2023

Appendix 4E & Annual Report

cash converters

Cash Converters International Limited
ABN 39 069 141 546
Annual Report – 30 June 2023

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Cash Converters International Limited
ABN 39 069 141 546

Appendix 4E

Preliminary Financial Report for the year ended 30 June 2023
(previous corresponding period 30 June 2022)

Appendix 4E – Results for announcement to the market

	30-Jun 2023 $'000	30-Jun 2022 $'000	Change $'000	%
Revenue from ordinary activities	302,697	245,937	56,760	23%
(Loss) / profit from ordinary activities after tax attributable to members	(97,155)	11,177	(108,332)	nm
Significant items [1]	4,670	7,837	(3,167)	-40%
Significant items [2]	110,481	-	110,481	nm
Significant items [3]	(644)	-	(644)	nm
Significant items [4]	2,752	-	2,752	nm
Operating profit from ordinary activities after tax	20,104	19,014	1,090	6%
Net (loss) / profit for the period attributable to members	(97,155)	11,177	(108,332)	nm
Basic (losses) / earnings per fully paid ordinary share	(15.54)	1.80	cents per share	
Net tangible asset backing per ordinary share [5]	29.11	29.94	cents per share	

1 The operating profit for FY2023 is presented excluding the non-cash impairment expense of $6.672 million ($4.670 million after tax effect) and the operating profit for FY2022 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. FY2022 forecast cash flows were largely impacted due to factors directly associated with the impact of COVID-19 closures and uncertainty in the trading conditions beyond June 2022. FY2023 forecast cash flows have been impacted due to Protected Earnings Amount (“PEA”) legislation changes that came into effect on 12 June 2023 which will negatively impact the future lending volumes and revenue generation of the Store Operations segment.

2 The operating profit for FY2023 is presented excluding the non-cash goodwill impairment expense of $110.481 million on the carrying value including goodwill of the assets of the group cash generating units (“CGUs”) where forecast cash flows have been negatively impacted due to PEA legislation changes that came into effect on 12 June 2023 which will negatively impact the future lending volumes of both the Personal Finance and Store Operations segments.

3 The operating profit for FY2023 is presented excluding a non-recurring indirect tax recovery, net of consulting fees, of $0.920 million ($0.644 million after tax effect) relating to indirect tax recovery on the class action settlement recorded within the FY2019 results.

4 The operating profit for FY2023 is presented excluding various non-recurring professional and administrative costs of $3.590 million ($2.752 million after tax effect) directly attributable to ongoing merger and acquisition (“M&A”) due diligence being conducted by the business relating to FY2023 acquisitions and potential future acquisitions that have not yet been finalised.

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

nm Not meaningful.

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.

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 2023 financial statements and accompanying notes.

Dividends per ordinary share / distributions

	Amount per security (cents)	Franked amount per security	Record date	Paid / payable date
2022 final dividend	1.00	100%	23-Sep-22	14-Oct-22
2023 interim dividend	1.00	100%	24-Mar-23	14-Apr-23

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 30 August 2023. The dividend will be 100% franked and will be paid on 13 October 2023 to those shareholders on the register at the close of business on 15 September 2023.

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 2023. 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 the remaining 75% of Cash Converters New Zealand, including 11 Corporate stores and the rights to various franchise fees from a further 11 Franchise stores. This business combination is structured in such a way that the acquired business becomes a subsidiary of Cash Converters International Limited ("CCIL").

Details of associates and joint venture entities

Prior to 30 November 2022 the Group held a 25% equity interest in Cash Converters New Zealand, which generates income from corporate stores, franchise contracts, financial services and software. The Group's share of the profit prior to 30 November 2022 of $0.251 million (2022: $0.853 million) is reflected in the financial result for the period as a share of net profit of equity accounted investments. On 30 November 2022, the Group acquired the remaining 75% interest (refer to note 14) from which point they are now recognised as a 100% owned subsidiary.

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 Secretaries

Ms Kelly Moore
Ms Meagan Hamblin

Registered and principal office

Level 11, 141 St Georges Terrace
Perth WA 6000
Australia
Tel: +61 (8) 9221 9111
Web: www.cashconverters.com

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

Letters to Shareholders

Chairman's Shareholder Letter

Throughout the year, the Cash Converters Board of Directors and management team have worked hard to ensure our business remains well positioned to drive enhanced long-term value for all of our stakeholders. It is pleasing to report another year of strong financial and operating performance, in a period that has not been without its challenges, particularly with respect to regulatory change relating to our Small Amount Credit Contract ("SACC") business. I want to personally thank all of our Cash Converters team members throughout the 14 countries in which we operate, for their considerable efforts to deliver these results.

Demand for our products is at an all-time high. Loan books are growing rapidly and our focus on a culture of robust risk and compliance has developed into a central strategic pillar of all that we do. The Company experienced record applications across FY2023, resulting in the combined gross loan book growing 27% to a new record level of $271.355 million as at 30 June 2023. In addition, we are launching exciting new loan products and continue to have a strong pipeline of franchise store acquisitions across the markets in which we operate.

On the regulatory front, legislative change passed by the Australian Government during the financial year as a part of a Financial Sector Reform Act, has considerably impacted our SACC business. As a result, the Board has endorsed management's strategy to exit this market over time. Whilst uncertainty exists as to customer behaviour resulting from these changes, our customers' need for cash does not change. If anything, the need is growing, as Australians struggle to manage household budgets as cost-of-living increases continue to impact consumers across the globe.

Whilst the exit from the SACC loan sector won't be without its challenges, as reflected by the impairment in the first half of the financial year of goodwill based on the anticipated impact to earnings from this decision, the Board remains confident that earnings can recover over time, as highly scalable new product loan books grow rapidly, and earnings accretive franchise store acquisitions continue.

Considerable progress was made this year in consolidating and growing our store footprint, both domestically and overseas. Internationally, we were very pleased to announce an agreement to acquire the Cash Converters New Zealand Master Franchisor, in addition to the largest franchise store network in the United Kingdom (Capital Cash Ltd).

Finally, as a result of the confidence the Board has in our balance sheet strength and earnings run-way, it is my pleasure to confirm the payment of a final 1c fully franked dividend to our shareholders for 30 June 2023. This is the sixth straight half yearly interval dividend payment of this amount.

I would like to thank my fellow Board members for their contribution, as well as management and their teams for working tirelessly on executing the Company's strategy as well as serving our customers with passion, dignity and respect. I would also like to acknowledge and thank our shareholders for their continued support and look forward to working together on what is a very exciting future for the Cash Converters business.

Timothy Jugmans
Non-executive Chairman

Managing Director's Shareholder Letter

I am proud to lead a passionate global team of people at Cash Converters - across our store operations, head office and loan assessing centres. Our culture is one of caring for our customers and each other, whilst remaining focused on execution and delivery.

It is for these reasons we have delivered a strong financial result, enabling our business to continue to capitalise on growth opportunities as they present. I look forward to working with the team to continue delivering long term value for all stakeholders and I wanted to take this opportunity to thank everyone across our global business who contributed to this terrific result.

Financial result We are pleased to report strong financial operating results for the full year, powered by our lending business. Increasing revenue growth was delivered, up 23% on the prior year to $302.697 million. Operating EBITDA of $57.236 million and an operating profit after tax of $20.104 million reflected the underlying earnings momentum across our business. The underlying earnings result continues to ensure a strong balance sheet and cash position after funding loan book growth, store acquisitions and capital returns to shareholders.

Market backdrop Throughout FY2023 we experienced strong underlying demand, receiving a record number of applications for our personal finance lending solutions, up 21% on the previous year. As cost-of-living pressures impacted our customers, we experienced an increase in lending, up 24% on FY2022 to $348.039 million. This resulted in increase in our total gross loan book to a new record level of $271.355 million as at 30 June 2023 (up 27% on the end of FY2022).

Strategic shift This result has been delivered as we continue to make significant progress executing a strategic product transition, taking the decision to exit the Small Amount Credit Contract (SACC) market. Over recent years we have remained focused on developing products that lower borrowing costs for our customers. Growth in the Medium Loan book, up 34% on FY2022 to $101.957 million, reflects the successful execution of this strategy. We are also excited by the release and performance of new loan products, in particular a Line of Credit loan product, providing a range of solutions for customers.

Store operations Our store operations remain an important channel for our customers and performed well, growing revenue at 15% throughout the period. Altering our inventory mix to focus on higher value items (e.g., prestige watches, designer handbags, electronics and jewellery) has yielded an improvement in overall sales trading activity and gross margins. Our retail business model is unique, dependent on customers selling items to feed store inventory and we continue to focus on our contribution to a circular and sustainable consumption economy as we work to eliminate landfill, by re-purposing pre-owned goods. Our business model remains integrated with our multi-channel operation enabling customers to transact seamlessly online and through our stores.

Outlook Several strategic initiatives executed across our global business have begun delivering revenue growth. Our store network is growing, our digital platforms are reaching a growing number of new younger customers, new product innovation is delivering new and growing loan books and franchise store acquisitions continue.

Leveraging our scale to pivot our Company as we transition out of the SACC market provides an exciting opportunity to consolidate our position as the largest and most recognised lender in our markets. The strategic building blocks for the future era of Cash Converters are now in place and the management team is excited to be able to continue capitalising on growth opportunities.

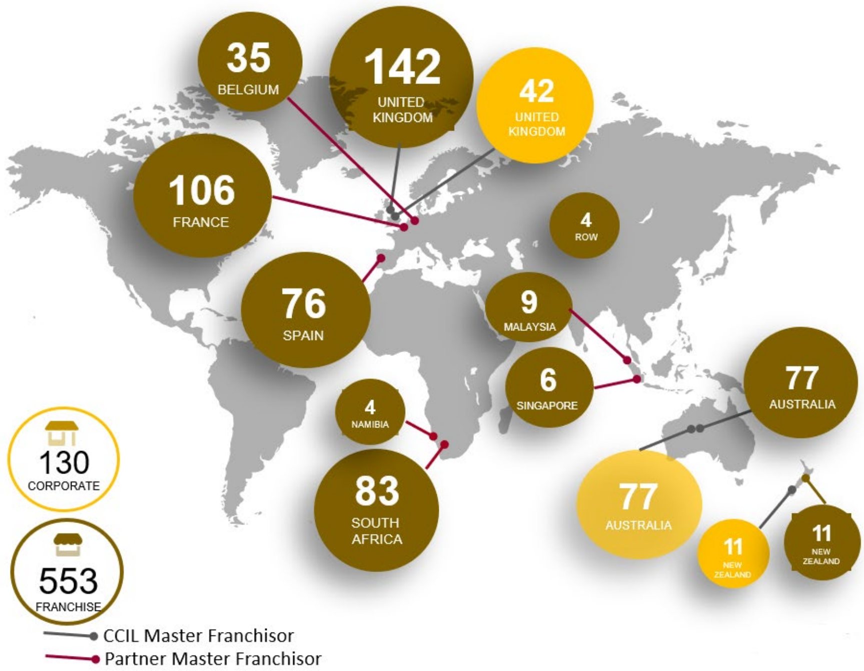
In closing, I would like to thank my colleagues across the business, for their unwavering focus on our customers and for delivering this result. I would also like to thank the Board and shareholders for their continued support.

Sam Budiselik
Managing Director

Operating and financial review

Cash Converters International Limited ("Cash Converters" or "the Company") and entities controlled by the Company and its subsidiaries ("the Group") is diverse, generating earnings from personal finance, vehicle finance, consumer retail store operations and franchising and is supported by a corporate head office in Perth, Western Australia.

Global network: The Company is a consumer lender and second-hand goods retailer with owner operated (corporate) and franchise operated stores across Australia and overseas. Key corporate markets include Australia, New Zealand and the United Kingdom – with large franchise operations spanning Europe, South Africa and parts of Asia. In total, as at the date of this report, there are 683 stores operating across 14 countries.



Key financial performance highlights:

The strength of the Company's diversified and integrated business model has continued to underpin the customer service proposition with physical store assets complementing industry-leading online digital assets. The business generates multiple revenue streams with a significant portion of its profit derived from its lending operations. Other profit is generated from owner operated and franchise operated store operations (license fees and franchise originated loan commissions).

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]	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Total Revenue	302,697	245,937	302,697	245,937
(Loss) / profit after tax	(97,155)	11,177	20,104	19,014
(Loss) / profit before tax	(91,019)	15,385	28,804	26,581
EBIT [2]	(75,019)	27,850	44,804	39,046
EBITDA [2]	(62,587)	41,532	57,236	52,728

1 The operating results are presented excluding a non-cash impairment expense after tax of $110.481 million against Goodwill, a non-cash impairment expense after tax of $4.670 million (2022: $7.837 million) on the carrying value excluding goodwill of the assets of certain individual corporate stores and before the recognition of a net $2.108 million after tax on a non-recurring indirect tax recovery as well as merger and acquisition costs. 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.

Revenue growth of 23% has seen the interest earned on the growing personal and vehicle finance loan book, retail sales and franchise fees earned return to the longer-term trend, off the back of a COVID-19 affected comparative period. The operating profit increase reflects underlying earnings momentum increasing as the loan book continues to grow and bad debt levels are managed. Statutory profit was impacted by one-off non-cash impairments resulting from legislative changes (1HFY23).

Non-cash impairment to goodwill

A one-off non-cash impairment charge of $110.481 million before tax was recognised by the Company in 1HFY23. This was made up of $90.562 million against the Personal Finance cash generating unit and $19.919 million against the Store Operations group of cash generating units. The impairment recognised is as a result of legislative changes impacting the Small Amount Credit Contracts ("SACC") product.

The Financial Sector Reform Act 2022 ("the Act") which was passed by the Senate in December 2022 contains a number of Financial Services legislative changes that focus on the enhanced regulation of the SACC loan products offered by the Company. The most material impact resulting from these changes is the extension of the Protected Earnings Amount ("PEA") cap requirement, which determines how much of a consumer's income can go towards repaying SACC loans. This applies to all consumers (including those fully employed) and lowers it from 20% to 10% of a consumer's net income. Previously, the PEA cap only applied to Centrelink recipients. The PEA cap change came into effect for loans advanced from 12 June 2023.

Responding to legislative changes is a complex process that requires the application of significant judgement to estimate the reduction in SACC loan volumes due to the PEA cap amendment, requiring an estimation of customer behaviour and estimating the discount rate to the forecast cash flows to determine net present value.

Impairment testing completed by the Company has supported the conclusion that there was a requirement for a goodwill impairment charge as a result of the legislative changes.

The impairment charge is one-off, non-cash in nature and a non-operating item. Therefore, underlying EBITDA and net profit after tax have been adjusted in FY2023. Going forward, these changes will impact the forecast for SACC related earnings in future financial years. The management team remains focused on delivering an exciting new product pipeline, in addition to executing on organic and inorganic strategic initiatives as outlined in previous market updates, to ensure the Company remains in the best possible position to assist customers who are impacted by these changes and to address the expected earnings impact.

See note 5 in the accompanying Financial Report for additional information on the impairment.

Summary of consolidated revenues and results by significant segment

	Segment revenues		Operating basis [1] Segment EBITDA [2]		As reported basis Segment EBITDA [2]	
	30-Jun-23 $'000	30-Jun-22 $'000	30-Jun-23 $'000	30-Jun-22 $'000	30-Jun-23 $'000	30-Jun-22 $'000
Personal Finance	114,032	94,336	50,564	44,111	(39,997)	44,111
Vehicle Financing	15,048	12,149	6,078	7,972	6,078	7,972
Store Operations	142,045	123,637	20,575	16,486	(5,097)	5,290
New Zealand	13,810	-	(833)	853	(833)	853
UK	11,404	10,962	3,339	3,042	741	3,042
Total	296,339	241,084	79,723	72,464	(39,108)	61,268
Head Office & Eliminations	6,358	4,853	(22,487)	(19,736)	(23,479)	(19,736)
Total	302,697	245,937	57,236	52,728	(62,587)	41,532
Depreciation and amortisation expense					(12,432)	(13,682)
Finance costs					(16,000)	(12,465)
(Loss) / profit before tax					(91,019)	15,385
Income tax expense					(6,136)	(4,208)
(Loss) / profit for the period					(97,155)	11,177

1 The operating results are presented excluding a non-cash impairment expense after tax of $110.481 million against Goodwill, a non-cash impairment expense after tax of $4.670 million (2022: $7.837 million) on the carrying value excluding goodwill of the assets of certain individual corporate stores and before the recognition of a net $2.108 million after tax on a non-recurring indirect tax recovery as well as merger and acquisition costs. 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.

