGU performances no other reasonably possible change in a key assumption used in the determination of the recoverable value of CGUs would result in a material impairment to Goodwill.

Impairment of non-financial assets other than Goodwill

Accounting policy

A test for impairment of the carrying value of assets can be triggered by a change in a number of indicators, both internal and external. During the reporting period, there were indicators of impairment due to declining market conditions within the second-hand retail and pawn-broking sector including the impacts to the economy, results of Store operations and impact on outlook of the COVID-19 pandemic. Where indicators of impairment exist, it remains a requirement to perform an impairment test of the carrying amount of the individual store CGUs. Goodwill is not allocated to the individual store CGUs as it is monitored by management at the Store Operations operating segment. Included in the assessment of the individual store assets recoverable amount is the application of judgement with respect to the potential impact of COVID-19 on which there remains uncertainty.

An impairment loss is recognised for the amount by which the CGU's carrying amount exceeds its recoverable amount. Recoverable amounts for individual store CGUs are calculated based on a value in use model which uses cash flow projections based on forecasts prepared by management and approved by the Board, covering a five-year period. Cash-flows beyond the five-year period are calculated based on a terminal growth rate under standard valuation principles.

Each individual store CGU carrying amount primarily comprises right-of-use assets, store fixture and fittings as well as other intangibles that are subject to impairment testing. Corporate assets such as software are allocated to the individual stores on a proportionate basis and also tested for impairment.

Significant accounting estimates and assumptions

Significant management judgement is required with respect to the application of an appropriate discount rate to present value the forecast cash flows. Impairment testing for individual store CGUs has been undertaken using a post-tax discount rate of 10.9% consistent with that applied in the testing of CGUs to which goodwill is allocated.

Significant management judgement is required with respect to the determination of cashflow projections based on assumptions for short-term and long-term business performance including revenue and expense growth rates.

Impairment losses recognised

A number of individual store CGUs included in the Store Operations reportable segment were impaired to their recoverable amount at 30 June 2022 and an impairment expense of $11.196 million was recognised. The impairment comprises $10.257 million against right-of-use assets, $0.917 million against store fit out plant and equipment and $22 thousand against other specific intangible assets including software. See note 4 relating to the impairment expense. The assets were impaired to their recoverable amount based on the value in use of the CGU to which they relate.

The impairment at individual store level, which is not an impairment of goodwill, may reverse in future accounting periods if the carrying value of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying value that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Sensitivity to key assumptions

Impairment testing assumptions are subject to significant management judgement. Sensitivity to a 1% increase in the post-tax discount rate assumption would result in an additional impairment of $1.5 million.

Any other adverse movements in key assumptions including a decline in performance against forecast may lead to further impairment.

8.e) Intangible assets

Allocation of other intangible assets to CGUs

	30-Jun 2022 $'000	30-Jun 2021 $'000
Franchise operations (excluding UK)	4,986	5,657
Franchise operations (UK)	1,406	1,279
Personal finance	4,159	5,762
Store operations	4,680	4,559
Vehicle financing	1,758	2,341
	16,989	19,598

Other intangible assets are allocated to their respective CGU and tested for impairment when impairment indicators are identified. Intangible assets with indefinite lives included within other intangible assets are tested for impairment annually. Refer to note 8.d for details of impairment testing. The recoverable value of other intangible assets is assessed using the same assumptions and methods as the goodwill for the related CGUs.

Categories of other intangible assets

	Reacquired Rights $'000	Trade names & customer relationships $'000	Software $'000	Total $'000
Cost				
Balance at 1 July 2020	6,867	16,850	22,676	46,393
Additions	-	-	1,120	1,120
Additions from business combinations	1,733	527	-	2,260
Disposals	-	-	(2,051)	(2,051)
Foreign currency exchange differences	29	-	8	37
Balance at 30 June 2021	8,629	17,377	21,753	47,759
Additions	-	-	892	892
Additions from business combinations	987	86	-	1,073
Disposals	-	-	(458)	(458)
Foreign currency exchange differences	(43)	-	(12)	(55)
Balance at 30 June 2022	9,573	17,463	22,175	49,211
Amortisation				
Balance at 1 July 2020	5,791	8,980	10,251	25,022
Disposals	-	-	(1,453)	(1,453)
Amortisation expense	371	155	4,048	4,574
Foreign currency exchange differences	11	-	7	18
Balance at 30 June 2021	6,173	9,135	12,853	28,161
Disposals	-	-	(80)	(80)
Amortisation expense	497	221	3,440	4,158
Impairment non-current assets	18	4	-	22
Foreign currency exchange differences	(18)	-	(21)	(39)
Balance at 30 June 2022	6,670	9,360	16,192	32,222

An impairment has been recognised in the year ended 30 June 2022 (2021: Nil), see note 4.
See note 25.n for the accounting policy.

8.f) Deferred tax balances

	30-Jun 2022 $'000	30-Jun 2021 $'000
Deferred tax assets		
Allowance for doubtful debts	11,042	8,962
Accruals	546	612
Provisions	4,095	4,099
Leases	4,349	1,497
Other	486	89
Carry forward losses	8,136	8,511
	28,654	23,770
Deferred tax liabilities		
Fixed assets	(466)	(1,173)
Intangible assets	(2,084)	(417)
Other	(15)	(16)
	(2,565)	(1,606)
Net deferred tax assets	26,089	22,164
Reconciliation of net deferred tax assets		
Opening balance at beginning of period	22,164	20,916
Tax expense during period recognised in profit or loss	5,873	(3,961)
Tax on business combinations	(26)	(158)
Prior year adjustment	(1,295)	(386)
Other	(252)	80
Deferred tax asset on recognition of carry forward UK losses	(375)	5,673
Closing balance at end of period	26,089	22,164

A net deferred tax asset of $26.089 million (2021: $22.164 million) has been recognised in the consolidated statement of financial position. There is a critical accounting judgement with respect the recognition of deferred tax assets including where they arise from previous years losses and will be offset against any future taxes on profit. In making this assessment, a forward-looking estimation of taxable profit was made, based on management's best estimate of future performance from continuing operations as at 30 June 2022.

This includes a deferred tax asset in respect of carry forward losses of $8.136 million (2021: $8.511 million) recognised in relation to the Group's UK operations. Profit has been achieved in the last three years with the FY 2022 year reflecting utilisation of the carry forward losses because of taxable profits arising. Ongoing taxable profit forecasts have supported recognising in full the deferred tax asset (DTA) that arises from unused tax losses from previous years.