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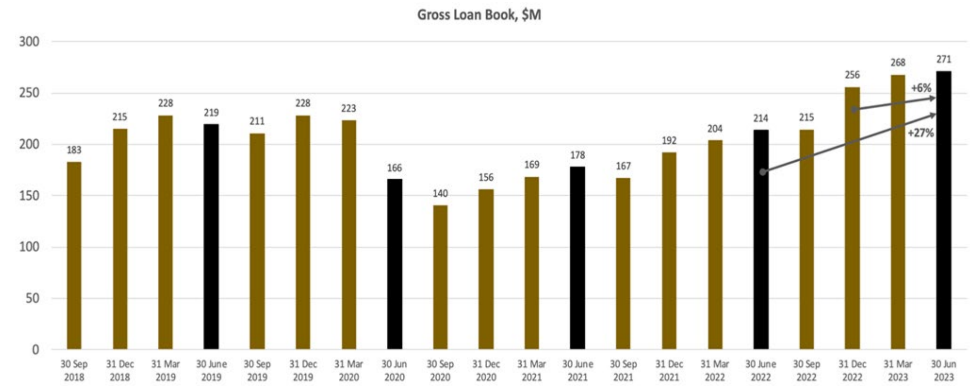
Key segment financial performance

As illustrated in the table above, revenue growth across the various business segments reflected the appeal of our unique business model to a growing number of customers, offering cash solutions that include unsecured personal loans through our Personal Finance segment, Vehicle Loans, Store based second-hand retail trading and pawnbroking loans and Franchise royalty collection (globally).

Each of the segments saw revenue growth when compared to the prior corresponding period, with inflationary pressures increasing the cost of living, resulting in an increase in overall demand for the Company's products and services. Through FY2023, the gross loan book has grown to a record $271.355 million (2022: $213.950 million) with principal advanced increasing 23.9% on the prior year.



The Personal Finance segment currently reflects earnings from two types of unsecured loans; Small[1] and Medium[2] loans, distributed online and instore. Small loans consist of SACC loans and the recently launched PayAdvance product. The Medium loan book grew 34% from 30 June 2022 and it is anticipated this loan book growth trend will continue. Whilst in it's infancy, the new Line of Credit product is forecast to grow strongly.

We continue to make significant progress executing on the strategic product transition away from the SACC Small loan product segment, due to legislative changes. Where suitable, we will offer impacted customers an alternative product, ensuring they have access to longer term, lower cost finance options as a result. Reflecting the success of this product strategy was the Medium loan book growth, up 34% on FY2022 closing the period at $101.957 million. We are also excited by the release and performance of other new loan products enabling this customer transition.

Vehicle Financing, offered through a network of brokers and dealers by our wholly owned subsidiary, Green Light Auto Group Pty Ltd, continues to recover after a period of COVID-19 related supply disruption which impacted second hand vehicle prices and COVID-19 subsidies which affected customer demand. Applications increased 27% on the prior year to in excess of 5,400 applications for vehicle finance received and the Vehicle Financing gross loan book grew 35% from 30 June 2022 to $62.914 million.

[1] **Small loans include**: Small Amount Credit Contract ("SACC"): a regulated unsecured personal loan product, transacted in-store and online, up to $2,000 and up to 12 months; PayAdvance: has a one-off fee of 5% applied upon repayment, to an advance on earned, but not yet received salary or wages, with no other fees or charges applied; [2] **Medium loans include**: Medium Amount Credit Contract ("MACC"): a regulated unsecured personal loan product, transacted in-store and online, up to $5,000 and up to 24 months. Line of Credit ("LOC"): a regulated unsecured personal loan product, transacted in-store and online, up to $10,000 and up to 36 months. Approved credit limit can be accessed by the customer during the life of the loan.

	30-Jun-23 $'000	30-Jun-22 $'000	Variance
Principal advanced[1]			
Personal Finance	228,582	196,433	16.4%
Vehicle Finance	34,107	21,772	56.7%
Store Operations	71,002	62,687	13.3%
New Zealand	14,348	-	nm
Total	348,039	280,892	23.9%

1 Principal advanced represents the cash amount of loan funding disbursed to customers.
nm Not meaningful.

	30-Jun-23 $'000	30-Jun-22 $'000	Variance %
Gross loan books			
Personal Finance	178,328	149,500	19.3%
Vehicle Finance	62,914	46,695	34.7%
Store Operations	17,628	17,755	-0.7%
New Zealand	12,485	-	nm
Total	271,355	213,950	26.8%

nm Not meaningful.

Loan book performance

Two loan book loss related expenses impact the profit or loss statement:

1. Net bad debt expense: net bad debt expense for the period was $49.312 million, up from $28.638 million in the prior period. This was expected due to the significant loan book growth throughout the period. Whilst the bad debt written off has increased in line with the larger loan books, the net loss rate remains in line with historical levels at 11.0% for 2HFY23.

2. Expected credit loss allowance ("ECL"): success in growing the loan book will result an ECL expense in the same accounting period (up front expense) whilst deteriorating loans written in a prior period (e.g., due to missed payments) may see adjustments made.

The ECL allowance model is forward-looking, requiring significant judgement and does not require evidence of an actual loss event for an allowance to be recognised. The favourable variance in the ECL expense is driven by an improvement in the ECL provision as a percentage of the gross loan book. The ECL improvement is due to an increase in credit quality as well as the availability of better quality data upon which to base modelled assumptions combined with enhancements in the model methodology applied.

The overall blended ECL allowance as a percentage of the gross loan book for the year ending 30 June 2023 is 17.18% (30 June 2022: 17.90%). Appropriate reserves have been incorporated including for an assessment of economic risk and the impact of modelling risk.

The net loss rate (net bad debt expense / average gross loan book) for 2HFY23 was 11.0% and in line with expectations, compared to 8.6% for 1HFY23.

	30-Jun-23 $'000	30-Jun-22 $'000	Variance %
Bad debts written off	55,483	36,684	51.2%
Recovery of bad debts written off	(6,171)	(8,046)	-23.3%
Net bad debt expense	49,312	28,638	72.2%
Movement in expected credit loss allowance	5,071	6,186	-18.0%
Total loan related bad debts and allowances	54,383	34,824	56.2%

Key financial position highlights

	30-Jun-23 $'000	30-Jun-22 $'000	Variance %
Cash and cash equivalents	71,565	58,085	23.2%
Net loan receivables	224,729	175,653	27.9%
Trade and other receivables	12,763	7,016	81.9%
Inventories	26,493	23,944	10.6%
Intangible assets	20,543	127,470	20.9%
Goodwill	3,279	110,481	-97.0%
Right of use assets	47,046	50,221	-6.3%
Tax assets	29,669	26,089	13.7%
Investment in associate	-	4,868	-100.0%
Plant & equipment	6,582	4,842	35.9%
Total Assets	**442,669**	**478,188**	**-7.4%**
Borrowings	136,991	68,365	100.4%
Lease liabilities	63,742	64,817	-1.7%
Other liabilities	35,442	29,654	19.5%
Total Liabilities	**236,175**	**162,836**	**45.0%**
Total Equity	**206,494**	**315,352**	**-34.5%**

The Group closed the reporting period with a strong balance sheet even after the goodwill impairment charge. Net tangible asset per share is 29.11 cents per share (30 June 2022: 29.94 cents per share).

Since 30 June 2022, the net loan book has grown by 27.9% and Corporate Store inventory has increased by 10.6%, following a disrupted period of COVID-19 related lockdowns in the previous period.

The Group's cash and cash equivalent carrying value is $71.565 million (30 June 2022: $58.085 million) after funding loan book growth, the acquisition of Cash Converters New Zealand and funding of the loan to the master franchisor in Spain.

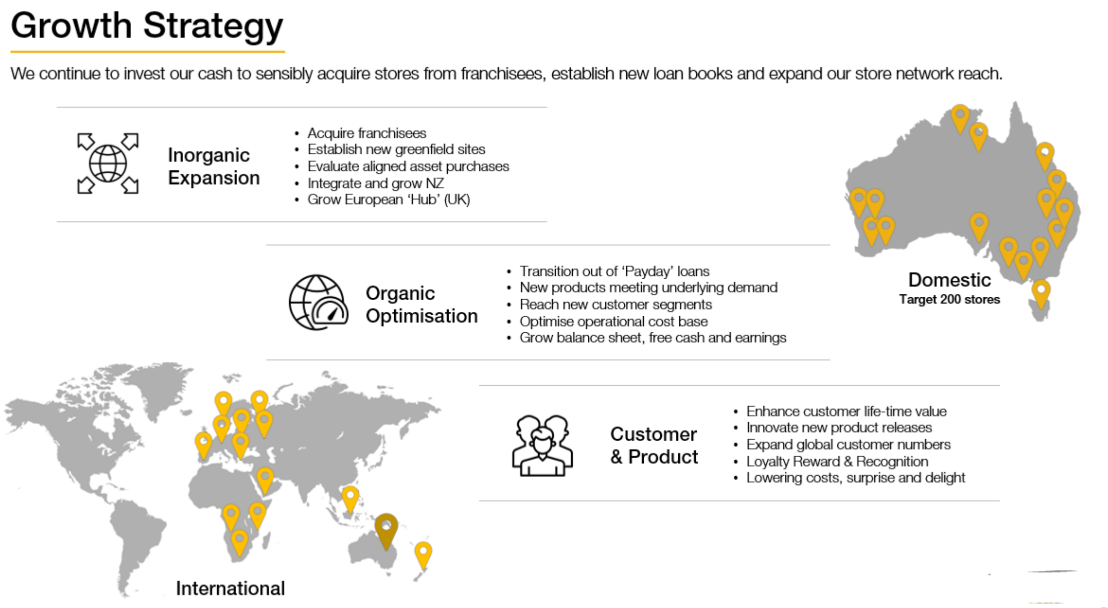
The Group reported a net cash increase of $12.848 million (2022: $13.625 million utilised). Net operational cash outflow from operating activities was $11.536 million (2022: $7.909 million inflow). Financing activities included dividend payments of $12.550 million (2022: $12.550 million). Cash outflows from investing activities of $22.628 million (2022: $1.886 million inflow) included $4.679 million (2022: nil) to fund a loan to the Spain master franchisor and $13.798 million (2022: $3.144 million) invested in business combination acquisitions.

The undrawn securitisation facility funding line is $11.750 million (30 June 2022: $79.750 million) and the Group is in compliance with the requirements of the facility.

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.

Execution on strategy

Growth strategy: As previously advised, new product development and selected domestic and international franchise acquisition targets remain a focus. The objective is to acquire earnings accretive store networks, based on sensible valuation metrics, which will accelerate Group earnings in the longer term.



New Product Development

Following the successful launch of the new PayAdvance product, a new Line of Credit product that was successfully piloted in the second half of FY2023 has been released into production. These new products will play an important role in the composition of the Company's future loan book and are not impacted by the recent regulatory changes, assisting customers impacted by the recent legislative changes, where suitable.

New Zealand – Cash Converters Franchise Acquisition

During the period the Group acquired the remaining 75% of Cash Converters New Zealand for $13.798 million, net of cash and cash equivalents acquired, including 11 Corporate stores and the rights to various franchise fees from a further 11 Franchise stores. Cash Converters New Zealand is now a 100% owned subsidiary of CCIL.

The finalisation of this transaction allows the Group to fully integrate the Cash Converters brand, stores, and people in New Zealand into the wider corporate operation.

See note 14 in the accompanying Financial Report for additional information on the business combination.

United Kingdom – Capital Cash Franchise Acquisition

The Company announced the execution of a Sale and Purchase Agreement ("SPA") for the acquisition of Capital Cash Ltd ("Capital Cash") during the period, our largest franchise group in the United Kingdom (UK). Capital Cash operates 42 stores across England, which offer pawnbroking, buyback and retailing of second-hand goods.

Cash Converters entered into an SPA to acquire 100% of the ordinary shares in Capital Cash for total consideration of up to 13.9 million GBP (approximately $26.5 million AUD at 30 June 2023).

The SPA conditions were all satisfied or waived by 6 July 2023. Cash Converters UK Holdings Ltd ("CCUK") completed the acquisition through a cash settlement on 6 July 2023 and attained 100% ownership and control of Capital Cash on 6 July 2023.

See note 15 in the accompanying Financial Report for additional information on the post balance date business combination.

Cyber security

The cyber security landscape continues to evolve rapidly, and Cash Converters acknowledges the extreme level of cyber risk associated with our operations, particularly given the nature of the sensitive customer information we handle in delivering our consumer financial services at high volumes in Australia, the United Kingdom, and New Zealand. This sensitive data, if compromised, could have profound implications on our customers, business reputation, and financial performance.

Recognising the criticality of this risk, Cash Converters is committed to safeguarding our customers, stakeholders and the data we manage. We have already embarked on significant investments in cybersecurity and have an established information security function that makes continuous risk-prioritised improvements to our digital infrastructure, cyber resilience and exposure to cyber threats. We remain vigilant and dedicated to upholding the trust our shareholders and customers have placed in us.

Cyber security is the practice of protecting systems, networks, programs, sensitive data and employees from digital attacks. Cash Converters utilizes global third-party security providers to ensure an ongoing program of monitoring, testing and remediation. Working in conjunction with regulators and considering best practices globally, the Group is proactive in its approach to ensuring cyber security.

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 almost 40 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.

Employees are encouraged to embrace our Cash Converters values, which are introduced during induction and kept alive through ongoing training programs, internal communications and recognition schemes. Behaviours aligned with these values are measured annually as a part of our performance reviews and are acknowledged and rewarded through our recognition programs and Annual Performance Awards. Each year we recognise employees through awards such as Values and Brand 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.

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. Whilst acknowledging these risks, the depth of skill and experience in this specialist area is a source of competitive advantage for Cash Converters.

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. 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 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;
- Investing 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.

Whilst the aim of responsible lending policies and a customer-first approach is 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).

As announced to the market on 21 February 2023, the Company has undertaken an uplift program to address shortcomings in its compliance with Anti-Money Laundering and Counter-Terrorism Financing (“AML/CTF”) laws. Cash Converters entered an Enforceable Undertaking with AUSTRAC to demonstrate this commitment and the process continues to progress according to the timeframe committed to 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.

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

Whilst demand for our products is at an all-time high, and with our loan books growing rapidly, our focus on a culture of robust risk and compliance has developed into a central strategic pillar of all that we do.

From a position of balance sheet strength, closing the financial year with $71.565 million in Cash and cash equivalents, we remain focused on executing strategic initiatives across the business.

Throughout the financial year these initiatives have begun delivering revenue growth, with our digital platforms reaching a growing number of new younger customers, new product innovation delivering new growing loan books and value accretive franchise store and network acquisitions continuing. Leveraging our scale to pivot our Company provides an exciting opportunity to consolidate our position as the largest and most recognised lender in our markets, with the strategic building blocks for the future era of Cash Converters now in place.

Due to the confidence the Board has in our balance sheet strength and earnings run-way, a final 1c fully franked dividend was declared for our shareholders. This is the sixth straight half yearly interval dividend payment of this amount. The Board and management team are excited to be in a strong position to drive the Company forward.

Directors' report

The directors of Cash Converters International Limited submit the following report of the Company for the financial year ended 30 June 2023. 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 and chairman 1 April 2022

Mr Jugmans is the Chief Financial Officer ("CFO") of EZCORP Inc ("EZCORP"). Mr Jugmans joined EZCORP in December 2016 as Vice President, Treasury and M&A, having served as a consultant performing similar duties since March 2015. He was appointed CFO in May 2021 after serving as interim CFO since September 2020.

Mr Jugmans has 25 years' experience providing strategic and financial services advice for a variety of companies, including seven years with Lexicon Partners Pty Limited, an independent corporate advisory and consulting firm based in Sydney, Australia. 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 CFO of Morgan Schiff from April 2013 to December 2014, and was CFO of ShippingEasy, Inc. from July 2011 to April 2013.

From April 2015 to April 2021, Mr Jugmans 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 has 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 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

Mr Given is the Chief Executive Officer ("CEO") of EZCORP, Inc. (appointed April 2022) and was reappointed as a director of the EZCORP Board in March 2022, having previously served as non-executive Chairman of the EZCORP Board of Directors from July 2014 to September 2019. Before joining EZCORP, Mr Given provided financial and advisory services to EZCORP through his own business and financial advisory firm.

Mr Given is a member of the Board of Directors of The Farm Journal Corporation, a 134-year old preeminent US agricultural media company. Mr Given is also a director of encryption solutions company Senetas Corporation Limited; and leading financial services rating and research firm CANSTAR Pty Ltd.