Continuing operations in Australia made a taxable profit during the current year and is expected to be profitable in future years, therefore supporting the recognition of net deferred tax assets arising from temporary differences in Australia.

See note 25.e for the accounting policy.

8.g) Provisions

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current		
Employee benefits	8,763	7,975
Fringe benefits tax	37	29
Make good obligation of property leases	202	326
Onerous lease contracts	571	767
Other	300	523
	9,873	9,620
Non-current		
Employee benefits	597	735
Make good	1,897	1,787
Onerous lease contracts	50	236
	2,544	2,758

Movements in the provisions were as follows:

	Employee benefits $'000	Fringe benefits tax $'000	Make good - leases $'000	Onerous lease contracts $'000	Other $'000	Total $'000
2022						
Carrying amount at start of year	8,710	29	2,113	1,003	523	12,378
Acquired through business combinations	179	-	80	-	-	259
Transfer from share-based payment reserve	-	-	-	-	-	-
Charged to profit or loss	852	8	144	-	-	1,004
Utilised during the year	(381)	-	(236)	(354)	(223)	(1,194)
Foreign currency exchange differences	-	-	(2)	(28)	-	(30)
Carrying amount at end of year	9,360	37	2,099	621	300	12,417
2021						
Carrying amount at start of year	7,740	54	1,792	541	709	10,836
Acquired through business combinations	216	-	147	-	-	363
Transfer from share-based payment reserve	-	-	-	-	227	227
Charged to profit or loss	804	1	174	444	48	1,471
Utilised during the year	(50)	(26)	-	-	(469)	(545)
Foreign currency exchange differences	-	-	-	18	8	26
Carrying amount at end of year	8,710	29	2,113	1,003	523	12,378

See note 25.r for the accounting policy.

9. Issued capital

Total Issued Capital

	30-Jun 2022 Number	30-Jun 2021 Number	30-Jun 2022 $'000	30-Jun 2021 $'000
Balance at beginning of period	627,545,015	616,437,946	251,213	248,714
Issued during the period	-	11,107,069	-	2,499
Balance at end of period	627,545,015	627,545,015	251,213	251,213

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Changes to the Corporations Act abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Additional fully paid ordinary shares were issued during 2021 under the Dividend Reinvestment Plan for the dividend paid on 14 April 2021.

See note 25.u for the accounting policy.

Issued capital excluding treasury shares

	30-Jun 2022 Number	30-Jun 2021 Number	30-Jun 2022 $'000	30-Jun 2021 $'000
Balance at beginning of period	627,545,015	616,437,946	251,213	248,714
Issued during the period	-	11,107,069	-	2,499
Treasury shares acquired by employee share trust	(6,259,034)	-	(1,550)	-
Balance at end of period	621,285,981	627,545,015	249,663	251,213

Treasury shares

	30-Jun 2022 Number	30-Jun 2021 Number	30-Jun 2022 $'000	30-Jun 2021 $'000
Balance at beginning of period	-	-	-	-
Treasury shares acquired	6,259,034	-	1,550	-
Treasury shares issued	-	-	-	-
Balance at end of period	6,259,034	-	1,550	-

Shares issued to employees are recognised on a first-in-first-out basis. The shares may be acquired on market and are held as treasury shares until such time as they are vested. Forfeited shares are reallocated in subsequent grants. Under the terms of the trust deed, Cash Converters is required to provide the employee share trust with the necessary funding for the acquisition of shares.

10. Cash flow information

10.a) Reconciliation of profit after income tax to net cash inflow from operating activities

	30-Jun 2022 $'000	30-Jun 2021 $'000
Profit after tax	11,177	20,704
Non-cash adjustment to reconcile profit after tax to net cash flows:		
Loss on disposal of non-current assets	74	346
Amortisation	4,158	4,574
Depreciation	9,450	11,795
Impairment non-current assets	11,196	-
Share-based payments	1,375	890
Lease modification	(735)	-
Share of net (profit) / loss of equity accounted investment	(853)	(1,707)
Changes in assets and liabilities:		
Trade and loan receivables	(28,670)	(19,128)
Inventories	659	(8,112)
Other assets	(451)	265
Trade and other payables	4,451	(9,563)
Provisions	(1,223)	1,015
Income tax payables	(2,699)	606
Net cash provided by operating activities	7,909	1,685

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

10.b) Non-cash investing and financing activities

	30-Jun 2022 $'000	30-Jun 2021 $'000
Net Recognition of right of use asset and liability	4,875	18,441
Share based payment reserve transferred to retained earnings	404	285
Share based payment reserve transferred to provisions	-	227

10.c) Reconciliation of liabilities arising from financing activities

	Opening $'000	Net Cashflows $'000	Non-cash Transaction costs $'000	Closing $'000
2022				
Securitisation facility	70,250	-	-	70,250
Transaction costs and other	(897)	(1,875)	887	(1,885)
Lease liabilities	64,409	(10,689)	11,097	64,817
	133,762	(12,564)	11,984	133,182
2021				
Securitisation facility	89,250	(19,000)	-	70,250
Transaction costs and other	(1,458)	(42)	603	(897)
Lease liabilities	53,043	(11,582)	22,948	64,409
	140,835	(30,624)	23,551	133,762

11. Critical estimates and judgements

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amount recognised in the financial statements:

- Recoverability of deferred tax assets – see note 6.c
- Classification of contingent liabilities – see note 16

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

- Impairment of goodwill and other intangible assets – see note 8.d
- Incremental borrowing rate used in calculating lease asset and liability values – see note 8.c
- Impairment of equity investment in associate – see note 15.c
- Useful lives of other intangible assets – see note 25.n
- Impairment of financial assets (including loan receivables) – see note 7.b
- Impairment for inventory – see note 8.a
- What constitutes a business combination – see note 14

Capitalisation of configuration and customisation costs in SaaS arrangements

Note 25.z describes the entity's accounting policy in respect of customisation and configuration costs incurred in implementing SaaS arrangements. In applying the entity's accounting policy, the directors made the following key judgements that may have the most significant effect on the amounts recognised in financial statements.

Part of the customisation and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to the existing on-premise software to enable it to connect with the cloud-based software applications (referred to as bridging modules or APIs).

Judgement was applied in determining whether the additional code meets the definition of and recognition criteria for an intangible asset in AASB 138 *Intangible Assets*.

12. Financial risk management

The Group's activities expose the Group to a variety of financial risks: market risks (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Financial risk and capital management is carried out in accordance with policies approved by the Board. The Board reviews and approves written principles of overall risk management, as well as written policies covering specific areas such as managing capital, mitigating interest rates, liquidity, foreign exchange and credit risk. The Audit and Risk Committee assists the Board in monitoring the implementation of risk management policies.

The Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the Group. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

12.a) Categories of financial instruments

	30-Jun 2022 $'000	30-Jun 2021 $'000
Financial assets		
Cash and cash equivalents	58,085	72,166
Trade and other receivables	5,332	9,627
Loan receivables	175,653	146,078
	239,070	227,871
Financial liabilities		
Trade and other payables	15,398	13,027
Borrowings	68,365	69,353
	83,763	82,380

The Group has no material financial assets or liabilities that are held at fair value. See note 12.j.

12.b) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

12.c) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are relatively small and spot rates are normally used to translate transactions into the reporting currency. There are no foreign currency denominated monetary assets or monetary liabilities in the Group at the reporting date (2021: nil) other than in the functional currency of the operating entity.

12.d) Cash flow and fair value interest rate risk

The Company and the Group are exposed to interest rate risk as entities in the consolidated Group borrow funds at variable rates and place funds on deposit at variable rates. Loans issued by the Group are at fixed rates. The risk is managed by the Group by monitoring interest rates.

The Company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

12.e) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50-basis point increase or decrease is used because this represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit would increase/decrease by approximately $303 thousand (2021: increase/decrease by approximately $198 thousand).

12.f) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, other than its franchisees. Refer to note 7.b. The Group has a policy of obtaining sufficient collateral or other securities from these franchisees. Most loans within the financing divisions relate to loans made by Cash Converters Personal Finance and Green Light Auto which may be both secured and unsecured loans. Credit risk is present in relation to all loans made, which is managed within an agreed corporate policy on customer acceptance and ongoing review of recoverability. For secured loans, the fair value of the credit risk considers the underlying value of the collateral against the loan.

12.g) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Included in note 7.f is a listing of additional undrawn facilities that the Company / Group has at its disposal to further reduce liquidity risk.

12.h) Remaining contractual maturity for its financial liabilities

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are at floating rates, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	1 year or less	1 to 5 years	More than 5 years	Total	Carrying value 30 June
	$'000	$'000	$'000	$'000	$'000
2022					
Non-interest bearing	15,398	-	-	15,398	15,398
Variable interest rate instruments	6,978	90,916	-	97,894	68,365
	22,524	90,916	-	113,292	83,763
2021					
Non-interest bearing	13,027	-	-	13,027	13,027
Variable interest rate instruments	6,341	73,220	-	79,561	69,353
	19,368	73,220	-	92,588	82,380

The amounts included above for variable interest rate instruments are subject to change if actual rates differ from those applied in the above average calculations.

12.i) Financial assets

The following table details the Group's expected maturity for its financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company / Group anticipates that the cash flow will occur in a different period.

	1 year or less	1 to 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000
2022				
Non-interest bearing	47,230	-	-	47,230
Fixed interest rate instruments	6,500	-	-	6,500
Variable interest rate instruments	9,625	-	-	9,625
	63,355	-	-	63,355
2021				
Non-interest bearing	40,587	-	-	40,587
Fixed interest rate instruments	7,245	3,434	-	10,679
Variable interest rate instruments	30,683	-	-	30,683
	78,515	3,434	-	81,949

The amounts included above for variable interest rate instruments are subject to change if actual rates differ from those applied in the above average calculations.

12.j) Fair value of financial instruments

The fair value of the Group's financial assets and liabilities are determined on the following basis:

Financial assets and financial liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)

At 30 June 2022 and 30 June 2021, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

The fair value of the monetary financial assets and financial liabilities is based upon market prices where a market price exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Financial assets and financial liabilities that are measured at fair value on a recurring basis

Subsequent to initial recognition, at fair value financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 June 2022 and 30 June 2021, the Group has no material financial assets and liabilities that are measured on a recurring basis at fair value.

13. Capital management

13.a) Risk management

The Board determines the appropriate capital structure of the Group, specifically how much is raised from shareholders (equity) and how much is borrowed from financial institutions and capital markets (debt), in order to finance the Group's activities both now and in the future.

The Board considers the Group's capital structure and its dividend policy at least twice a year ahead of announcing results, in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan.

Financial risk and capital management is carried out in accordance with policies approved by the Board. The Board reviews and approves written principles of overall risk management, as well as written policies covering specific areas such as managing capital, mitigating interest rates, liquidity, foreign exchange and credit risk. The Audit and Risk Committee assists the Board in monitoring the implementation of risk management policies.

13.b) Dividends

			Year ended 30-June-2022		Year ended 30-June-2021	
			Cents per share	**$'000**	**Cents per share**	**$'000**
Recognised amounts on fully paid ordinary shares						
2021 Interim dividend	Paid	14-Apr-21			1.00	6,164
2021 Final dividend	Paid	14-Oct-21	1.00	6,275		
2022 Interim dividend	Paid	14-Apr-22	1.00	6,275		
				12,550		6,164
Unrecognised amounts on fully paid ordinary shares						
2021 Final dividend	Paid	14-Oct-21			1.00	6,275
2022 Final dividend	To be paid	14-Oct-22	1.00	6,275		

Franking credits

	30-Jun 2022 $'000	30-Jun 2021 $'000
Franking credits available on a tax paid basis	66,969	65,369

See note 25.v for the accounting policy.

14. Business combination

The values identified in relation to the acquisitions during the period are final as at reporting date.

During the period the Group acquired the trade and other assets of three Cash Converters franchised stores in Australia for total consideration of $3.172 million.

Store	State	Acquisition date
Corio	VIC	30 September 2021
Dandenong	VIC	30 September 2021
Geelong	VIC	30 September 2021

The trade and other assets of the following stores were acquired in the year ended 30 June 2021.

Store	State	Acquisition date
Morley	WA	8 October 2020
Melbourne City	VIC	10 December 2020
Blacktown	NSW	11 March 2021
Richmond	NSW	11 March 2021
Coconut Grove	NT	17 June 2021
Palmerston	NT	18 June 2021

14.a) Summary of acquisition

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

	30-Jun 2022 $'000	30-Jun 2021 $'000
Net assets acquired		
Cash and cash equivalents	28	54
Trade and other receivables	7	55
Loan receivables	377	1,156
Inventories	475	824
Plant and equipment	240	425
Other intangible assets	1,073	2,260
Right-of-use assets	2,323	5,291
Deferred tax liability	(26)	(158)
Provisions	(258)	(363)
Lease liabilities	(2,243)	(5,144)
	1,996	4,400
Consideration satisfied in cash	3,172	6,738
Goodwill arising on acquisition	1,176	2,338

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire the stores. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the stores. These benefits are not recognised separately from goodwill as the future economic benefits from them cannot be reliably measured.