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 specialised 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, 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	3 March 2022	-

Mr Sam Budiselik – Managing Director
Appointed director 18 December 2020

Mr Budiselik was appointed Managing Director in December 2020 and has been with the Company since 2016. Mr Budiselik was appointed as CEO in February 2020 after serving as Chief Operating Officer ("COO") and interim CEO. Before joining Cash Converters, he was COO at the stockbroking and wealth management firm Paterson's Securities, in addition to holding a number of director positions across franchise, consulting and commercial drone 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 not held any directorships with other listed companies.

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

Ms Elliott has over 30 years' experience in both executive and director roles across banking, financial services and government. In her executive career she held the role of CEO of Bank of Sydney, as well as senior leadership roles at Westpac, NAB and KPMG with experience in strategy, marketing, product, finance, audit and sales.

Ms Elliott is a director and the chair of the Governance and Remuneration Committee of Police and Nurses Limited, a director of Grow Finance Limited and EBA Foundation. Ms Elliott is also a chair and member on several NSW Government Audit and Risk Committees including chair of NSW Treasury. She has previously held the role of Chair of State Trustees Limited and Metropolitan Fire and Emergency Services Board.

Ms Elliott brings extensive operational, financial and Board experience. She is a fellow of FINSIA, the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand. She holds an MBA and a Bachelor of Economics.

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

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 has held executive positions of CFO and/ or COO at some of Australia's leading companies; Queensland Sugar Limited, QIC Limited, Bank of Queensland Limited, Energex Retail Limited, Tarong Energy Limited and Suncorp Group Limited. In addition, Mr Hines served as Group CFO for NatWest Markets and was a Director CFO Advisory with KPMG. Mr Hines joined the Board of Humm Group Limited in September 2022, and was appointed as a director of Mackay Sugar Limited in August 2022.

Mr Hines 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, Chartered Accountants Australia and New Zealand 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 held a directorship with the following listed company:

Company	*Commenced*	*Ceased*
Humm Group Limited	29 September 2022	-

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 have 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, Audit and Risk and Board Investment Committees.

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 at one point during the prior 3 years.

Ms Susan Thomas – Non-Executive Director

Appointed director 1 April 2022

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. Ms Thomas is currently a director of ASX listed companies 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 Governance, Remuneration and Nomination, Audit and Risk and Board Investment Committees.

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

Company	*Commenced*	*Ceased*
Fitzroy River Corporation Limited	26 November 2012	-
Temple and Webster Group Limited	23 February 2016	30 November 2022
Nuix Limited	18 November 2020	-
Maggie Beer Holdings Limited	1 July 2022	-

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 T Jugmans	-	-
Mr L Given	-	-
Mr S Budiselik	5,627,473	11,485,472
Mr P Cumins	9,810,694	-
Ms J Elliott	61,379	-
Mr R Hines	822,000	-
Mr H Shiner	-	-
Ms S Thomas	613,985	-

Company Secretaries

Mr Leslie Crockett
Appointed with effect from 1 July 2021 and resigned 31 December 2022

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 also held the role of Chief Financial Officer until his resignation on 31 December 2022.

Mr Sonu Cheema
Appointed with effect from 31 December 2022 and resigned 12 April 2023.

Mr Cheema is a CPA with over 12 years' experience working with public and private companies in Australia and abroad. Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University.

Ms Kelly Moore and Ms Meagan Hamblin
Appointed Joint Company Secretaries with effect from 12 April 2023

Ms Moore is a qualified Chartered Accountant and Company Secretary with extensive experience in providing accounting and secretarial advice to public companies. Ms Moore is a director of Meridian Corporate Consultants and holds a Bachelor of Commerce degree from the University of Western Australia. Ms Moore is a member of Chartered Accountants Australia and New Zealand, is a graduate of the Australian Institute of Company Directors and an associate member of the Governance Institute of Australia.

Ms Hamblin is a qualified Chartered Accountant and graduate of the Governance Institute of Australia. Ms Hamblin is a director of Meridian Corporate Consultants specialising in providing financial reporting, corporate governance and advisory services for both public and private companies. Ms Hamblin has previously worked in the statutory reporting team at Wesfarmers Ltd and in the audit and advisory team at Deloitte Perth. Ms Hamblin holds a Bachelor of Commerce degree from the University of Western Australia.

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 and New Zealand, 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 loss attributable to members of the parent entity for the year ended 30 June 2023 was $97.155 million (2022: $11.177 million profit) after an income tax charge of $6.136 million (2022: $4.208 million). A review of the Group's operations and financial performance has been provided on pages 7 to 16.

The Group reported an operational profit after tax of $20.104 million (2022: 19.014 million).

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

Further to the announcement released to the market on 6 March 2023, the Group completed the acquisition of Capital Cash Ltd ("Capital Cash"), the largest franchise group in the UK, on 6 July 2023.

Capital Cash has been operating in the UK for twenty years and currently operates 42 stores in the UK. The business continues to perform in line with original forecasts, experiencing a rebound in loan book growth and overall trading activity as anticipated. This strategic acquisition gives Cash Converters a corporate store footprint in the UK, and an experienced management team who will continue to grow the Cash Converters business in the UK, acquiring franchise stores and opening new sites across the UK to serve a growing number of customers.

This acquisition is a core part of the Company's strategy to acquire value-accretive franchise store networks, with this acquisition establishing a corporate base to oversee our wider European operation.

Refer to note 15 in the annual report for more information on the post balance date business combination.

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 Board of 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 30 August 2023. The dividend will be 100% franked and will be paid on 13 October 2023 to those shareholders on the register at the close of business on 15 September 2023.

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	9,078,184	Ordinary	Nil	30 Jun 2023
Cash Converters International Limited	7,556,388	Ordinary	Nil	30 Jun 2024
Cash Converters International Limited	10,548,575	Ordinary	Nil	30 Jun 2025

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.

Performance rights are managed through the Group's Equity Incentive Plan. Shares are acquired on market and held as treasury shares when it is probable that the vesting conditions will be achieved.

During the period 6,259,034 shares (acquired in FY2022) were issued through the Company's Employee Share Trust to eligible participants. The measurement date of these vested rights was to 30 June 2022.

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 Secretaries 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 T Jugmans	10	10	7	7*	6	6*	4	2*
Mr S Budiselik	10	10	7	7*	6	6*	4	4*
Mr P Cumins	10	9	7	7*	6	5*	4	4*
Ms J Elliott	10	10	7	7	6	6	4	4
Mr L Given	10	9	7	1*	6	2*	4	0
Mr R Hines	10	10	7	7	6	6	4	4
Mr H Shiner	10	10	7	7	6	6	4	4
Ms S Thomas	10	9	7	7	6	6	4	4

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

Non-audit services

The Board of 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 Board of 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 22 to the financial statements.

Rounding 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 47.

Remuneration report (Audited)

Introduction from the Chair of the Governance, Remuneration and Nomination Committee

Dear shareholders,

On behalf of the Board, I am pleased to present Cash Converters' 2023 Remuneration Report. During financial year 2023, The Financial Sector Reform Act 2022 ("the Act") received royal assent in December 2022 and introduced a significant number of reforms in relation to Small Amount Credit Contracts ("SACC"), including new restrictions on unsolicited communications, proscribed referrals to unregulated products and tighter income requirements for credit eligibility. The executive team, with oversight from the Board, led a significant schedule of work to ensure that the relevant legislative amendments were implemented effectively. Cash Converters remains committed to operating in a compliant and transparent manner.

The response to these legislative changes required resource prioritisation, yet I am pleased to confirm that the team continued to progress the strategic pillars of organic optimisation, inorganic expansion and customer and product at the same time as implementing the legislative reforms. Delivery of the strategic pillars including the successful acquisition of the remaining 75% interest in Cash Converters New Zealand master franchisor which settled on 30 November 2022, the execution of a Sale and Purchase Agreement to acquire the largest franchisee in the United Kingdom and the successful delivery of the new product pilot for Line of Credit ("LOC"). New products, including the LOC will play an important role in the composition of the Company's future loan book and continue to enable Cash Converters to responsibility meet the needs of customers in addition to our offshore initiatives. It is testament to the efforts of all Cash Converters' employees that the team were able to effectively respond to the regulatory changes whilst remaining focused on the delivery of key strategic initiatives to drive ongoing value to our customers and shareholders.

Cash Converters acknowledge that the strong connection to our customers can only be achieved through a workplace that attracts, encourages, and prioritises diversity and inclusion. During FY2023, we continued to ensure that our annual, organisation wide review employee assessment process was applied consistently and objectively to promote principles of transparency, merit and fairness when considering remuneration, development, and career progression.

The Governance, Remuneration and Nomination Committee remain committed to ensuring that the remuneration strategy attracts and retains high quality talent and aligns to the interests of all shareholders and key stakeholders and to continue to lift the bar in this important area.

On behalf of the Board, I would like to thank our shareholders for their support and our Managing Director and Executive team for their ongoing commitment and leadership.

Julie Elliott
Non-executive Director and chair of the Governance, Remuneration and Nomination Committee

Remuneration report contents

1 Remuneration report overview

This remuneration report forms part of the directors' report for the year ended 30 June 2023 and has been prepared in accordance with the *Corporations Act 2001*, applicable regulations and the Company's policies regarding Key Management Personnel ("KMP") remuneration governance.

The remuneration report has been audited.

2 People addressed and scope of the remuneration report

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:

			Committee Membership		
Name	**Role**	**Appointed**	**ARC[1]**	**GRNC[1]**	**BIC[1]**
Non-Executive directors					
Timothy Jugmans	Chairman and Non-Executive Director	01/04/2022			
Lachlan Given	Non-Executive Director	22/08/2014			
Julie Elliott	Non-Executive Director	14/04/2020	✓	C	✓
Robert Hines	Non-Executive Director	14/04/2020	C	✓	C
Henry Shiner	Non-Executive Director	01/07/2021	✓	✓	✓
Susan Thomas	Non-Executive Director	01/04/2022	✓	✓	✓
Executive directors					
Sam Budiselik	Managing Director	18/12/2020			
Peter Cumins[2]	Executive Deputy Chairman	23/01/2017			
Executive key management personnel					
Lisa Stedman	Chief Operating Officer	07/09/2020			
James Miles	Chief Information Officer	01/07/2020			
Leslie Crockett	Chief Financial Officer (resigned 31/12/2022)	02/06/2020			
Jonty Gibbs[3]	Chief Financial Officer	01/01/2023			

1 ARC = Audit & Risk Committee, GRNC = Governance, Remuneration & Nomination Committee, BIC = Board Investment Committee, C = Chair of Committee, ✓ = Member of Committee
2 Mr Cumins was first appointed as Managing Director from 26 April 1995 and was later appointed Executive Deputy Chairman from 23 January 2017
3 Mr Gibbs was appointed Interim Chief Financial Officer from 1 January 2023 and later appointed Chief Financial Officer from 1 April 2023

The following changes to KMP occurred during FY2023 and to the date of publication of this report:

- Mr Leslie Crockett resigned effective 31 December 2022
- Mr Jonty Gibbs was appointed Interim Chief Financial Officer from 1 January 2023 and later appointed Chief Financial Officer from 1 April 2023

3 Remuneration Governance

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

3.1 Board

The Board is responsible for the structure of remuneration for directors and KMP. The goal is to maximise the effectiveness of remuneration in the creation of long-term shareholder value and align to the Company's strategic objectives and risk management framework.

3.2 Governance, Remuneration and Nomination Committee

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

- remuneration strategy to attract and retain talent to drive long term sustainable results;
- recruitment, retention, and termination policies and procedures for KMP;
- base salaries for KMP and Board and Committee fees for non-executive Directors;
- short term incentives for KMP;
- equity-based incentive remuneration plans; and
- governance matters including delegations, disclosures, conflicts of interest and independence.

The Corporate Governance Statement and the GRNC 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 GRNC, and approved by the Board.

3.3 Managing Director

The performance reviews of executive KMP and other direct reports are undertaken by the Managing Director, reviewed by the GRNC and approved by the Board.

3.4 External Advisors

To inform the Board and the GRNC, and to assist with their decision-making process, additional information and data is sought from management and remuneration consultants, as required. Independent external remuneration consultants are endorsed by the GRNC, and approved by the Board.

4 Remuneration Framework and link to Strategy

4.1 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:

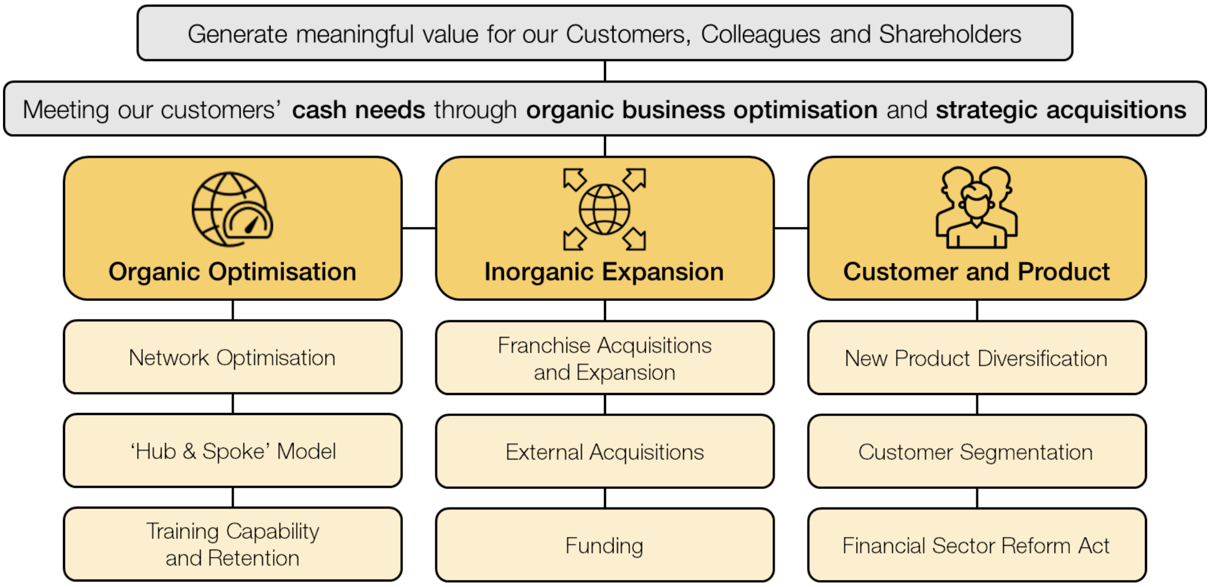
- align remuneration with customer and shareholder interests;
- support an appropriate risk culture and exemplary employee conduct;
- differentiate pay for behaviour and performance in line with our vision and strategy;
- provide market competitive and fair remuneration;
- remunerate fairly and in a manner that promotes the Company's commitment to building a diverse and inclusive workforce;
- recognise the role of critical and non-financial generating roles 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 KMP including the Managing Director with those of the Company's shareholders as well across the organisation. The overall remuneration structure for the year ended 30 June 2023 remains consistent with to prior years and comprises:

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% dependent on earnings per share ("EPS") compound annual growth rate over a three-year performance period; and • 50% dependent on total shareholder return ("TSR") relative to Index over the same three-year performance period
Alignment to performance		
Set with reference to comparable industry market benchmarks 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 EPS 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 FY2022 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.

Financial Year 2023 Strategic Framework



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 may also result in no vesting of performance rights.

Eligibility to participate in the STI and/or LTI is at the recommendation of the GRNC 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.

4.2 Executive Director: Executive Deputy Chairman Arrangements

The remuneration package for 2023 remained consistent in principle to the arrangements in place at the end of the prior year.

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.

4.3 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 and in accordance with the Boards skills matrix.

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. No such payments have been made in 2023. They may also be reimbursed for out-of-pocket expenses incurred.

4.4 Securities Trading Policy

The Securities Trading Policy imposes trading restrictions on all directors, officers and employees and their associates.

All directors, officers and employees of the Company are prohibited from:

- dealing in any securities where the person dealing in the securities has inside information in relation to those securities;
- passing on inside information to others who may deal in securities; and
- applying to participate in an Employee Share Plan while in possession of inside information.

Additionally, the following blackout periods apply to KMP and their associates who are prohibited from trading in the Company's securities:

- from 1 January each year to the opening of market the business day following the release of the Company's half yearly accounts to the ASX;
- from 1 July each year to the opening of market the business day following the release of the Company's preliminary annual accounts to the ASX; and
- any other period determined by the Board from time to time to be a blackout period.

KMP are prohibited from entering into contracts to hedge their exposure to any securities held in the Company. The Company's Securities Trading Policy is available at https://www.cashconverters.com/governance.

5 Performance and reward summary

5.1 Remuneration policy and link to performance

As outlined above, in setting the Company's remuneration strategy, the GRNC makes recommendations which demonstrate a clear and strong correlation between performance and reward and align the interests of executive KMP 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				
	2019	**2020**	**2021**	**2022**	**2023**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue from continuing operations	281,565	262,021	201,346	245,937	302,697
Net (loss) / profit before tax from continuing operations	(2,366)	(22,416)	21,454	15,385	(91,019)
Net (loss) / profit after tax					
- continuing operations	(1,692)	(16,872)	20,704	11,177	(97,155)
- discontinued operations	-	-	-	-	-
(Loss) / profit after tax	**(1,692)**	**(16,872)**	**20,704**	**11,177**	**(97,155)**
Share price	**Cents**	**Cents**	**Cents**	**Cents**	**Cents**
- beginning of year	31.0	16.0	17.5	22.0	23.0
- end of year	16.0	17.5	22.0	23.0	22.5
Change in share price	**(15.0)**	**1.5**	**4.5**	**1.0**	**(0.5)**
Fully franked dividend					
- interim	-	-	1.0	1.0	1.0
- final dividend	-	-	1.0	1.0	1.0
Change in Shareholder Wealth - share price change + dividend	**(15.0)**	**1.5**	**6.5**	**3.0**	**1.5**
(Losses) / earnings per share from continuing and discontinued operations					
- basic	(0.27)	(2.74)	3.35	1.80	(15.54)

The Board effectively links performance and reward through the approval of an operating profit after tax target at the start of each measurement period. The FY2023 STI target was approved before the commencement of the 2023 financial year and is measured at 30 June 2023 on the release of the FY2023 results.

The operating profit after tax for the year is $20.104 million (2022 $19.014 million) – see note 6.1 of the remuneration report below.

The FY2021 LTI grant targets were approved in FY2021 with a measurement period of 1 July 2020 to 30 June 2023. Vesting of these performance rights is subject to meeting the approved hurdles and the release of the FY2023 results. The FY2023 grant of performance rights is subject to performance conditions measured over a performance period of 3 years commencing 1 July 2022 and ending on 30 June 2025. The financial targets act as performance conditions in the assessment of variable remuneration under the plans detailed below.

5.2 FY2023 Short Term Incentive ("STI") Plan

A description of the STI structure applicable for FY2023 is set out below:

Purpose	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.
Measurement period	The financial year of the company (1 July 2022 – 30 June 2023)
Opportunity	Managing Director • 100% of fixed remuneration
	Other Executive KMP • 50% of fixed remuneration
Gate	Assessment gateway based on meeting or exceeding the operating earnings threshold approved by the Board
Award, settlement and deferral	Awarded in cash on completion of the external audit, approval by the GRNC and Board and subsequent release of the Annual Report.
Board Discretion	Board exercises discretion in setting the operating earnings threshold. Unless the Board determines otherwise, if a participant's employment with the Group is terminated during the Performance Period as a 'good leaver', they will be entitled to receive a pro-rata amount of their STI. If a participant's employment with the Group is terminated in circumstances in which they are not considered a 'good leaver' their STI will immediately lapse.
Value alignment	Participants are measured against specified behavioural competencies during the annual performance review.
Corporate actions	If a change of control event occurs with respect to the Company, the Board may determine, in its discretion, the manner in which all incentives will be dealt with.
Malus and clawback	The Board may determine at its discretion to apply clawback and malus in some situations depending on the terms of the relevant award.
STI metrics and weightings	STI payments are not guaranteed and are linked to the achievement of a Board approved financial target, shared and individual performance metrics. In the financial year 2023 the weightings applied were 40% to shared metrics and 60% to individual metrics.

5.3 FY2023 Long Term Incentive ("LTI") Plan

A description of the LTI structure applicable for FY2023 is set out below:

The Cash Converters Equity Incentive Plan ("Plan") is available for review at Cash Converters Rights Plan Rules (https://www.cashconverters.com/wp-content/uploads/2021/06/Cash-Converters-Rights-Plan-Rules.pdf). The Plan was approved by shareholders at the Annual General Meeting held on 26 October 2021.

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 LTI 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 payments are delivered in performance rights which 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 KMP 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 in October 2022 were offered across two equal tranches and based on performance hurdles in which each hurdle operates independently and applies to 50% 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 FY2023 grant of performance rights is subject to performance conditions measured over a performance period of 3 years commencing 1 July 2022 and ending on 30 June 2025. 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 conditions 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 2025. 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, a number of other factors it considers relevant including company performance from the perspective of Shareholders.

Relative Total Shareholder Return

Relative Total Shareholder Return ("rTSR") 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 materials, utilities, and REITs*	Performance Level	Percentage of rTSR Rights
Less than 50th percentile	<Threshold	Nil
At 50th percentile	Target	50%
Between 50th percentile and 100th percentile	Pro-rate	Straight line pro-rata 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.

Normalised Earnings Per Share

Normalised Earnings Per Share ("EPS") measures the profit generated by the Company attributable to each share on issue, adjusted for certain Board approved transactions.

The EPS hurdle was set by calculating a required range of the Company's EPS. The hurdle rates are based on the Board approved FY2023 budget and forecast profit after tax for FY2025 and the number of shares on issue at grant date.

The table below sets out the percentage of rights subject to the EPS hurdle that can vest depending on the Company's FY2025 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.

FY2025 EPS	Percentage of Rights that vest (%)
Less than 3.291	Nil
3.291 (Threshold)	25%
3.291 to 3.872	Straight line pro-rata vesting between 25% and 50%
3.872 (Target)	50%
3.872 to 4.453	Straight line pro-rata vesting between 50% and 100%
4.453 (Stretch)	100%

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

5.4 FY2023 Non-Executive Director (“NED”) Remuneration

The following outlines the principles that Cash Converters applies to governing NED remuneration:

<table>
<tr><td>Policy</td><td>The 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. There has been no change to the NED or Board fees in FY2023.

The following outlines the Board fees applicable at the end of FY2023:

<table>
<tr><th>Role/Function</th><th>Main Board</th><th>ARC[1]</th><th>GRNC[1]</th><th>BIC[1]</th></tr>
<tr><td>Chair</td><td>$170,000</td><td>$15,000</td><td>$15,000</td><td>$15,000</td></tr>
<tr><td>Member</td><td>$95,000</td><td>$5,000</td><td>$5,000</td><td>$5,000</td></tr>
</table>

[1] ARC = Audit & Risk Committee, GRNC = Governance, Remuneration & Nomination Committee, BIC = Board Investment Committee

All fees are inclusive of any applicable superannuation.</td></tr>
<tr><td>Aggregate Board Fees</td><td>NED fees are managed within the current annual fees limit (“AFL” or “fee pool”) of $1,000,000 which was approved by shareholders on 25 October 2022. Actual fees paid to NEDs for FY2023 was $735,000.

NEDs do not participate in, or receive, any performance-based remuneration as part of their role and do not participate in any equity plans that operate within the Company, in order to support their independence and impartiality.</td></tr>
</table>

6 The link between performance and reward in FY2023

The Board reviews the performance conditions for the variable remuneration plans on an annual basis, and weighs metrics across group, business unit/region and individual/role-related key result areas, classifiable as financial, strategic or operational metrics. The Board is responsible for assessing performance against metrics and determining the STI awards and LTI vesting.

The following disclosures are intended to assist in demonstrating the link between Cash Converters' strategy, performance and executive reward in the FY2023 period.

6.1 Performance outcomes for FY2023 including STI and LTI assessment

Outlined in the directors' report, the commendable financial result for FY2023, with demonstrated significant year on year growth in operating earnings, has been a key consideration in determining the appropriateness of incentives awarded. The STI pool is funded if the operating profit after tax target, determined by the Board, is met.

The performance of executive KMP has meant that the operating profit after tax target required for eligibility of payment of the STI has been exceeded. With this determination, the awarding of STI's to executive KMP 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 table below illustrates the growth achieved in operating earnings before tax of 8.4% with growth in the operating earnings after tax in the normal course of business of 5.7%.

Operating results analysis	Growth YoY	2023 $'000	2022 $'000
Revenue	23.1%	302,697	245,937
EBITDA[4]	8.5%	57,236	52,728
EBIT[4]	14.7%	44,804	39,046
Operating profit for the year before tax	8.4%	28,804	26,581
Income tax charge	15.0%	(8,700)	(7,567)
Operating profit for the year after normal tax charge	5.7%	20,104	19,014
Tax adjusted impact of non-goodwill impairment[1]	-40.4%	(4,670)	(7,837)
Tax adjusted impact of goodwill impairment[2]	nm	(110,481)	-
Tax adjusted impact of other entries[3]	nm	(2,108)	-
Reported (loss) / profit for the year after tax	nm	(97,155)	11,177

1 The operating profit for FY2023 is presented excluding the non-cash impairment expense of $6.672 million ($4.670 million after tax effect) and the operating profit for FY2022 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. FY2022 forecast cash flows were largely impacted due to factors directly associated with the impact of COVID-19 closures and uncertainty in the trading conditions beyond June 2022. FY2023 forecast cash flows have been impacted due to PEA legislation changes that came into effect on 12 June 2023 which will negatively impact the future lending volumes and revenue generation of the Store Operations segment.

2 The operating profit for FY2023 is presented excluding the non-cash goodwill impairment expense of $110.481 million on the carrying value including goodwill of the assets of the group CGUs where forecast cash flows have been negatively impacted due to PEA legislation changes that came into effect on 12 June 2023 which will negatively impact the future lending volumes of both the Personal Finance and Store Operations.

3 The operating profit for FY2023 is presented before the recognition of a net $2.108 million after tax on a non-recurring indirect tax recovery as well as merger and acquisition costs.

4 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.

nm Not meaningful

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.

During the year the Group reported to shareholders on the success achieved in progressing the strategic pillars of organic optimisation, inorganic expansion and customer and product. This included the successful acquisition of the remaining 75% interest in Cash Converters New Zealand master franchisor which settled in November 2022, the execution of a Sale and Purchase Agreement for the acquisition of Capital Cash which is the largest Cash Converters franchise group in the United Kingdom and the successful delivery of the new product pilot for Line of Credit.

The Financial Sector Reform Act 2022 ("the Act") received royal Assent in December 2022 and introduced a significant number of reforms in relation to Small Amount Credit Contracts ("SACC"), including new restrictions on unsolicited communications, proscribed referrals to unregulated products and tighter income requirements for credit eligibility. KMP were required to lead a significant schedule of work to ensure that the relevant legislative amendments were implemented when the legislation took effect in December 2022 and June 2023 respectively. Cash Converters supports efforts to prevent predatory and unethical behaviours of credit providers operating in the SACC market and is committed to operating in a compliant and transparent manner.

Responding to these legislative changes continues to be a complex process that requires the application of significant judgement by management to estimate the reduction in SACC loan volumes because of the tightening of SACC credit eligibility rules (Protected Earnings Amount ("PEA") cap implementation) and estimating the discount rate to the forecast cash flows to determine net present value. Management responded to the Act, which was passed by the Senate in December 2022, by recognising a one-off non-cash impairment charge of $110.481 million before tax.

The work undertaken to ensure compliance with the new legislation, overseas acquisitions, coupled with new product innovation and underlying optimisation of the store and online customer service operations has ensured that Cash Converters is positioned strongly for future growth. Executing a sensible growth strategy remains the key focus of the executive team and the outcomes delivered during this reporting period are testament to the resilience of the business and the exceptional leadership of the team.

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. 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 tight labour markets and ongoing regulatory scrutiny.

6.2 FY2023 STI Key Performance Indicators and Outcomes

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 FY2023 period has been accrued in the FY2023 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 FY2023 was 100%.

In relation to the completed FY2023 period the following KPIs and weightings applied to executive KMP 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 50% 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. KPIs are aligned to the strategic priorities of sustained growth in earnings and relative shareholder return.

Individual performance measures – Managing Director			
Strategic priority	**Strategic goal**	**Required KPI Threshold**	**Rationale for award**
Sustainable network growth	Network expansion	As measured by the successful completion of due diligence on identified priority acquisition targets agreed at Board.	Achieved. Acquired the remaining 75% interest in New Zealand master franchisor in November 2022.
Expanding market share	New product development	As measured by the underwriting of a pilot Line of Credit ("LOC") loan book.	Achieved. LOC developed and pilot loan book established with an approved credit limit on target.
Consolidation of franchise network	Franchising	As measured by the finalisation of a new draft franchise agreement no later than 30 June 23.	Achieved. Draft finalised by 30 June 2023.
Increase shareholder value	Investor	As measured by delivery of market results and ASX releases in addition to achieving the initiation of research coverage by another corporate institution and involvement in a retail investor channel (ASX investor day or similar event).	Achieved. ASX releases delivered. Initiation of second broker and involvement in retail investor opportunities completed.

Shared performance measures – All Executive KMP including Managing Director			
Strategic priority	**Strategic goal**	**Required KPI Threshold**	**Rationale for award**
Our customers	Improve our customer experience	As measured by an achievement of required annual average NPS	Exceeded required annual average NPS.
Behavioural Competencies	Requirement to consistently meet required behavioural competencies	Assessed across Cash Converters' Values, Accountability, Culture, Innovation, Compliance and Strategy	Achieved Performance reviews undertaken by the Managing Director, reviewed by the GRNC and approved by the Board. Managing Director approved by the Board.
Our People	Enhance our people capability	As measured by the delivery of two defined initiatives that improve wellness and reward & recognition engagement (pulse) survey results, across all business entities.	Achieved Successful implementation of required initiatives linked to wellness, reward and recognition including the launch of a competitive paid parental leave program commencing financial year 2024.
Conduct and Risk Management	Embed a risk culture	As measured by the development of a risk dashboard that identifies leading risk indicators, determines risk appetite thresholds and enables transparent and proactive reporting and oversight.	Achieved Approval from the Audit and Risk Committee and Board.

Individual Performance measures – executive KMP			
Strategic priority	**Strategic goal**	**Required KPI Threshold / Smart measurements**	**Rationale for award**
Individual Objectives aligned to strategic delivery and Managing Director KPIs	Balanced assessment of individual performance to support the delivery of the Group's strategy	Role appropriate financial and non-financial measures linked to key strategic pillars, 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 FY2022 AGM and aligned to the objectives set for the Managing Director as disclosed in detail above.	Assessment of performance of executive KMP to KPIs aligned to strategic goals undertaken by the Managing Director, reviewed by the GRNC and approved by the Board. Managing Director approved by the Board.

Overall STI outcomes for FY2023 are determined through the Board's assessment of actual performance against expectations, as outlined below.

Name	**Opportunity (as % of Base Salary)**				**% Maximum STI**	
	Maximum STI	**Target STI**	**STI Outcome (as % of Target)**	**Total STI Awarded ($)**	**Awarded %**	**Forfeited %**
Sam Budiselik	100%	100%	100%	605,000	100%	0%
Lisa Stedman	50%	50%	100%	195,000	100%	0%
James Miles	50%	50%	100%	180,000	100%	0%
Leslie Crockett [1]	50%	50%	100%	95,000	100%	0%
Jonty Gibbs [1]	50%	50%	100%	76,875	100%	0%

1 Total STI awarded for Mr Leslie Crockett and Mr Jonty Gibbs has been pro-rated to reflect their period of service within the role for FY2023

The GRNC will continue to develop the remuneration strategy in finanical year 2024 to reflect the ongoing commitment to linking performance and reward and to ensure that Cash Converters remain market competitive to attract and retain executive talent and to align to shareholder interests.

6.3 FY2023 LTI Outcomes

The LTI plan that was eligible to vest in relation to the completion of FY2023 is described below:

The Measurement Period is three years, commencing on 1 July 2020 and ending on 30 June 2023.

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 LTI 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 payments are delivered in performance rights which 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 in September 2020 were offered across two equal tranches and based on performance hurdles in which each hurdle operates independently and applies to 50% 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.

During the financial year and to the date of this report, the Board exercised discretion to modify LTI outcomes, vesting or awards as below:

- The Board have agreed to exercise discretion in awarding the EPS tranche of the LTI, acknowledging the impact that COVID-19 and unforeseen legislative changes had on the outcome during the measurement period from 1 July 2020 to 30 June 2023.
- The discretion resulted in participating KMP receiving 50% of the rights available under the EPS tranche.