No amount of the Goodwill recognised is expected to be deductible for tax purposes.

14.b) Purchase consideration – cash outflow

	30-Jun 2022 $'000	30-Jun 2021 $'000
Cash outflow to acquire franchise stores		
Cash consideration	3,172	6,738
Less Cash balances acquired	(28)	(54)
Net outflow of cash - investing activities	3,144	6,684

14.c) Revenue and profit contribution

The businesses acquired in FY2022 contributed revenues of $2.641 million and net profit before income tax of $31 thousand to the Group for the period from 30 September 2021 to 30 June 2022.

If the acquisitions had all occurred on 1 July 2021, for the year ended 30 June 2022 consolidated pro-forma revenue for the Group would include an additional $838 thousand and the consolidated pro-forma net profit before income tax would include an additional loss of $63 thousand. These amounts have been calculated using the data examined as part of the due diligence conducted prior to each store acquisition.

The acquired businesses were loss making at the time of acquisition due to COVID related poor trading conditions and they were acquired by the Group with the intention of improving the earnings by implementation of the Group's management and operational practices. A Government mandated lockdown was ongoing at the date of acquisition and continued until 21st October 2021, with limited restrictions continuing thereafter.

The Group has integrated the stores into its operating structure and has forecast improved earnings in future periods.

14.d) Acquisition related costs

Acquisition related costs of $112 thousand (2021: $450 thousand), are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

14.e) Prior period

The business combinations completed in the year ended 30 June 2021 have now been finalised and there are no material changes to the initial accounting for these business combinations.

14.f) Significant accounting judgements

The Group has applied judgement in determining what constitutes a business combination as well as applying judgement to classifying the individual businesses acquired as individually immaterial and as such has disclosed the business acquisitions in aggregate. This is consistent with past acquisitions of franchise stores.

14.g) Significant accounting estimates and assumptions

The Group has applied judgement in determining the fair values assigned to the individual assets and liabilities acquired with each franchise store under the business combination.

Separately Identifiable Intangible Assets

To calculate Customer Relationships and Reacquired Rights, the Group has used the 'excess earnings' method which measures the value of an intangible assets after excluding the proportion of the cash flows that are attributable to other assets.
In assessing the Fair Value of the Customer Relationships, the excess earnings methodology was applied by forming assumptions on the retention rates of Personal Finance and Pawnbroking customers of the business and forecasting the expected cash flows to be derived from these relationships based on revenue assumptions.

In assessing the Fair Value of the Reacquired Rights, the excess earnings approach was used where the value of the Reacquired Rights was assessed as being the net present value of the future cash flows which are expected to be generated over the remaining contractual life of the franchise agreement. The cash flows which were allocated to the Fair Value of the Customer Relationships were deducted in this assessment to avoid any double counting of cash flows.

15. Interests in other entities

15.a) Subsidiaries

Controlled entities of Cash Converters International Limited:

Name of entity					Country of incorporation	Ownership interest 2022	2021
Cash Converters (Cash Advance) Pty Ltd	1	2			Australia	100%	100%
Cash Converters Finance Corporation Pty Ltd			3	4	Australia	64.33%	64.33%
Cash Converters (NZ) Pty Ltd					Australia	100%	100%
Cash Converters Personal Finance Pty Ltd	1	2			Australia	100%	100%
Cash Converters Pty Ltd	1	2			Australia	100%	100%
Cash Converters (Stores) Pty Ltd	1	2			Australia	100%	100%
Cash Converters UK Holdings PLC					UK	100%	100%
Cash Converters USA Pty Ltd			3	4	Australia	99.285%	99.285%
CC Acquisitions Pty Ltd		2			Australia	100%	100%
Finance Administrators of Australia Pty Ltd	1	2			Australia	100%	100%
Green Light Auto Group Pty Limited	1	2			Australia	100%	100%
Mon-E Pty Ltd	1	2			Australia	100%	100%
Safrock Finance Corporation (QLD) Pty Ltd		2			Australia	100%	100%
CCPF Receivables Trust No 1					Australia	100%	100%
Cash Converters Employee Share Trust					Australia	100%	100%

1 These companies are parties to the Deed of Cross Guarantee and members of the Closed Group as at 30 June 2022.
2 These companies are members of the tax consolidated group.
3 Non-controlling interest is not considered material in these subsidiaries.
4 Converted from a public company limited by shares to a proprietary company limited by shares on during the period.

15.b) Deed of cross guarantee

Cash Converters International Limited and certain wholly-owned companies (the Closed Group), identified in (a) above, are parties to a Deed of Cross Guarantee (the Deed). The effect of the Deed is that members of the Closed Group guarantee to each creditor payment in full of any debt in the event of winding up of any of the members under certain provisions of the Corporations Act 2001. ASIC Corporations Instrument 2016/785, issued on 28 September 2016, provides relief to parties to the Deed from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and directors' reports, subject to certain conditions as set out therein.

Pursuant to the requirements of this Corporations Instrument, a summarised consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022 and consolidated Statement of Financial Position as at 30 June 2022, comprising the members of the Closed Group after eliminating all transactions between members, are set out on the following pages.

Summarised statement of profit or loss and comprehensive income

		Restated
	30-Jun 2022 $'000	**30-Jun 2021 $'000**
Profit before income tax	12,642	20,664
Income tax expense	(4,321)	(6,498)
Total comprehensive income	8,321	14,166

Summary of movements in Closed Group's retained earnings

	30-Jun 2022 $'000	**30-Jun 2021 $'000**
Retained earnings at beginning of year	51,236	42,949
Transfer reserve balance	(407)	285
Dividend paid	(12,550)	(6,164)
Net profit	8,321	14,166
Retained earnings at end of year	46,600	51,236

Statement of financial position

	30-Jun 2022 $'000	Restated 30-Jun 2021 $'000
Current assets		
Cash and cash equivalents	47,861	66,871
Trade and other receivables	1,845	1,768
Loan receivables	143,256	118,133
Inventories	23,734	23,748
Prepayments	1,459	1,288
Total current assets	218,155	211,808
Non-current assets		
Trade and other receivables	1,509	4,168
Loan receivables	32,397	27,945
Plant and equipment	4,708	5,551
Right-of-use assets	50,000	60,243
Deferred tax assets	17,953	13,654
Goodwill	110,481	109,305
Other intangible assets	16,042	18,924
Investments in associates	4,869	7,168
Total non-current assets	237,959	246,958
Total assets	456,114	458,766
Current liabilities		
Trade and other payables	10,474	9,448
Lease liabilities	6,761	6,667
Current tax payable	1,839	550
Borrowings	51,957	51,318
Provisions	9,289	9,003
Total current liabilities	80,320	76,986
Non-current liabilities		
Lease liabilities	57,736	57,396
Borrowings	16,408	18,035
Provisions	2,481	2,522
Total non-current liabilities	76,625	77,953
Total liabilities	156,945	154,939
Net assets	299,169	303,827
Equity		
Issued capital	249,663	251,213
Reserves	2,906	1,378
Retained earnings	46,600	51,236
Total equity	299,169	303,827