Incumbent	Sam Budiselik		Lisa Stedman		James Miles		Leslie Crockett	
Role	Managing Director & Chief Executive Officer		Chief Operating Officer		Chief Information Officer		Chief Financial Officer	
Tranche	Tranche 29	Tranche 30	Tranche 29	Tranche 30	Tranche 29	Tranche 30	Tranche 29	Tranche 30
Weighting	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Vesting Condition	TSR	EPS	TSR	EPS	TSR	EPS	TSR	EPS
Number Eligible to Vest following FY23 Completion	2,306,678	2,306,678	527,241	527,241	527,241	527,241	855,729	855,729
% of Tranche Vested	100.0%	50.0%	100.0%	50.0%	100.0%	50.0%	100.0%	50.0%
Number Vested	2,306,678	1,153,339	527,241	263,621	527,241	263,621	855,729	427,865
Grant Date Valuation[1]	0.096	0.150	0.096	0.150	0.096	0.150	0.096	0.150
Value of LTI that Vest $ (as per Grant Date Valuation)	221,441	173,001	50,615	39,543	50,615	39,543	82,150	64,180

1 Grant Date Valuation is determined by the application of AASB 2 *Share-based payment* and the share price at the time of grant.

7 Statutory Tables and Supporting Disclosures

7.1 Executive KMP Statutory Remuneration for FY2023

The following table outlines the statutory remuneration of executive KMP:

		Fixed Pay				Variable Remuneration					
Name	Year	Salary	Non-monetary benefits	Super	Total Fixed Pay	Other long term benefits	Termination benefits	Cash STI	LTI	Total Remuneration Package (TRP)	Variable Remuneration as % of TRP
		$	$	$	$	$	$	$	$	$	
Sam Budiselik	2023	613,908	27,975	25,292	667,175	21,189	-	605,000	362,221	1,655,585	58%
	2022	587,890	24,980	23,568	636,438	28,376	-	577,500	931,118	2,173,432	69%
Peter Cumins	2023	415,958	10,365	25,292	451,615	8,372	-	-	-	459,987	0%
	2022	477,598	11,684	23,568	512,850	8,705	-	-	-	521,555	0%
Lisa Stedman	2023	394,548	27,754	25,292	447,594	-	-	195,000	120,914	763,508	41%
	2022	335,292	24,816	23,568	383,676	-	-	165,000	80,780	629,456	39%
James Miles	2023	357,703	27,975	25,292	410,970	1,018	-	180,000	113,498	705,486	42%
	2022	297,351	24,684	23,568	345,603	-	-	150,000	75,435	571,038	39%
Leslie Crockett[1]	2023	195,487	22,524	18,969	236,980	-	218,500	95,000	19,623	570,103	20%
	2022	384,185	24,980	23,568	432,733	-	-	190,000	110,452	733,185	41%
Jonty Gibbs[2]	2023	160,688	5,451	12,646	178,785	-	-	76,875	5,678	261,338	32%
	2022	-	-	-	-	-	-	-	-	-	-
Total	**2023**	**2,138,292**	**122,044**	**132,783**	**2,393,119**	**30,579**	**218,500**	**1,151,875**	**621,934**	**4,416,007**	**40%**
	2022	**2,082,316**	**111,144**	**117,840**	**2,311,300**	**37,081**	**-**	**1,082,500**	**1,197,785**	**4,628,666**	**49%**

1 Resigned 31 December 2022
2 Appointed Interim Chief Financial Officer from 1 January 2023 and appointed Chief Financial Officer from 1 April 2023

The cash STI values reported in the above 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 2023 is the value earned and accrued for in FY2023 and will be paid during FY2024).

The LTI value reported in the table above 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	2023	41%	37%	22%
Ms L Stedman	2023	59%	26%	15%
Mr J Miles	2023	58%	26%	16%
Mr L Crockett	2023	67%	27%	6%
Mr J Gibbs	2023	68%	29%	3%

7.2 Non-Executive Director ("NED") KMP Statutory Remuneration for FY2023

The following table outlines the statutory and audited remuneration of NEDs:

Name	Year	Board Fees $	Super $	Total $
Timothy Jugmans [1]	2023	169,522	478	170,000
	2022	42,500	-	42,500
Lachlan Given	2023	95,000	-	95,000
	2022	95,000	-	95,000
Julie Elliott	2023	108,597	11,403	120,000
	2022	102,542	10,345	112,887
Robert Hines	2023	117,647	12,353	130,000
	2022	114,097	11,513	125,610
Henry Shiner [2]	2023	99,547	10,453	110,000
	2022	90,005	9,079	99,084
Susan Thomas [3]	2023	99,547	10,453	110,000
	2022	25,000	2,500	27,500
Total	**2023**	**689,860**	**45,140**	**735,000**
	2022	**469,144**	**33,437**	**502,581**

1 Appointed 1 April 2022
2 Appointed 1 July 2021
3 Appointed 1 April 2022

7.3 KMP equity interests and changes during FY2023

Movements in equity interests held by executive KMP during the reporting period, including their related parties, are set out below:

		Opening Balance	Rights Granted		Rights Lapsed / Forfeited [3]	Rights Vested / Exercised [4]	Closing Balance
Name	**Year**	**Number**	**Date**	**Number**	**Number**	**Number**	**Number**
Sam Budiselik	2023	13,249,032	25-Oct-22	3,615,538	-	(5,379,098)	11,485,472
	2022	9,992,454	26-Oct-21	3,256,578	-	-	13,249,032
Lisa Stedman	2023	2,295,084	04-Oct-22	1,553,785	-	-	3,848,869
	2022	1,054,482	26-Oct-21	1,240,602	-	-	2,295,084
James Miles	2023	2,182,302	04-Oct-22	1,434,263	-	-	3,616,565
	2022	1,054,482	26-Oct-21	1,127,820	-	-	2,182,302
Leslie Crockett [1]	2023	3,478,952	04-Oct-22	1,513,944	(3,281,438)	-	1,711,458
	2022	2,050,380	26-Oct-21	1,428,572	-	-	3,478,952
Jonty Gibbs [2]	2023	522,009		-	-	-	522,009
	2022	-		-	-	-	-
Total	**2023**	**21,727,379**		**8,117,530**	**(3,281,438)**	**(5,379,098)**	**21,184,373**
	2022	**14,151,798**		**7,053,572**	**-**	**-**	**21,205,370**

1 Closing balance at date of ceasing to be KMP
2 Opening balance at date of becoming KMP
3 A total of 3,281,438 rights issued to Mr Crockett in FY2021, FY2022 and FY2023 were forfeited during the period in line with the Separation and Release Deed. The Board resolved to exercise the discretion available to them under the Plan rules to allow a pro-rata portion of the remaining rights granted to him, that would otherwise have been forfeited, to be retained with the original terms of the grants to apply including the applicable vesting conditions and measurement dates
4 A total of 5,379,098 of performance rights granted to Mr Budiselik in FY2020 vested and were exercised on the 6 September 2022.

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 [1]	Exercise price	Measurement date	Expiry date
		$	$		
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
Tranche 33	04 Oct 2022	0.119	-	30 Jun 2025	30 Sep 2025
Tranche 34	04 Oct 2022	0.170	-	30 Jun 2025	30 Sep 2025
Tranche 35	25 Oct 2022	0.127	-	30 Jun 2025	30 Sep 2025
Tranche 36	25 Oct 2022	0.180	-	30 Jun 2025	30 Sep 2025

1 The grant date fair value is calculated as at the grant date using a Monte Carlo pricing model for tranches 29, 31, 33 and 35 and a binomial pricing model for tranche 30. Tranches 32, 34 and 36 use a trinomial model.

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

Fully paid ordinary shares of Cash Converters International Limited

	Balance at 1 July 2022	Rights exercised[3]	Other changes during the year	Balance at 30 June 2023	Nominally held 30 June 2023
	Number	Number	Number	Number	Number
Directors					
Timothy Jugmans	-	-	-	-	-
Lachlan Given	-	-	-	-	-
Sam Budiselik	248,375	5,379,098	-	5,627,473	5,627,473
Peter Cumins	8,810,694	-	1,000,000	9,810,694	9,810,694
Julie Elliott	20,156	-	41,223	61,379	61,379
Robert Hines	622,000	-	200,000	822,000	822,000
Henry Shiner	-	-	-	-	-
Susan Thomas	613,985	-	-	613,985	613,985
	10,315,210	**5,379,098**	**1,241,223**	**16,935,531**	**16,935,531**
Executive KMP					
Lisa Stedman	-	-	-	-	-
James Miles	-	-	-	-	-
Leslie Crockett[1]	17,511	-	-	17,511	17,511
Jonty Gibbs[2]	-	-	10,000	10,000	-
	17,511	**-**	**10,000**	**27,511**	**17,511**
Total	**10,332,721**	**5,379,098**	**1,251,223**	**16,963,042**	**16,953,042**

1 Closing balance at date of ceasing to be KMP

2 Opening balance at date of becoming KMP

3 A total of 5,379,098 of performance rights granted to Mr Budiselik in FY2020 vested and exercised on the 6 September 2022

The following outlines the accounting values and potential future costs of equity remuneration granted during FY2023 for executive KMP:

Name	Tranche [3]	Number of rights	Grant Date	Value per right $	Total Value at Grant $	Value expensed in FY2023	Value to be expensed in future years
Sam Budiselik	35 (TSR)	1,807,769	25-Oct-22	0.127	229,587	58,159	171,428
	36 (EPS)	1,807,769	25-Oct-22	0.180	325,398	41,215	121,484
Lisa Stedman	33 (TSR)	776,893	04-Oct-22	0.119	92,450	24,869	67,581
	34 (EPS)	776,892	04-Oct-22	0.170	132,072	17,764	48,272
James Miles	33 (TSR)	717,132	04-Oct-22	0.119	85,339	22,956	62,383
	34 (EPS)	717,131	04-Oct-22	0.170	121,912	16,397	44,559
Leslie Crockett [1]	33 (TSR)	756,972	04-Oct-22	0.119	90,080	-	-
	34 (EPS)	756,972	04-Oct-22	0.170	128,685	-	-
Jonty Gibbs [2]	33 (TSR)	185,817	04-Oct-22	0.119	22,112	5,948	16,164
	34 (EPS)	185,816	04-Oct-22	0.170	31,589	4,249	11,546
Total		**8,489,163**			**1,259,224**	**191,557**	**543,417**

1 A total of 1,513,944 rights granted to Mr Crockett in FY2023 were forfeited during the period in line with the Separation and Release Deed.

2 A total of 371,633 rights were issued to Mr Gibbs in FY2023 prior to his appointment as KMP

3 TSR: vesting conditions based on Total Shareholder Return, EPS: vesting conditions based on Earnings Per Share

The minimum value to be expensed in future years for each of the above grants made in FY2023 is nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of an executive KMP departure or failure to meet nonmarket-based conditions including failure for gate to open.

7.4 KMP service agreements

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 2001*.

A summary of contract terms is presented below:

Name	Position held at close of FY2023	Period of notice	
		From Company	From KMP
Sam Budiselik	Managing Director & Chief Executive Officer	12 months	12 months
Peter Cumins	Executive Deputy Chairman	12 months	6 months
Lisa Stedman	Chief Operating Officer	6 months	6 months
James Miles	Chief Information Officer	6 months	6 months
Leslie Crockett	Chief Financial Officer (to 31 Dec 2022)	6 months	6 months
Jonty Gibbs	Chief Financial Officer (from 1 April 2023)	6 months	6 months

All KMP are employed by Cash Converters Pty Ltd, a 100% owned subsidiary of Cash Converters International Ltd.

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 $605,000 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 target 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 2001* are not breached.

On appointment to the Board, all 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.

7.5 Other Statutory Disclosures

Loans to KMP and their related parties

During the financial year and to the date of this report, the Company made no loans to directors and other KMP and none were outstanding as of 30 June 2023 (2022: nil).

Other transactions with KMP

During the financial year and to the date of this report, the Company made no other transactions with KMP.

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
30 August 2023

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

30 August 2023

Dear Directors

Auditor's Independence Declaration to 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 2023, 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

Peter Rupp
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 ASX Listing Rule 4.10.3.

Cash Converters International Limited
ABN 39 069 141 546
Annual Financial Report - 30 June 2023

Financial statements

Contents

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 16.

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 30 August 2023. 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-23 $'000	30-Jun-22 $'000
Continuing operations			
Franchise fee revenue		16,289	14,580
Financial services interest revenue		184,847	148,457
Sale of goods		96,707	80,391
Other revenues		4,854	2,509
Total revenue	3	302,697	245,937
Financial services cost of sales	4	(56,913)	(37,140)
Cost of goods sold		(55,894)	(46,094)
Other cost of sales		(3,002)	(2,477)
Total cost of sales		(115,809)	(85,711)
Gross profit		186,888	160,226
Employee expenses	4	(93,565)	(76,533)
Administrative expenses	4	(11,200)	(8,726)
Advertising expenses		(12,355)	(11,085)
Occupancy expenses	4	(3,094)	(4,090)
Depreciation and amortisation expense	4	(12,432)	(13,682)
Other expenses	4	(12,359)	(7,917)
Finance costs	4	(16,000)	(12,465)
Impairment of goodwill	5	(110,481)	-
Impairment non-current assets	5	(6,672)	(11,196)
Share of net profit of equity accounted investments		251	853
(Loss) / profit before income tax		(91,019)	15,385
Income tax expense	6	(6,136)	(4,208)
(Loss) / profit for the year		(97,155)	11,177
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		1,591	(1,002)
Total comprehensive (loss) / profit for the year		(95,564)	10,175
(Loss) / profit per share			
Basic (cents per share)	23	(15.54)	1.80
Diluted (cents per share)	23	(15.54)	1.73

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-23 $'000	30-Jun-22 $'000
Current assets			
Cash and cash equivalents	7.a	71,565	58,085
Trade and other receivables	7.b	3,570	3,562
Loan receivables	7.c	182,069	144,056
Inventories	8.a	26,493	23,944
Prepayments	7.d	2,544	1,684
Total current assets		286,241	231,331
Non-current assets			
Trade and other receivables	7.b	6,649	1,770
Loan receivables	7.c	42,660	31,597
Property, plant and equipment	8.b	6,582	4,842
Right-of-use assets	8.c	47,046	50,221
Deferred tax assets	8.f	29,669	26,089
Goodwill	5, 8.d	3,279	110,481
Other intangible assets	8.e	20,543	16,989
Investments in associates	16.c	-	4,868
Total non-current assets		156,428	246,857
Total assets		442,669	478,188
Current liabilities			
Trade and other payables	7.e	18,984	15,398
Lease liabilities	8.c	7,276	6,854
Current tax payable		338	1,839
Borrowings	7.f	109,044	51,957
Provisions	8.g	11,780	9,873
Total current liabilities		147,422	85,921
Non-current liabilities			
Lease liabilities	8.c	56,466	57,963
Borrowings	7.f	27,947	16,408
Provisions	8.g	4,340	2,544
Total non-current liabilities		88,753	76,915
Total liabilities		236,175	162,836
Net assets		206,494	315,352
Equity			
Issued capital	9	249,860	249,663
Reserves		9,806	8,433
Retained (loss) / earnings		(53,172)	57,256
Total equity		206,494	315,352

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

Consolidated statement of changes in equity

	Notes	Issued capital	Foreign currency translation reserve	Share-based payment reserve	Retained (loss) / earnings	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021		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		(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
Balance at 1 July 2022		249,663	5,938	2,495	57,256	315,352
Loss for the year		-	-	-	(97,155)	(97,155)
Exchange differences arising on translation of foreign operations		-	1,591	-	-	1,591
Total comprehensive loss for the year		-	1,591	-	(97,155)	(95,564)
Share-based payments		-	-	807	-	807
Treasury shares acquired	9	(1,353)	-	-	-	(1,353)
Treasury shares issued	9	1,550	-	(1,550)	-	-
Transfer reserve balance to retained earnings		-	-	723	(723)	-
Transfer of modified awards to provisions	8.g	-	-	(198)	-	(198)
Dividends paid	13.b	-	-	-	(12,550)	(12,550)
Balance at 30 June 2023		249,860	7,529	2,277	(53,172)	206,494

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

Consolidated statement of cash flows

	Notes	30-Jun-23 $'000	30-Jun-22 $'000
Cash flows from operating activities			
Receipts from customers		201,412	162,627
Payments to suppliers and employees		(189,805)	(152,382)
Interest received		858	69
Interest received from personal loans		85,428	79,506
Net increase in personal loans advanced		(82,632)	(62,526)
Interest and costs of finance paid		(15,856)	(12,478)
Income tax paid		(10,941)	(6,907)
Net cash flows (used in) / from operating activities	10.a	(11,536)	7,909
Cash flows from investing activities			
Payment for business combinations, net of cash acquired	14.b	(13,798)	(3,144)
Acquisition of intangible assets		(1,505)	(498)
Purchase of plant and equipment		(2,971)	(1,399)
Instalment credit loans repaid by franchisees		325	937
Loan to associate repaid		-	2,837
Loan funding to external parties		(4,679)	-
Return on equity investment		-	3,153
Net cash flows (used in) / from investing activities		(22,628)	1,886
Cash flows from financing activities			
Proceeds from borrowings		222,750	70,250
Repayment of borrowings		(154,750)	(70,250)
Payment of borrowing costs		-	(1,875)
Repayment of lease liabilities		(7,085)	(7,445)
Dividends paid	13.b	(12,550)	(12,550)
Employee share trust funding	9	(1,353)	(1,550)
Net cash flows from / (used in) financing activities		47,012	(23,420)
Net increase / (decrease) in cash and cash equivalents		12,848	(13,625)
Cash and cash equivalents at the beginning of the year		58,085	72,166
Effects of exchange rate changes on the balance of cash held in foreign currencies		632	(456)
Cash and cash equivalents at the end of the year	7.a	71,565	58,085

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

Notes to the financial statements

Contents

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 2023 was authorised for issue in accordance with a resolution of directors dated 30 August 2023. The financial report comprises the consolidated financial report of Cash Converters International Limited and its subsidiaries ("the Group", as outlined in note 16).