15.c) Interests in associates

	30-Jun 2022 $'000	30-Jun 2021 $'000
Balance at beginning of year	7,168	6,636
Net profit for year	853	1,707
Return on investment received	(2,870)	(1,124)
Foreign exchange adjustment	(283)	(51)
Balance at end of year	4,868	7,168

Associates are those entities over which the Company has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

The financial statements include the Company's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. If the Company's share of losses exceeds its interest in an associate, their carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

During the year, the Company held an investment in the Cash Converters Holdings Limited Partnership, the master franchisor in New Zealand. The Company holds a 25% equity interest (ownership and voting interest) in all aspects of the New Zealand enterprise, including corporate stores, franchise contracts and financial services.

Summarised financial information

Summarised financial information in respect of the Group's interest in Cash Converters Holdings Limited Partnership is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	30-Jun 2022 $'000	30-Jun 2021 $'000
Current assets	3,567	8,473
Non-current assets	3,987	4,208
Current liabilities	(386)	(493)
Non-current liabilities	-	(2,720)
Net assets	7,168	9,468

16. Contingent liabilities

In the course of its normal business the Group occasionally receives claims and writs for damages and other matters arising from its operations. Where, in the opinion of the directors it is deemed appropriate, a specific provision is made, otherwise the directors deem such matters are either without merit or of such kind or involve such amounts that would not have a material adverse effect on the operating results or financial position of the economic entity if disposed of unfavourably.

AUSTRAC has issued Notices on reporting entities within the Group under subsection 167(2) of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), requiring information and documents be given and produced. The relevant period to which the Notices have applied is 14 February 2014 to 1 October 2021.

The Company has continued to co-operate fully with AUSTRAC and complied by responding to the requirements outlined in the Notices on or before the required due dates, as well as addressing in a timely manner all follow up information requests.

Additionally, the Group has significantly strengthened its Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program with ongoing constructive engagement with the regulator. Independent Reviews have been completed by a leading AML/CTF compliance expert. The reviews were completed to ensure that the AML/CTF Program is aligned to the money laundering/terrorism funding risks faced, is compliant with the AML/CTF Rules, and is being followed. Where opportunities have been identified where Cash Converters could enhance the AML/CTF Program to more appropriately document and reflect the systems and controls it has designed and implemented, these were considered, and the required changes have been actioned and completed. The close out of the Independent Reviews has included keeping the regulator informed.

At the date of this report the outcome is unknown as AUSTRAC have not completed their investigation and therefore it is not possible to determine the extent of any potential financial impact to the Group. Consequently, no amounts have been recognised or provided for as contingent liabilities at the date of this report.

The directors are not aware of any other material contingent liabilities in existence as at 30 June 2022 requiring disclosure in the financial statements.

17. Commitments

Capital expenditure

As at 30 June 2022, capital expenditure commitments were $645 thousand (2021: Nil).

Other contractual commitments

	30-Jun 2022 $'000	30-Jun 2021 $'000
Within one year	4,408	1,641
One to five years	2,091	3,170
Longer than five years	353	-
	6,852	4,811

18. Events occurring after the reporting period

There were no significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

19. Related party transactions

19.a) Subsidiaries

The immediate parent and ultimate controlling party of the Group is Cash Converters International Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

19.b) Key management personnel compensation

Details of directors and other members of KMP of Cash Converters International Limited during the year are:

Non-executive directors

Mr Timothy Jugmans	Chairman and non-executive director (from 1 April 2022)
Mr Jason Kulas	Chairman and non-executive director (to 31 March 2022)
Mr Lachlan Given	Non-executive director
Ms Julie Elliott	Non-executive director Chair of Governance, Remuneration and Nomination Committee Audit and Risk Committee member Board and Investment Committee member
Mr Robert Hines	Non-executive director Chair of Audit and Risk Committee Chair of Board Investment Committee Governance, Remuneration and Nomination Committee member
Mr Henry Shiner	Non-executive director Audit and Risk Committee member Board and Investment Committee member Governance, Remuneration and Nomination Committee member
Ms Susan Thomas	Non-executive director (from 1 April 2022) Audit and Risk Committee member Board and Investment Committee member Governance, Remuneration and Nomination Committee member

Executive directors

Mr Sam Budiselik	Managing Director & Chief Executive Officer
Mr Peter Cumins	Executive Deputy Chairman

Executive key management personnel

Ms Lisa Stedman	Chief Operating Officer
Mr James Miles	Chief Information Officer
Mr Leslie Crockett	Chief Financial Officer

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

	30-Jun 2022 $	30-Jun 2021 $
Short-term employee benefits	3,872,604	4,134,388
Post-employment benefits	151,277	171,558
Other long-term benefits	37,081	25,345
Share-based payments	1,197,785	656,482
Termination benefits	-	270,513
	5,258,747	5,258,286

19.c) Transactions with other related parties

During the year an amount of $120,000 (2021: $120,000) was paid for consulting services to an entity controlled by Mr P Cohen, the beneficial owner of EZCORP Inc, the Company's largest shareholder.

During the 2021 year, consistent with the terms of his employment contract, the Governance, Remuneration and Nomination Committee and Board approved a restructure of the fixed remuneration package of the Executive Deputy Chairman. In FY2021 the base salary per annum was increased from $371,597 to $441,426 and the Company was released from the contractual requirement to provide usage of a fully maintained company car.

Under the terms of the employment contract, the Governance, Remuneration and Nomination Committee approved the outright sale of the motor vehicle that had previously been provided, to the Executive Deputy Chairman. The sale was conducted at arms-length market value and settled in full on the date of transfer of ownership.

Other than share-based payments (as disclosed in note 20) and shareholdings of Key Management Personnel (KMP) (as disclosed in the remuneration report), the parent, its subsidiaries, associates and KMP made no other related party transactions during the reporting period.

20. Share-based payments

20.a) Employee rights plan

The Cash Converters rights plan, which was approved by shareholders on 18 November 2015, allows the directors of the Company to issue performance rights which will vest into ordinary shares in the Company upon the achievement of certain vesting conditions.