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.

Certain classifications on the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements have been reclassified. The Group believes that this will provide more relevant information to stakeholders. The comparative information has been reclassified accordingly.

The accounting policies adopted are consistent with those of previous financial years and the corresponding interim reporting period, except where changes are called out in these accounts.

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

1.a) 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 2022. The application of these amendments has not resulted in any significant changes to the Group's accounting policies nor any material effect on the measurement or disclosure of the amounts reported for the current or prior periods.

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

- AASB 2020-3 *Amendments to Australian Accounting Standards –Annual Improvements 2018–2020 and Other Amendments* (AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141)
- AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (insofar as the Standard relates to editorial corrections that are effective for the current 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,* 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 2022-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*	1 January 2024
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
AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	1 January 2024
AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*	1 January 2023

1.b) 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.

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:

Personal Finance
This segment comprises the Cash Converters Personal Finance personal loans business.

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

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

New Zealand
This segment comprises the operations of the New Zealand Cash Converters network, including the retail sale of new and second-hand goods, and personal lending including personal loan and pawnbroking operations at corporate owned stores in New Zealand as well as the collection of franchise income from the New Zealand franchisee network.

UK
This involves the sale of franchises for the retail sale of new and second-hand goods within the United Kingdom.

Head Office & Eliminations
This involves the sale of franchises for the retail sale of new and second-hand goods within Australia and the sale of master licenses for the development of franchises in countries around the world along with central administration costs and directors' salaries, interest income and expense in relation to corporate facilities and tax expense.

The above segment structure reflects a change from the segment structure used in prior period reporting. As a result, segment information for the comparative period has been restated to reflect the updated segment structure outlined above.

The accounting policies of the reportable segments are the same as the Group's accounting policies except where otherwise stated in the notes to the accounts.

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 2023	Personal Finance $'000	Vehicle Financing $'000	Store Operations $'000	New Zealand $'000	UK $'000	Head office & Eliminations $'000	Total $'000
Interest from external customers [1]	126,224	15,048	37,111	6,315	253	754	185,705
Other revenue	-	-	91,569	7,495	11,151	6,777	116,992
Transactions with other segments	(12,192)	-	13,365	-	-	(1,173)	-
Segment revenue	114,032	15,048	142,045	13,810	11,404	6,358	302,697
EBITDA[2] – operating	50,564	6,078	20,575	(833)	3,339	(22,487)	57,236
Impairment of non-current assets	(90,561)	-	(26,592)	-	-	-	(117,153)
Other non-operating costs	-	-	920	-	(2,598)	(992)	(2,670)
EBITDA[2]	(39,997)	6,078	(5,097)	(833)	741	(23,479)	(62,587)
Depreciation and amortisation	(1,340)	(647)	(7,701)	(770)	(260)	(1,714)	(12,432)
EBIT	(41,337)	5,431	(12,798)	(1,603)	481	(25,193)	(75,019)
Interest expense	(8,265)	(2,667)	(4,248)	(711)	(18)	(91)	(16,000)
(Loss) / profit before tax	(49,602)	2,764	(17,046)	(2,314)	463	(25,284)	(91,019)
Income tax expense							(6,136)
Loss for the period							(97,155)

Year ended 30 June 2022	Personal Finance $'000	Vehicle Financing $'000	Store Operations $'000	New Zealand $'000	UK $'000	Head office & Eliminations $'000	Total $'000
Interest from external customers [1]	104,076	12,149	32,004	-	122	178	148,529
Other revenue	-	-	80,734	-	10,840	5,834	97,408
Transactions with other segments	(9,740)	-	10,899	-	-	(1,159)	-
Segment revenue	94,336	12,149	123,637	-	10,962	4,853	245,937
EBITDA[2] – operating	44,111	7,972	16,486	853	3,042	(19,736)	52,728
Impairment of non-current assets	-	-	(11,196)	-	-	-	(11,196)
Other non-operating costs	-	-	-	-	-	-	-
EBITDA[2]	44,111	7,972	5,290	853	3,042	(19,736)	41,532
Depreciation and amortisation	(2,096)	(652)	(8,871)	-	(286)	(1,777)	(13,682)
EBIT	42,015	7,320	(3,581)	853	2,756	(21,513)	27,850
Interest expense	(5,157)	(2,016)	(4,683)	-	(20)	(589)	(12,465)
Profit / (loss) before tax	36,858	5,304	(8,264)	853	2,736	(22,102)	15,385
Income tax expense							(4,208)
Profit for the period							11,177

1 Interest revenue comprises personal loan interest, cash advance fee income, pawnbroking interest from customers, commercial loan interest from third parties and interest received on bank deposits

2 EBITDA is earnings before interest, tax, depreciation, amortisation and impairment

2.b) Other segment information

	Personal Finance	Vehicle Financing	Store Operations	New Zealand	UK	Head office & Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2023							
Segment assets	182,247	53,745	91,186	27,204	15,997	72,290	442,669
Segment liabilities	114,878	29,726	63,482	7,528	4,835	15,726	236,175
Profit on interest in associate	-	-	-	251	-	-	251
Additions to non-current assets	104	-	4,202	16,424	100	1,574	22,404

	Personal Finance	Vehicle Financing	Store Operations	New Zealand	UK	Head office & Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2022							
Segment assets	242,953	39,115	115,842	-	13,992	66,286	478,188
Segment liabilities	54,383	21,593	67,007	-	4,215	15,638	162,836
Profit on interest in associate	-	-	-	853	-	-	853
Additions to non-current assets	338	214	9,279	-	885	40	10,756

2.c) Geographic information

The Group operates in three principal geographical areas – Australia (country of domicile), New Zealand 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 2023 $'000	30-Jun 2022 $'000	30-Jun 2023 $'000	30-Jun 2022 $'000
Australia	276,906	234,257	132,887	237,593
New Zealand	13,810	-	9,526	-
United Kingdom	11,404	10,962	14,015	9,264
Rest of world	577	718	-	-
Total	302,697	245,937	156,428	246,857

3 Revenue

	30-Jun 2023 $'000	30-Jun 2022 $'000
Financial services interest revenue		
Personal loan interest and establishment fees	128,865	102,351
Pawnbroking fees	34,818	27,700
Cash advance fee income	5,863	6,028
Vehicle loan interest and establishment fees	15,048	12,149
Other financial services revenue	253	229
	184,847	148,457
Sale of goods		
Retail sales	96,707	80,391
Other revenue		
Bank interest	858	69
Webshop revenue	3,112	2,219
Other revenue	884	221
	4,854	2,509

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.

4 Expense items

	30-Jun 2023 $'000	30-Jun 2022 $'000
Financial services cost of sales		
Bad debts written off	55,483	36,684
Recovery of bad debts written off	(6,171)	(8,046)
Net bad debt expense	49,312	28,638
Movement in expected credit loss allowance	5,071	6,186
Total loan related bad debts and allowances	54,383	34,824
Other financial services cost of sales	2,530	2,316
	56,913	37,140
Employee expenses		
Employee benefits	85,712	69,400
Share-based payments	807	1,375
Superannuation expense	7,046	5,758
	93,565	76,533
Administrative expenses		
General administrative expenses	4,362	3,413
Communications expenses	1,303	905
IT expenses	4,372	3,995
Travel costs	1,163	413
	11,200	8,726
Occupancy expenses		
Rent	298	103
Outgoings	2,247	1,809
Lease modifications	(1,780)	(735)
Other - cleaning, repairs, security, electricity	2,329	2,913
	3,094	4,090

	30-Jun 2023 $'000	30-Jun 2022 $'000
Depreciation and amortisation expense		
Depreciation	1,758	1,747
Depreciation of right-of-use assets	7,109	7,703
Amortisation of other intangible assets	3,549	4,158
Loss on write down of assets	16	74
	12,432	13,682
Other expenses		
Legal fees	306	345
Professional and registry costs	3,409	2,928
Auditing and accounting services	1,322	909
Bank charges	1,247	956
Other expenses from ordinary activities	3,405	2,779
	9,689	7,917
Indirect tax recovery (net)	(920)	-
Merger and acquisition (“M&A”) costs	3,590	-
	12,359	7,917
Finance costs		
Interest	10,755	6,978
Interest expense on lease liabilities	5,245	5,487
	16,000	12,465

5 Impairment of non-current assets

The Group tests property, plant and equipment, goodwill, intangibles and right-of-use assets for impairment:

- at least annually for indefinite life intangibles and goodwill; and
- where there is an indication that the asset may be impaired (which is assessed at least at each reporting date); or
- where there is an indication that previously recognised impairment (on assets other than goodwill) may have changed.

5.a) Australia

Impairment losses recognised FY2023 - goodwill

Personal Finance and Store Operations segments as well as individual stores cash generating units (“CGUs") within Australia were tested for impairment at 31 December 2022 using cashflow forecasts reflective of the assumptions disclosed below (section Key Assumptions).

As reported in the 31 December 2022 half-year report the Personal Finance and Store Operations reportable segments were impaired to their recoverable amount of $67.745 million and $25.061 million respectively and a goodwill impairment expense of $90.561 million (2022: nil) and $19.920 million (2022: nil) were recognised for the Personal Finance and Store Operations segments respectively. The assets were impaired to their recoverable amount based on the value in use of the CGU to which they relate.

The impairment at the Personal Finance and Store Operations segment CGU level, which is an impairment of goodwill, is not able to be reversed in future accounting periods.

No amount of goodwill recognised or impaired is expected to be deductible for tax purposes.

The impairment recognised during the period results in the following changes in goodwill:

30-June-2023	Personal Finance $'000	Store Operations $'000	New Zealand $'000	Total $'000
Balance at the beginning of the year	90,561	19,920	-	110,481
Recognition on business combinations	-	-	3,315	3,315
Impairment of goodwill	(90,561)	(19,920)	-	(110,481)
Foreign currency exchange differences	-	-	(36)	(36)
Balance at the end of the year	-	-	3,279	3,279

Subsequent impairment indicator testing – Personal Finance and Store Operations segments

The impairments in the Personal Finance and Store Operations segments were recognised in the period ending December 2022. At 30 June 2023, the Group assessed whether there were indicators of further impairment to these and other segment CGUs and concluded that there were no impairment indicators or indicators of reversal present at the reporting date, and that there was no requirement to perform further impairment testing in these segments.

Impairment testing performed during FY2023

In the year ending 30 June 2023, as reported in the 31 December 2022 half-year report, the Group identified the following indicators of impairment:

- the continued market capitalisation of the Group less than net assets;
- change in regulatory legislation in December 2022 that impacts the Group's Small Amount Credit Contracts ("SACC") products, explained further below; and
- market interest rates increasing resulting in higher discount rates applied in assessing the recoverable value.

Impairment testing is required where an internal or external indication of impairment exists. As reported in the 31 December 2022 half-year report, as a result of a change in legislation passed in the period, an indication of impairment is considered to exist in the year ending 30 June 2023. Determination of the recoverable amount has been performed at both the individual store CGU level and group of CGUs to test goodwill.

As a result of impairment testing undertaking during the financial year, an impairment loss of goodwill and other non-current assets has been recognised in the financial year as outlined below:

	30-Jun 2023 $'000	30-Jun 2022 $'000
Impairment of non-current assets		
Plant and equipment	608	917
Right-of-use assets	5,610	10,257
Other intangible assets	454	22
Goodwill	110,481	-
	117,153	11,196

Store Operations and Personal Finance segments

As reported in the 31 December 2022 half-year report the Group operates in a regulated industry.

On 3 March 2016, the Small Amount Credit Contracts Review Final Report ("the Final Report") was delivered by the Review Panel to the Minister for Small Business and Assistant Treasurer. The Final Report outlined proposed regulatory requirements relating to the Protected Earnings Amount ("PEA") cap that have the potential to significantly impact SACC lending volumes, namely the Group's Personal Loan and Cash Advance products. One of the recommendations was to extend the SACC PEA cap requirement to all consumers and lowering it to 10% of the consumer's net income.

Since 30 June 2022, the Financial Sector Reform Act 2022 ("the Act") was introduced to the House of Representatives. The Act stated, "It is expected that the regulations will provide a protected earnings amount of 10 percent of a person's net (after tax and other deductions) income for all consumers". In effect, the regulations stipulated by the Act will cap repayments on certain loan products to 10% of a consumer's net income and apply to all consumers (previously the PEA cap only applied to Centrelink recipients).

The Act was passed by the Senate and ultimately received royal assent on 12 December 2022. The sections of the legislation that introduce the amendments to the PEA cap had an effective date 6 months post royal assent, being 12 June 2023. As reported in the 31 December 2022 half-year report in the 31 December 2022 impairment testing, the impact of the Act has been modelled from the effective date with the assumption the PEA cap will be applied as outlined in the Act.

Regulatory impact

As reported in the 31 December 2022 half-year report modelling was performed on the SACC lending volumes in FY2022 as if the PEA cap had applied. The reduction to SACC lending volumes is estimated to be a 44.3% reduction in the Personal Finance and a 68.7% reduction in the Store Operations segments. This estimated reduction in lending volumes is effective from the date of the PEA cap, being 12 June 2023.

SACC loan volume reductions are expected to have the following impact:

- decrease in financial services interest revenue in the Personal Finance segment and Store Operations segment;
- decrease in commissions paid from the Personal Finance segment (to Corporate stores and franchise stores);
- decrease in intercompany commission revenue earned by Corporate stores; and
- decrease in commission revenue earned by franchisees.

5.b) New Zealand

The Group is required to perform an annual impairment test on goodwill and indefinite life intangible assets, which arose through the acquisition of Cash Converters New Zealand ("CCNZ") during FY2023.

The carrying value of the CCNZ segment, acquired by the group in November 2022, includes goodwill and indefinite life intangible assets recognised in the business combination. Regulatory changes introduced in the New Zealand Credit Contracts and Consumer Finance Act ("NZ CCCF Act") in December 2021 have reduced lending volumes and resulted in the CCNZ segment underperforming financial forecasts in FY2023. While the regulatory changes introduced in the NZ CCCF Act in December 2021 were partially repealed in May 2023, lending volumes have not returned to the forecast levels for FY2023. The changing regulations together with lower-than-expected lending volumes is considered an impairment indicator and the CCNZ segment has been tested for impairment accordingly. The goodwill and indefinite life intangible assets have been tested for impairment at 30 June 2023. No impairment was identified through this testing.

The recoverable value of the CCNZ segment is sensitive to changes in discount rate and forecast revenue. A 120 basis point increase in discount rate or a reduction in the average annual revenue growth over the 5 year forecast period from 6.4% (average of the annual revenue growth rates disclosed in the Key Assumptions table below) to 5.6% would result in the recoverable value of the segment reducing to an amount equal to carrying value.

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 the forecast expected credit losses;
- specific to Personal Finance and Store Operations segments, consideration of the impact of regulatory changes embodied in the Act on SACC lending volumes;
- specific to the CCNZ segment, consideration of the impact of regulatory changes embodied in the NZ CCCF Act in December 2021;
- allocation of overheads on a reasonable apportionment basis; and
- forecast working capital requirements.

Significant management judgement is required with respect to 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.

5.c) Key Assumptions

The key assumptions used in the impairment testing in the year ending 30 June 2023 are included in the table below.

The second table below is to facilitate a comparison to the key assumptions applied at 30 June 2022, this highlights changes in assumptions particular to FY2024 and beyond.

Revenue and expense growth rates in the table below reflect the assumptions in the forecast cashflows notably:

- Personal Finance/Store Operations - FY2024 forecast revenue and expense reductions reflect the expected impact to SACC lending volumes following the introduction of the PEA cap from 12 June 2023.
- New Zealand – FY2024 and long-term growth assumptions reflect recovery in personal loan product lending volumes to levels comparable with historic performance.

Assumption	Personal Finance*	Store Operations*	New Zealand**
FY2023* forecast revenue growth	17%	13%	
FY2023* forecast expense growth	16%	9%	
FY2024 forecast revenue growth	(16%)	(1%)	4%
FY2024 forecast expense growth	(9%)	2%	(1%)
FY2025 forecast revenue growth	(10%)	4%	9%
FY2025 forecast expense growth	1%	2%	(4%)
Revenue growth rate beyond year 2	(10%) to 5%	3% to 4%	6%
Expense growth rate beyond year 2	1% to 3%	2% to 3%	4% to 7%
Terminal growth rate > 5 years	2.5%	2.5%	2.5%
Post-tax discount rate applied to cash flows	11.40%	10.30%	11.50%

* The Personal Finance and Store Operations segments were tested for impairment at 31 December 2022 using cashflow forecasts reflective of the assumptions in this table. The resulting impairment to plant and equipment, right-of-use assets, other intangible assets and goodwill recognised at 31 December 2022 was reported as an impairment loss of $117.153 million in the period to 31 December 2022 (30 June 2022: $11.196 million).

** The New Zealand segment has been tested for impairment at 30 June 2023 using cashflow forecasts reflective of the assumptions in the table.

For the year ended 30 June 2022, the key assumptions, for budgeted revenue and expense growth rates are included below for comparison. No comparatives are available for New Zealand.

Assumption	Personal Finance	Store Operations
FY2023 budget revenue growth	16%	13%
FY2023 budget expense growth	8%	8%
FY2024 forecast revenue growth	4%	4%
FY2024 forecast expense growth	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	10.80%	10.90%

5.d) Impairment testing of individual Store Operations CGUs

A test for impairment of the carrying value of assets can be triggered by a change in several indicators, both internal and external. During the reporting period, there were indicators of impairment due to legislative changes as a result of the passing of the Act. 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.

An impairment loss is recognised for the amount by which the individual store 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 budgets approved by the Board and updated by management to reflect current business performance, covering a five-year period. Cash-flows beyond the five-year period are 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.

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 forecast amounts for the next financial year and incremental growth in subsequent years consistent with revenue trends.

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

Impairment losses recognised

A number of individual store CGUs were impaired to their recoverable amount at 30 June 2023 and an impairment expense of $6.672 million (30 June 2022: $11.196 million) was recognised. 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 recoverable amount increases above the carrying value of the asset. 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.

Previously impaired assets (excluding goodwill) are reviewed for possible reversal of previous impairment at each reporting date. Impairment reversals cannot exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset or cash generating units ("CGUs").

5.e) Impairment sensitivity

The Group is required to make significant estimates and apply significant judgments in determining whether the carrying amount of assets and/or CGUs have any indication of impairment. Such estimates and judgments are subject to change as a result of changing economic and operational conditions. Actual cash flows may therefore differ from forecasts and could result in changes in the recognition of impairment charges in future periods.

5.f) Impairment testing of goodwill

As reported in the 31 December 2022 half-year report impairment modelling for each CGU or group of CGUs has been prepared separately based on a value in use model which uses cash flow projections based on budgets approved by the Board and updated by management to reflect current business performance, 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.

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 forecasted amounts for the next financial year and incremental growth in subsequent years consistent with revenue trends.

Refer to note 8.d for further information supporting the changes in the goodwill balances.

6 Income tax

6.a) Income tax expense

	30-Jun 2023 $'000	**30-Jun 2022 $'000**
Current income tax expense		
Current year	8,677	9,705
Adjustment for prior years	688	(818)
Deferred income tax expense		
Temporary differences	(2,798)	(5,873)
Adjustment for prior years	(431)	1,295
Deferred tax asset on recognition of carry forward UK losses	-	(101)
Income tax expense reported in income statement	6,136	4,208

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

	30-Jun 2023 $'000	30-Jun 2022 $'000
Tax reconciliation		
(Loss) / profit before tax from continuing operations	(91,019)	15,385
Income tax at the statutory rate of 30% (2022: 30%)	(27,306)	4,616
Adjustments relating to prior years	257	477
Income tax rate differential	29	(315)
Other adjustments	53	(484)
Tax effect of share-based payment expense	(41)	15
Tax effect of goodwill impairment expense	33,144	-
Deferred tax asset on recognition of carry forward UK losses	-	(101)
Income tax expense on (loss) / profit before tax	6,136	4,208

6.c) Tax losses

A deferred tax asset in respect of carry forward losses of $8.607 million (2022: $8.136 million) has been recognised in relation to the Group's UK operations. Profit has been achieved in the last three years with the FY2023 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 $899 thousand (2022: nil) have been recognised in relation to losses in the Group's New Zealand operations during the current year.

Refer to note 26.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 applying IFRIC 23 *Uncertainty over Income Tax Treatments*.

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 16.

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 26.e for the accounting policy.

7 Financial assets and financial liabilities

	30-Jun 2023 $'000	30-Jun 2022 $'000
Financial assets		
Cash and cash equivalents	71,565	58,085
Trade and other receivables	10,219	5,332
Loan receivables	224,729	175,653
	306,513	239,070
Financial liabilities		
Trade and other payables	18,984	15,398
Borrowings	136,991	68,365
	155,975	83,763

7.a) Cash and cash equivalents

	30-Jun 2023 $'000	30-Jun 2022 $'000
Cash on hand	3,153	2,959
Cash at bank	68,412	55,126
	71,565	58,085

Cash at bank includes restricted cash of $6.081 million (2022: $9.262 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 Investment Group. 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 (2022: $6.220 million) on deposit as security for banking facilities.

See note 26.j for the accounting policy

7.b) Trade and other receivables

	30-Jun 2023 $'000	30-Jun 2022 $'000
Current		
Trade receivables	1,245	1,333
Allowance for expected credit losses	(485)	(308)
Total trade receivables (net)	760	1,025
Vendor finance loans	122	275
Other receivables	2,688	2,262
Total trade receivables	3,570	3,562
Non-current		
Loan to external parties (net of provision)	4,823	-
Other receivables	1,826	1,770
Total trade and other receivables	6,649	1,770

Trade receivables include weekly franchise fees and over the counter fees. Regardless of whether 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 had various initial terms of up to 6 years, and bear interest at rates between nil and 8%. The receivables are held at amortised cost.

Loan to external parties includes a commercial loan advanced to Cash Converters Espana, S.L (Spain master franchisor) in April 2023 with a maturity date in FY2025. Interest is charged monthly at a rate of 15% per annum, to be paid in a lump sum at the maturity date. An allowance for expected credit losses of $254 thousand has been recognised in relation to this loan.

Other receivables include rental bonds, 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 2023 $'000	30-Jun 2022 $'000
0 to 30 days	613	535
31 to 60 days past due not impaired	48	36
61 to 90 days past due not impaired	7	35
90+ days past due not impaired	92	419
Stage 3 expected credit loss	485	308
Balance at end of year	1,245	1,333

Allowance for expected credit losses

As at 30 June 2023, trade receivables of $485 thousand (2022: $308 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 2023 $'000	30-Jun 2022 $'000
Balance at beginning of year	308	99
Expected credit losses recognised on receivables	156	213
Foreign currency exchange differences	21	(4)
Balance at end of year	485	308

See note 26.k for the accounting policy.

7.c) Loan receivables at amortised cost

30-June-2023	Personal Finance $'000	Vehicle Financing $'000	Store Operations $'000	New Zealand $'000	Total $'000
Current					
Outstanding balance	159,093	31,877	17,628	10,497	219,095
Allowance for expected credit losses	(25,965)	(6,094)	(1,839)	(3,128)	(37,026)
Net	133,128	25,783	15,789	7,369	182,069
Non-current					
Outstanding balance	19,235	31,037	-	1,988	52,260
Allowance for expected credit losses	(2,985)	(5,928)	-	(687)	(9,600)
Net	16,250	25,109	-	1,301	42,660

30-June-2022	Personal Finance $'000	Vehicle Financing $'000	Store Operations $'000	New Zealand $'000	Total $'000
Current					
Outstanding balance	133,672	22,767	17,755	-	174,194
Allowance for expected credit losses	(23,088)	(5,377)	(1,673)	-	(30,138)
Net	110,584	17,390	16,082	-	144,056
Non-current					
Outstanding balance	15,828	23,928	-	-	39,756
Allowance for expected credit losses	(2,575)	(5,584)	-	-	(8,159)
Net	13,253	18,344	-	-	31,597

The credit period provided in relation to personal short-term unsecured loans varies from 7 days to 36 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 recognised 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 2.9 years (2022: 2.4 years) and the average interest rate is 24.1% (2022: 24.4%).

As at 30 June the ageing analysis of Personal Finance and Store Operations receivables was as follows:

	30-Jun 2023 $'000	**30-Jun 2022 $'000**
0 to 30 days	148,867	127,724
31 to 60 days past due not impaired	8,391	6,961
61 to 90 days past due not impaired	4,866	3,571
90 + days past due not impaired	3,043	1,663
Loan receivables carrying value	165,167	139,919
Allowance for expected credit loss	30,789	27,336
Gross carrying value	195,956	167,255

As at 30 June the ageing analysis of Vehicle Financing loan receivables was as follows:

	30-Jun 2023 $'000	**30-Jun 2022 $'000**
0 to 30 days	34,981	24,532
31 to 60 days past due not impaired	3,433	2,208
61 to 90 days past due not impaired	2,404	1,289
90 + days past due not impaired	10,074	7,705
Loan receivables carrying value	50,892	35,734
Allowance for expected credit loss	12,022	10,961
Gross carrying value	62,914	46,695

As at 30 June the ageing analysis of New Zealand loan receivables was as follows:

	30-Jun 2023 $'000	30-Jun 2022 $'000
0 to 30 days	6,920	-
31 to 60 days past due not impaired	846	-
61 to 90 days past due not impaired	640	-
90 + days past due not impaired	264	-
Loan receivables carrying value	8,670	-
Allowance for expected credit loss	3,815	-
Gross carrying value	12,485	-

Allowance for expected credit losses ("ECL")

In determining the recoverability of a Personal 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 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 Finance and Store Operations receivables Loss allowance	**Stage 1 12 month ECL $'000**	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Balance at 1 July 2022	6,873	7,980	12,483	27,336
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(689)	689	-	-
Transfers from Stage 1 to Stage 3	(772)	-	772	-
Transfers from Stage 2 to Stage 1	107	(107)	-	-
Transfers from Stage 2 to Stage 3	-	(1,345)	1,345	-
Transfers from Stage 3 to Stage 1	56	-	(56)	-
Transfers from Stage 3 to Stage 2	-	710	(710)	-
New financial assets originated	5,304	6,886	8,373	20,563
Changes in PDs/LGDs/EADs	16	(1,103)	(1,596)	(2,683)
Changes to model assumptions and methodologies	535	1,320	2,156	4,011
Written off and settled loans	(4,262)	(5,614)	(8,562)	(18,438)
Total net change during the period	295	1,436	1,722	3,453
Balance at 30 June 2023	7,168	9,416	14,205	30,789

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 Finance and Store Operations 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 2022	111,969	27,134	28,152	167,255
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(10,515)	10,515	-	-
Transfers from Stage 1 to Stage 3	(9,596)	-	9,596	-
Transfers from Stage 2 to Stage 1	616	(616)	-	-
Transfers from Stage 2 to Stage 3	-	(5,160)	5,160	-
Transfers from Stage 3 to Stage 1	221	-	(221)	-
Transfers from Stage 3 to Stage 2	-	2,699	(2,699)	-
New financial assets originated	109,792	33,288	25,540	168,620
Changes in outstanding balances	(8,535)	(9,043)	(3,728)	(21,306)
Written off and settled loans	(81,490)	(18,948)	(18,175)	(118,613)
Total net change during the period	493	12,735	15,473	28,701
Balance at 30 June 2023	112,462	39,869	43,625	195,956

In determining the recoverability of a Vehicle Financing 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 an allowance 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 Financing 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 2022	1,956	1,978	7,027	10,961
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(485)	485	-	-
Transfers from Stage 1 to Stage 3	(299)	-	299	-
Transfers from Stage 2 to Stage 1	114	(114)	-	-
Transfers from Stage 2 to Stage 3	-	(1,000)	1,000	-
Transfers from Stage 3 to Stage 1	53	-	(53)	-
Transfers from Stage 3 to Stage 2	-	294	(294)	-
New financial assets originated	1,191	1,530	972	3,693
Changes in PDs/LGDs/EADs	(1,042)	(42)	(471)	(1,555)
Changes to model assumptions and methodologies	382	439	1,316	2,137
Written off and settled loans	(264)	(430)	(2,520)	(3,214)
Total net change during the period	(350)	1,162	249	1,061
Balance at 30 June 2023	1,606	3,140	7,276	12,022

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 Financing 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 2022	31,748	4,820	10,127	46,695
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(6,602)	6,602	-	-
Transfers from Stage 1 to Stage 3	(3,004)	-	3,004	-
Transfers from Stage 2 to Stage 1	316	(316)	-	-
Transfers from Stage 2 to Stage 3	-	(2,306)	2,306	-
Transfers from Stage 3 to Stage 1	80	-	(80)	-
Transfers from Stage 3 to Stage 2	-	439	(439)	-
New financial assets originated	27,116	5,852	2,378	35,346
Changes in outstanding balances	(5,004)	(2,002)	(1,137)	(8,143)
Written off and settled loans	(6,265)	(1,124)	(3,595)	(10,984)
Total net change during the period	6,637	7,145	2,437	16,219
Balance at 30 June 2023	38,385	11,965	12,564	62,914

In determining the recoverability of the New Zealand loan products, 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:

New Zealand 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 2022	-	-	-	-
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(317)	317	-	-
Transfers from Stage 1 to Stage 3	(21)	-	21	-
Transfers from Stage 2 to Stage 1	1	(1)	-	-
Transfers from Stage 2 to Stage 3	-	(133)	133	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 3 to Stage 2	-	12	(12)	-
Financial assets originated from business combination	1,641	1,516	141	3,298
New financial assets originated	1,209	1,291	37	2,537
Changes in PDs/LGDs/EADs	(396)	264	63	(69)
Changes to model assumptions and methodologies	10	64	10	84
Written off and settled loans	(692)	(1,229)	(114)	(2,035)
Total net change during the period	1,435	2,101	279	3,815
Balance at 30 June 2023	1,435	2,101	279	3,815

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:

New Zealand 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 2022	-	-	-	-
Movements with P&L impact				
Transfers:				
Transfers from Stage 1 to Stage 2	(1,583)	1,583	-	-
Transfers from Stage 1 to Stage 3	(99)	-	99	-
Transfers from Stage 2 to Stage 1	5	(5)	-	-
Transfers from Stage 2 to Stage 3	-	(221)	221	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 3 to Stage 2	-	20	(20)	-
Financial assets originated from business combination	9,167	2,633	200	12,000
New financial assets originated	7,361	1,989	35	9,385
Changes in outstanding balances	(1,044)	(548)	(20)	(1,612)
Written off and settled loans	(5,292)	(1,855)	(141)	(7,288)
Total net change during the period	8,515	3,596	374	12,485
Balance at 30 June 2023	8,515	3,596	374	12,485

Changes in the loss allowance between the beginning and end of the year are 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.

Judgement – impairment of financial assets

Under AASB 9 *Financial Instruments*, a three-stage approach is applied to measuring 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 ECLs, 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 2023 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.

During the period, the specific provision for accounts in a formal hardship arrangement was discontinued as the underlying expected credit loss model adequately addresses the risk within this cohort of loans. In FY2022 the specific hardship provision for Personal Finance loan receivables was $3.098 million and for Vehicle Financing loan receivables it was $0.504 million.

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 Finance and Vehicle Financing Loan receivables. ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument.

In compliance with AASB 9 and to account for additional risk, the ECL model is adjusted to reflect forward-looking macro-economic information. Professional judgement is exercised in applying macro-economic adjustments. An assessment was undertaken to determine the most relevant and reliable economic indicator on which to base a forward-looking assessment of ECL.

Unemployment 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. Cost of living pressures were also a consideration.

The outcome of this estimate is an additional $2.402 million (2022: additional $1.850 million) provision for personal loan receivables, an additional $0.278 million (2022: nil) provision for New Zealand loan receivables and an additional $0.935 million (2022: $0.670 million) provision for Vehicle Financing loan receivables.