Each right entitles the holder to subscribe for one fully paid ordinary share in the Company at the exercise price of nil. During the reporting period, a total of 9,285,712 performance rights were granted in Tranches 31 and 32 to senior executives of the Company.

The following arrangements were in existence during the current reporting period:

Tranche	Grant date	Grant date fair value	Exercise price	Measurement date	Number
27	9-Jun-20	$0.171	$0.00	30-Jun-22	5,100,544
28	9-Jun-20	$0.195	$0.00	30-Jun-22	5,100,544
29	29-Sep-20	$0.096	$0.00	30-Jun-23	6,612,478
30	29-Sep-20	$0.150	$0.00	30-Jun-23	6,612,478
31	26-Oct-21	$0.162	$0.00	30-Jun-24	4,642,856
32	26-Oct-21	$0.213	$0.00	30-Jun-24	4,642,856

20.b) Fair value of performance rights granted during the year

The weighted average fair value of the performance rights granted during the financial year is $0.19 (2021: $0.12). Where relevant, the expected life used in the model is based on the earliest vesting date possible for each tranche, based on the vesting conditions.

	Tranche 31	Tranche 32
Grant date	26-Oct-21	26-Oct-21
Option pricing model	Hoadley 1	Hoadley 2
Grant date share price	$0.26	$0.26
Exercise price	$0.00	$0.00
Expected volatility	48.50%	48.50%
Option life	2.68 years	2.68 years
Dividend yield	7.41%	7.41%
Risk-free interest rate	0.69%	0.69%

Hoadley Trading and Investment Tools

Hoadley 1	Hoadley Hybrid ESO Model - Relative TSR vs Peer Group Monte-Carlo simulation
Hoadley 2	Hoadley ESO2 trinomial model

20.c) Movement in performance rights during the year

The following table illustrates the number of, and movements in, performance rights during the year. The performance rights were issued at no charge, and the weighted average exercise price is nil. No rights were exercisable at the end of the current year.

	2022 Number	2021 Number
Outstanding at beginning of year	17,981,746	14,110,146
Granted during year	9,285,712	13,224,956
Forfeited / lapsed during year	(403,906)	(9,353,356)
Outstanding at end of year	26,863,552	17,981,746
To be cash settled	2,052,076	2,052,076

20.d) Share options exercised during the year

No share options were exercised during the years ended 30 June 2022 or 30 June 2021.

20.e) Share options forfeited / lapsed during the year

Tranche	Grant date	Number
Year ended 30 June 2022		
27	9-Jun-20	126,765
28	9-Jun-20	126,765
31	26-Oct-21	75,188
32	26-Oct-21	75,188
		403,906
Year ended 30 June 2021		
23	19-Dec-18	1,954,529
24	19-Dec-18	1,954,529
27	9-Jun-20	1,160,266
28	9-Jun-20	1,160,266
29	29-Sep-20	1,561,883
30	29-Sep-20	1,561,883
		9,353,356

20.f) Share options outstanding at year end

The total number of options outstanding at 30 June 2022 was 26,863,552 (2021: 17,981,746). The equivalent of 2,052,076 options will be cash settled at their vesting dates if they are determined under the Equity Plan Rules to vest. A provision has been recognised for these at 30 June 2022 and 30 June 2021.

Tranche	Grant date	Grant date fair value	Exercise price	Measurement date	Number
27	9-Jun-20	$0.171	$0.00	30-Jun-22	3,813,513
28	9-Jun-20	$0.195	$0.00	30-Jun-22	3,813,513
29	29-Sep-20	$0.096	$0.00	30-Jun-23	5,050,595
30	29-Sep-20	$0.150	$0.00	30-Jun-23	5,050,595
31	26-Oct-21	$0.162	$0.00	30-Jun-24	4,567,668
32	26-Oct-21	$0.213	$0.00	30-Jun-24	4,567,668
					26,863,552

The weighted average remaining contractual life for the options outstanding at 30 June 2022 was 1.1 years (2021: 1.6 years).

21. Remuneration of auditors

The auditor of Cash Converters International Limited is Deloitte Touche Tohmatsu.

	30-Jun 2022	30-Jun 2021
Audit / review of the financial report		
- Group	748,417	721,899
- Subsidiaries	125,316	54,092
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	46,200	-
Other services		
- Taxation services	32,473	-
	952,406	775,991

22. Earnings per share

22.a) Earnings per share

	30-Jun 2022 cents	30-Jun 2021 cents
Basic	1.80	3.35
Diluted	1.73	3.26

22.b) Reconciliations of earnings used in calculating earnings per share

	30-Jun 2022 $'000	30-Jun 2021 $'000
Basic and diluted earnings per share		
Profit attributable to shareholders of the Company used in calculating earnings per share	11,177	20,704

22.c) Weighted average number of shares used as the denominator

	30-Jun 2022 Number	30-Jun 2021 Number
Weighted average number of shares - basic	621,285,981	618,781,081
Dilutive effect of performance rights	24,811,476	15,929,670
Weighted average number of shares - diluted	646,097,457	634,710,751

23. Assets pledged as security

See note 7.d for cash and cash equivalents designated as restricted cash to operate the securitisation facility and for cash on deposit as security for banking facilities.

See note 7.f for the borrowing facility secured against eligible receivables.

24. Parent entity financial information

The financial information of the parent entity, Cash Converters International Limited has been prepared on the same basis as the consolidated financial report.

Statement of financial position

	30-Jun 2022 $'000	30-Jun 2021 $'000
Assets		
Current assets	65	14
Non-current assets	308,375	320,076
Total assets	308,440	320,090
Liabilities		
Current liabilities	2,082	653
Non-current liabilities	-	-
Total liabilities	2,082	653
Net assets	306,358	319,437
Equity		
Issued capital	249,663	251,213
Reserves	2,495	716
Retained earnings	54,200	67,508
Total equity	306,358	319,437

Comprehensive income

	30-Jun 2022 $'000	30-Jun 2021 $'000
(Loss) / Profit for the year	(758)	69,302
Other comprehensive income	-	-
Total comprehensive (loss) / profit	(758)	69,302

Comprehensive income

During the 30 June 2021 year, the subsidiaries declared dividends to the parent entity.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Cross guarantees have been provided by the parent entity and its controlled entities as listed in note 15.b.

Cash Converters International Limited has provided a cross guarantee to HSBC for a BACS facility provided to CCUK.

25. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Cash Converters International Limited and its subsidiaries.

25.a) Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of Cash Converters International Limited and entities controlled by the Company and its subsidiaries (the Group, as outlined in note 15).

Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

25.b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Segment reporting is at note 2.

25.c) Foreign currency translation

Both the functional and presentation currency of Cash Converters International Limited and its Australian subsidiaries is Australian dollars ($). The functional and presentation currency of the non-Australian Group companies is the national currency of the country of operation.

As at the reporting date, the assets and liabilities of foreign subsidiaries are translated into Australian dollars at the rate of exchange ruling at the reporting date and the statements of comprehensive income are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity, the foreign currency translation reserve.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign currency differences arising on translation are recognised in the income statement.

25.d) Revenue recognition

Accounting policy is at note 3.

25.e) Income tax

Income tax is accounted for using the balance sheet method. Accounting income is not always the same as taxable income, creating timing differences. These differences usually reverse over time. Until they reverse, a deferred tax asset or liability must be recognised in the statement of financial position.

Current taxes

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, taxation authorities. All are calculated at the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred taxes

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available to utilise them. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) that affect neither taxable income nor accounting profit. A deferred tax liability is not recognised in relation to the temporary differences arising from the initial recognition of goodwill.

The carrying amount of deferred income tax assets is reviewed at balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

25.f) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the right of use of an identified asset – this may be specified explicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset.

At inception or reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying asset is available for use. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset comprises the initial lease liability amount, initial direct costs incurred when entering into the lease less lease incentives received and an estimate of the costs to be incurred in dismantling and removing the underlying asset and restoring the site on which it is located to the condition required by the terms and conditions of the lease.

Unless the Group is reasonably certain of obtaining ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

An impairment review is undertaken for any right-of-use asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use asset that is impaired.

Lease liabilities

The lease liability is initially measured at the present value of the fixed and variable lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group adjusts the lease liability due to changes in lease payments and lease terms during the period.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases i.e. those leases that have a lease term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (less than $7,500). Payments associated with short-term leases (buildings, equipment and vehicles) and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT equipment and small items of office furniture.

Incremental borrowing rate

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and adjustments specific to the lease (e.g. term, country, currency and security).

Extension and termination options

Extension and termination options are included in several property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

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).

The lease term is reassessed if an option is exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Where "make-good" obligations exist in leases, the amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those future cash flows. The assessment of the present value of the future obligation requires the application of judgment.

25.g) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the consolidated entity in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 *Business Combinations* are recognised at their fair value at the acquisition date, except that:
- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the consolidated entity of an acquiree's share-based payment awards are measured in accordance with AASB 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB *5 Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the consolidated entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period from the date of acquisition to the date the consolidated entity obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

25.h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

25.i) Prepayments

Prepayments for goods and services which are to be provided in future years are recognised as prepayments and amortised over the period in which the economic benefits are received.

25.j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

25.k) Trade receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as trade and other receivables and are measured at amortised costs using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

The group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

25.l) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including purchase costs are assigned to individual inventory items on hand. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

When determining the net realisable value of inventories, an estimation is made as to the costs necessary to make the sale in the ordinary course of business. Judgement is applied to determine which costs are necessary to make the sale considering the specific facts and circumstances, including the nature of the inventories.

25.m) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Leasehold improvements	8 years
Plant and equipment	5 years
Fixtures and fittings	8 years
Computer equipment	3 years

25.n) Intangible assets

Reacquired rights and customer relationships acquired through business combinations are recognised at fair value at acquisition date less accumulated amortisation and impairment.

Trade names relating to repurchased sub-master licenses both overseas and in Australia are recognised at cost less accumulated amortisation.

Software development expenditure is recognised as an asset when it is possible that future economic benefits attributable to the asset will flow. Software assets are recognised at cost less accumulated amortisation.

Intangible assets are amortised as follows:

Asset	Amortisation period
Reacquired rights	The remaining life of each franchise agreement as at the acquisition date
Customer relationships	Useful life of 5 years based on historic average customer relationships
Trade names	Indefinite life intangible
Software	Useful life of 5 years based on historic experience

Key estimate – useful lives of other intangible assets

The Company reviews the estimated useful lives of other intangible assets at the end of each annual reporting period. The estimation of the remaining useful lives of other intangible assets requires the entity to make significant estimates based on both past performance and expectations of future performance.

25.o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

25.p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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 period.

25.q) Borrowing costs

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

25.r) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and personal leave when it is probable that settlement will be required, and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

The Group is required to make good each of its lease premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required.

25.s) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

Liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using appropriate market yields at the end of the reporting with terms that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

25.t) Share-based payments

The Group provides benefits to executives of the Group in the form of share-based payment transactions, whereby KMP render services in exchange for options (equity-based transactions). These performance rights are indeterminate rights and confer the right (following valid exercise) to the value of an ordinary Share in the Company at the time, either settled in Shares that may be issued or acquired on-market, or settled in the form of cash, at the discretion of the Board (a feature intended to ensure appropriate outcomes in the case of terminations).

The current plan to provide these benefits is the Executive Performance Rights Plan. The cost of the equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation methodology.

The cost of equity-based transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the profit or loss is the product of:
- The grant date fair value of the award;
- The current best estimate of the number of the awards that will vest, taking into account such factors as the likelihood of non-market performance conditions being met; and
- The expired portion of the vesting period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where vesting is conditional upon a market condition and awards do not ultimately vest, amounts previously charged to the share-based payment reserve are reversed directly to retained earnings, and not to profit and loss.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of dilutive earnings per share.

25.u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where Cash Converters purchases the Company's equity instruments as a result of a share-based payment plan, the consideration paid, including and directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Cash Converters as treasury shares. Shares held in the Cash Converters Employee Share Trust are disclosed as treasury shares and deducted from contributed equity.

25.v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

25.w) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners 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, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

25.x) Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

25.y) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

25.z) Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Directors’ declaration

The directors declare that:

a) in the directors’ opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
b) in the directors’ opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
c) in the directors’ opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and
d) the directors have been given the declarations required by s295A of the Corporations Act 2001.

At the date of this declaration the Company is within the class of companies affected by *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors’ opinion, there are reasonable grounds to believe that the Company and the companies to which the *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* applies, as detailed in note 15.a to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the *Corporations Act 2001*.

On behalf of the directors

Sam Budiselik
Managing Director

Perth, Western Australia
31 August 2022

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Independent Auditor's Report to the members of Cash Converters International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cash Converters International Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, 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 statements, 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:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 for 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.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Allowance for expected credit loss – loan receivables As disclosed in Note 7.b), the carrying value of loan receivables as at 30 June 2022 was $175.7 million, net of allowance for expected credit loss (ECL) of $38.3 million. Loans subject to provisioning include personal loans, pawnbroking loans and vehicle finance loans. Significant management judgement is necessary in determining expected credit losses, including: • The identification of loans with significant increase in credit quality to determine whether a 12 months or lifetime ECL should be recognised; • Assumptions used in the ECL models such as the financial condition of the counterparty, repayment capacity, any collateral value and forward-looking macroeconomic factors disclosed in note 7.b) which impact on the estimate of loss given default; and • Management judgements used in the calculation of overlays to the ECL models.	Our procedures included, but were not limited to: • Obtaining an understanding of credit risk judgements made by management in the ECL models; • Understanding the key controls management have in place in relation to loan originations, collections, arrears management and the estimate of the expected credit losses; • Challenging the assumptions and methodology used to determine the timing of recognition of loss events and significant increase in credit risk, valuation of collateral, probability of default, and loss given default; • Testing the accuracy and completeness of the historical data on a sample basis utilised in the model; • Testing the mathematical accuracy of the ECL models through reperformance; • In conjunction with our credit modelling specialists, developing an expected range of the allowance for expected credit losses; • Assessing modelled base losses against actual historical losses; • Challenging management's judgements in respect of overlays recognised due to hardship arrangements and the macroeconomic factors; and • Assessing the adequacy of the disclosures in Note 7.b).

Carrying value of non-current assets
As disclosed in Noted 8.d), an impairment charge of $11.2 million was recorded across multiple individual retail stores consisting of right-of use assets, intangible assets and plant and equipment. There was no impairment recognised with respect to goodwill.
An assessment is made for indicators of impairment for each separate retail store (as individual cash generating units) as to whether any non-current asset within the store may be impaired at balance date.
Goodwill is monitored and tested for impairment at the operating segment level.
As disclosed in Notes 8.d) and 8.e), the carrying value of goodwill and other intangible assets as at 30 June 2022 relating to the personal finance and store operations was $110.5 million and $8.8 million respectively.
Management undertakes impairment testing to test the recoverability of goodwill and indefinite life intangible assets annually.
The assessment of the recoverable value requires significant judgement in respect of assumptions
	Our procedures included, but were not limited to:
	• Obtaining an understanding of the key judgements made by management in the VIU models;
	• Obtaining an understanding of the key control's management has in place in relation to the estimate of the recoverable amount of the goodwill, other intangible assets and other non-current assets;
	• Comparing the forecasts used in the impairment assessment to the Board approved business plan;
	• Assessing historical forecasting accuracy by comparing actual results to forecast;
	• In conjunction with our valuation experts, we challenged the key assumptions and methodologies used, in particular:
	  o the discount rate against that of comparable companies;
	  o forecast loan volumes for personal loans against recent actual levels and related trending;
	  o forecast bad debt levels for personal loans; and
	  o forecast retail and pawn broking revenue growth rates.

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and estimates in preparing a value in use model ('VIU') such as: • discount rates; • forecast retail and pawn broking growth rates; • forecast loan volumes; and • forecast bad debt levels.	• Sample testing management's models for mathematical accuracy including the discrete period for cash flows due to different lease terms impacting the individual retail store models; and • Assessing the adequacy of the disclosures in the Note 8.d.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual financial report for the year ended 30 June 2022 but does not include the financial report and our 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 41 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Cash Converters International Limited, for the year ended 30 June 2022, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Leanne Karamfiles
Partner
Chartered Accountants

Perth, 31 August 2022

Shareholder information

As at 12 August 2022

Distribution of holders of equity securities

	Holders Number	Fully paid ordinary shares Number
1 to 1,000	635	256,293
1,001 to 5,000	1,098	3,112,724
5,001 to 10,000	610	4,772,371
10,001 to 100,000	1,208	42,597,271
100,001 and over	321	576,806,356
	3,872	627,545,015

Voting rights

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.

Less than marketable parcel of shares

There were 1,050 holders of less than a marketable parcel of ordinary shares.

Substantial shareholders

	Ordinary shareholder	Number of shares	% of issued shares
1	EZCORP Inc	256,614,157	40.89%
2	Carol Australia Investors Holdings Pty Limited	41,397,986	6.72%
3	First Sentier Investors Holdings Pty Limited	38,464,142	6.24%
4	Mitsubishi UFJ Financial Group Inc	38,464,142	6.24%
5	Superannuation and Investments HoldCo Pty Ltd	37,153,959	5.92%
6	KKR Entities	37,153,959	5.92%
7	Ryder Capital Limited	35,750,000	5.70%
8	Commonwealth Bank of Australia	33,175,692	5.38%

Twenty largest equity security holders

	Ordinary shareholder	Number of shares	% of issued shares
1	EZCORP INC	255,239,157	40.67%
2	CITICORP NOMINEES PTY LIMITED	52,082,700	8.30%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	49,788,351	7.93%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	44,479,184	7.09%
5	MR TIMOTHY JOHN HILBIG <SP14 A/C>	6,500,000	1.04%
6	RIOLANE HOLDINGS PTY LTD <CUMINS SUPER FUND A/C>	6,317,226	1.01%
7	CPU SHARE PLANS PTY LIMITED <CCV EST UNALLOCATED A/C>	6,259,034	1.00%
8	EST MR FREDERICK BENJAMIN WARMBRAND <FB & LJ WARMBRAND SUPER A/C>	5,973,697	0.95%
9	MRS LILIAN JEANETTE WARMBRAND	5,434,529	0.87%
10	BNP PARIBAS NOMS PTY LTD <DRP>	4,294,599	0.68%
11	FISKE PLC	3,900,000	0.62%
12	CASH CONVERTERS FRANCHISEES ASSOCIATION INC	3,662,205	0.58%
13	MR KAMIL UMIT YESILYURT	3,550,000	0.57%
14	HOPES & WISHES PTY LTD <GREENLAND SUPER FUND A/C>	2,798,083	0.45%
15	VADINA PTY LIMITED <JORDAN SUPER FUND A/C>	2,718,750	0.43%
16	ACRES HOLDINGS PTY LTD <NOEL EDWARD KAGI FAMILY A/C>	2,500,000	0.40%
17	MR PETER CUMINS <PETER CUMINS FAMILY A/C>	2,493,468	0.40%
18	KAMALA HOLDINGS PTY LTD <KAMALA 1994 SUPER FUND A/C>	2,154,896	0.34%
19	MR DAVID CLEMENT HOBBY	2,000,000	0.32%
20	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,807,096	0.29%
		463,952,975	73.93%