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

Unemployment rate	FY2024 (forecast)	FY2025 (forecast)
Baseline	4.2%	4.5%
Upside	2.9%	2.5%
Downside	5.7%	6.5%

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 Finance 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 Vehicle Financing 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.d) Prepayments

	30-Jun 2023 $'000	30-Jun 2022 $'000
Current		
Other prepayments	2,544	1,684

See note 26.i for the accounting policy.

7.e) Trade and other payables

	30-Jun 2023 $'000	30-Jun 2022 $'000
Current		
Trade payables	1,761	1,127
Accruals	17,223	14,271
	18,984	15,398

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 26.o for the accounting policy.

7.f) Borrowings

	30-Jun 2023 $'000	30-Jun 2022 $'000
Current		
Securitisation facility	109,044	51,957
Non-current		
Securitisation facility	27,947	16,408
Total	136,991	68,365

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 issued 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 in June 2022. The facility has a three-year availability period, with a four-year maturity term ending on 15 June 2026.

The Group closed the year with undrawn securitisation facility funding lines of $11.750 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 2023 $'000	30-Jun 2022 $'000
Total facilities		
Securitisation facilities	150,000	150,000
Used at balance date		
Securitisation facilities	138,250	70,250
Unused at balance date		
Securitisation facilities	11,750	79,750

See note 26.q for the accounting policy.

Loan facility undertakings and review events

The Group's borrowing facilities are subject to various undertakings. The securitisation facility 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 2023 $'000	30-Jun 2022 $'000
New and pre-owned goods at cost	29,439	25,941
Provision for obsolete stock	(2,946)	(1,997)
New and pre-owned goods (net)	26,493	23,944

See note 26.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 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
Additions	1,186	1,843	3,029
Additions from business combinations	3,035	1,496	4,531
Disposals	(1,720)	(641)	(2,361)
Foreign currency exchange differences	(33)	15	(18)
Balance at 30 June 2023	16,535	12,314	28,849
Depreciation			
Balance at 1 July 2021	10,888	5,548	16,436
Disposals	(84)	(178)	(262)
Depreciation expense	788	959	1,747
Impairment of non-current assets	550	367	917
Foreign currency exchange differences	1	(13)	(12)
Balance at 30 June 2022	12,143	6,683	18,826
Disposals	(1,230)	(535)	(1,765)
Depreciation expense	702	1,056	1,758
Additions from business combinations	1,777	1,073	2,850
Impairment non-current assets	319	289	608
Foreign currency exchange differences	(21)	11	(10)
Balance at 30 June 2023	13,690	8,577	22,267

An impairment of $0.608 million has been recognised in the year ended 30 June 2023 (2022: $0.917 million), see note 5.

See note 26.m for the accounting policy.

8.c) Leases

The Group's weighted average incremental borrowing rates applied to the lease liabilities is 8.26% (2022: 8.02%) for leases in Australia, 8.21% (2022: n/a) for leases in New Zealand and 7.33% (2022: 7.13%) for leases in the United Kingdom.

Right-of-use assets

	30-Jun 2023 $'000	30-Jun 2022 $'000
Cost		
Balance at beginning of year	82,151	78,751
Additions	1,579	4,256
Terminations	(3,012)	(4,551)
Other remeasurements	3,231	272
Additions from business combinations	5,602	2,323
Lease extensions	770	2,109
Lease reductions	(1,652)	(1,019)
Foreign currency exchange differences	18	10
Balance at end of year	88,687	82,151
Depreciation		
Balance at beginning of year	31,930	18,503
Terminations	(3,012)	(4,551)
Depreciation expense	7,109	7,703
Impairment non-current assets	5,610	10,257
Foreign currency exchange differences	4	18
Balance at end of year	41,641	31,930
Net book value	47,046	50,221
Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets	7,109	7,703
Interest expense on lease liabilities	5,245	5,487
Expense relating to short-term leases	298	103
Impairment non-current assets	5,610	10,257
	18,262	23,550

The Group right-of-use assets relate to property leases. The average remaining lease term is 5.95 years (2022: 6.18 years).

See note 26.f for the accounting policy.

Lease liabilities

	30-Jun 2023 $'000	30-Jun 2022 $'000
Current	7,276	6,854
Non-current	56,466	57,963
	63,742	64,817
Maturity analysis		
Year 1	12,215	11,467
Year 2	11,285	11,016
Year 3	10,783	10,186
Year 4	10,007	9,833
Year 5	9,758	9,281
Onwards	35,621	41,457
	89,669	93,240
Less: unaccrued interest	(25,927)	(28,423)
	63,742	64,817

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 26.f for the accounting policy.

8.d) Goodwill

Net carrying amount

	30-Jun 2023 $'000	30-Jun 2022 $'000
Balance at beginning of year	110,481	109,305
Recognition on business combinations	3,315	1,176
Impairment of goodwill	(110,481)	-
Foreign currency exchange differences	(36)	-
Balance at end of year	3,279	110,481

Goodwill related to the acquisition of Cash Converters New Zealand completed during the period as disclosed in note 14 has been allocated to New Zealand.

See note 5 relating to the impairment of non-current assets.

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 2023 $'000	**30-Jun 2022 $'000**
Personal Finance	-	90,561
Store Operations	-	19,920
New Zealand	3,279	-
	3,279	110,481

8.e) Intangible assets

Allocation of other intangible assets to CGUs

	30-Jun 2023 $'000	30-Jun 2022 $'000
Personal Finance	4,395	4,159
Vehicle Financing	1,150	1,758
Store Operations	3,250	4,680
New Zealand	5,787	-
UK	1,283	1,406
Head Office	4,678	4,986
	20,543	16,989

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 5 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 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
Additions	-	-	1,539	1,539
Additions from business combinations	3,749	2,267	108	6,124
Disposals	-	-	-	-
Foreign currency exchange differences	37	(25)	60	72
Balance at 30 June 2023	13,359	19,705	23,882	56,946
Amortisation				
Balance at 1 July 2021	6,173	9,135	12,853	28,161
Disposals	-	-	(80)	(80)
Amortisation expense	497	221	3,440	4,158
Impairment of 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
Disposals	-	-	-	-
Amortisation expense	675	220	2,654	3,549
Additions from business combinations	-	-	108	108
Impairment of non-current assets	395	59	-	454
Foreign currency exchange differences	33	-	37	70
Balance at 30 June 2023	7,773	9,639	18,991	36,403

An impairment of $454 thousand has been recognised in the year ended 30 June 2023 (2022: $22 thousand), see note 5.

See note 26.n for the accounting policy.

8.f) Deferred tax balances

	30-Jun 2023 $'000	30-Jun 2022 $'000
Deferred tax assets		
Allowance for expected credit losses	12,541	11,042
Accruals	371	546
Provisions	5,104	4,585
Leases	4,870	4,349
Other	144	(4)
Carry forward losses	9,506	8,136
	32,536	28,654
Deferred tax liabilities		
Fixed assets	(1,053)	(466)
Intangible assets	(1,112)	(2,084)
Other	(702)	(15)
	(2,867)	(2,565)
Net deferred tax assets	29,669	26,089
Reconciliation of net deferred tax assets		
Opening balance at beginning of period	26,089	22,164
Tax expense during period recognised in profit or loss	2,798	5,873
Tax on business combinations	(301)	(26)
Prior year adjustment	431	(1,295)
Other	652	(252)
Deferred tax asset on recognition of carry forward UK losses	-	(375)
Closing balance at end of period	29,669	26,089

A net deferred tax asset of $29.669 million (2022: $26.089 million) has been recognised in the consolidated statement of financial position. There is a critical accounting judgement with respect to 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 2023.

This includes a deferred tax asset in respect of carry forward losses of $8.607 million (2022: $8.136 million) recognised in relation to the Group's UK operations. Profit has been achieved in the last three years with the FY2023 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. Also included, is a deferred tax asset in respect of carry forward losses of $899 thousand (2022: nil) recognised in relation to the Group's NZ operations.

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.

A summary of the Group’s net deferred tax asset position by geographic location is below:

	30-Jun 2023 $'000	30-Jun 2022 $'000
Australia	20,954	17,953
New Zealand	413	-
United Kingdom	8,302	8,136
	29,669	26,089

See note 26.e for the accounting policy.

8.g) Provisions

	30-Jun 2023 $'000	30-Jun 2022 $'000
Current		
Employee benefits	10,419	8,763
Fringe benefits tax	87	37
Make good obligation of property leases	633	202
Onerous lease contracts	234	571
Other	407	300
	11,780	9,873
Non-current		
Employee benefits	490	597
Make good obligation of property leases	3,850	1,897
Onerous lease contracts	-	50
	4,340	2,544

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
2023						
Carrying amount at start of year	9,360	37	2,099	621	300	12,417
Acquired through business combinations	677	-	461	-	-	1,138
Transfer from share-based payment reserve	-	-	-	-	198	198
Remeasurements and additions	-	-	2,046	-	-	2,046
Charged to profit or loss	897	55	101	-	-	1,053
Utilised during the year	(19)	(5)	(221)	(410)	(91)	(746)
Foreign currency exchange differences	(6)	-	(3)	23	-	14
Carrying amount at end of year	10,909	87	4,483	234	407	16,120
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	-	-	-	-	-	-
Remeasurements and additions	-	-	835	-	-	835
Charged to profit or loss	852	8	123	-	-	983
Utilised during the year	(381)	-	(1,050)	(354)	(223)	(2,008)
Foreign currency exchange differences	-	-	(2)	(28)	-	(30)
Carrying amount at end of year	9,360	37	2,099	621	300	12,417

See note 26.r for the accounting policy.

9 Issued capital

Total issued capital

	30-Jun 2023 Number	30-Jun 2022 Number	30-Jun 2023 $'000	30-Jun 2022 $'000
Balance at beginning of period	627,545,015	627,545,015	251,213	251,213
Issued during the period	-	-	-	-
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 2001* 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.

See note 26.u for the accounting policy.

Issued capital excluding treasury shares

	30-Jun 2023 Number	30-Jun 2022 Number	30-Jun 2023 $'000	30-Jun 2022 $'000
Balance at beginning of period	621,285,981	627,545,015	249,663	251,213
Treasury shares acquired by employee share trust	(5,525,046)	(6,259,034)	(1,353)	(1,550)
Treasury shares issued by employee share trust	6,259,034	-	1,550	-
Balance at end of period	622,019,969	621,285,981	249,860	249,663

Treasury shares

	30-Jun 2023 Number	30-Jun 2022 Number	30-Jun 2023 $'000	30-Jun 2022 $'000
Balance at beginning of period	6,259,034	-	1,550	-
Treasury shares acquired	5,525,046	6,259,034	1,353	1,550
Treasury shares issued	(6,259,034)	-	(1,550)	-
Balance at end of period	5,525,046	6,259,034	1,353	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 2023 $'000	30-Jun 2022 $'000
(Loss) / profit after tax	(97,155)	11,177
Non-cash adjustment to reconcile profit after tax to net cash flows:		
Loss on disposal of non-current assets	16	74
Amortisation	3,549	4,158
Depreciation	8,867	9,450
Movement in expected credit loss provision	5,071	6,186
Impairment of goodwill	110,481	-
Impairment of non-current assets	6,672	11,196
Share-based payments	807	1,375
Lease modification	(1,780)	(735)
Share of net (profit) / loss of equity accounted investment	(251)	(853)
Changes in assets and liabilities:		
Trade and loan receivables	(44,892)	(34,856)
Inventories	(1,093)	659
Other assets	(642)	(451)
Trade and other payables	1,279	3,447
Provisions	2,340	(219)
Income tax payables	(4,805)	(2,699)
Net cash (used in) / provided by operating activities	(11,536)	7,909

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 2023 $'000	30-Jun 2022 $'000
Net recognition of right of use asset and liability	2,162	4,875
Share based payment reserve transferred to retained earnings	723	404
Share based payment reserve transferred to provisions	198	-

10.c) Reconciliation of liabilities arising from financing activities

	Opening $'000	Net cashflows $'000	Non-cash transaction costs $'000	Closing $'000
2023				
Securitisation facility	70,250	68,000	-	138,250
Transaction costs and other	(1,885)	-	626	(1,259)
Lease liabilities	64,817	(12,233)	11,158	63,742
	133,182	55,767	11,784	200,733

	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	(12,047)	12,455	64,817
	133,762	(13,922)	13,342	133,182

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 17
- Capitalisation of configuration & customisation costs in SaaS arrangements – see note 26.z

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
- Useful lives of other intangible assets – see note 26.n
- Impairment of financial assets (including loan receivables) – see note 7.c
- Impairment for inventory – see note 8.a
- What constitutes a business combination – see note 14
- Fair value of performance rights granted – see note 21

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 2023 $'000	30-Jun 2022 $'000
Financial assets		
Cash and cash equivalents	71,565	58,085
Trade and other receivables	10,219	5,332
Loan receivables	224,729	175,653
	306,513	239,070
Financial liabilities		
Trade and other payables	18,984	15,398
Borrowings	136,991	68,365
	155,975	83,763

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

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. The types of market risks to which the Group is exposed and the manner in which it manages and measures the risk remain consistent with the previous period.

12.b) i) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. As a result of operations in New Zealand and the United Kingdom, the Group's balance sheet can be affected by movements in the AUD/NZD and AUD/GBP exchange rates. Spot exchange rates are normally used to translate transactions into the reporting currency.

12.b) ii) 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. Interest rate risk is managed by the Group through monitoring interest rates and detailed forecasting of the operating cashflows of the underlying businesses.

The Company and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in note 12.f and 12.g.

12.b) iii)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 $613 thousand (2022: increase/decrease by approximately $303 thousand).

12.c) 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.c. 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.d) 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 Group has at its disposal to further reduce liquidity risk.

12.e) 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
2023					
Non-interest bearing	18,984	-	-	18,984	18,984
Variable interest rate instruments	14,262	166,228	-	180,490	136,991
	33,246	166,228	-	199,474	155,975
2022					
Non-interest bearing	15,398	-	-	15,398	15,398
Variable interest rate instruments	6,978	90,916	-	97,894	68,365
	22,376	90,916	-	113,292	83,763

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.f) 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 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
2023				
Non-interest bearing	54,926	-	-	54,926
Fixed interest rate instruments	7,071	5,008	-	12,079
Variable interest rate instruments	15,693	-	-	15,693
	77,690	5,008	-	82,698
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

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.g) 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 2023 and 30 June 2022, 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 2023 and 30 June 2022, 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-2023		Year ended 30-June-2022	
			Cents per share	$'000	Cents per share	$'000
Recognised amounts on fully paid ordinary shares						
2021 Final dividend	Paid	14-Oct-21			1.00	6,275
2022 Interim dividend	Paid	14-Apr-22			1.00	6,275
2022 Final dividend	Paid	14-Oct-22	1.00	6,275		
2023 Interim dividend	Paid	14-Apr-23	1.00	6,275		
				12,550		12,550
Unrecognised amounts on fully paid ordinary shares						
2022 Final dividend	Paid	14-Oct-22			1.00	6,275
2023 Final dividend	To be paid	13-Oct-23	1.00	6,275		

Franking credits

	30-Jun 2023 $'000	30-Jun 2022 $'000
Franking credits available on a tax paid basis	72,531	66,969

See note 26.v for the accounting policy.

14 Business combination

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

On 30 November 2022 the Group acquired the remaining 75% of the New Zealand Cash Converters network ("CCNZ"), consisting of 11 Corporate stores and the rights to franchise fees of 11 franchise stores, for a total consideration of $15.391 million ($13.798 million, net of cash acquired). The acquisition supports the ongoing Group objective to acquire earnings accretive store networks, based on sensible valuation metrics, which will accelerate Group earnings.

The trade and other assets of the following stores (collectively the "VIC Store Acquisitions") were acquired in the comparative year ended 30 June 2022.

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

14.a) Summary of acquisition

The determined fair values of the assets and liabilities acquired during the periods as at date of acquisition are as follows:

	New Zealand 30-Nov-22 $'000	VIC Store Acquisitions 30-Sep-21 $'000
Net assets acquired		
Cash and cash equivalents	1,593	28
Trade and other receivables	556	7
Prepayments	217	-
Loan receivables	12,000	377
Provision for loan receivables	(3,298)	-
Inventories	1,456	475
Plant and equipment	1,681	240
Other intangible assets	6,016	1,073
Right-of-use assets	5,602	2,323
Deferred tax liability	(301)	(26)
Trade and other payables	(1,282)	-
Provisions	(1,138)	(258)
Lease liabilities	(5,896)	(2,243)
	17,206	1,996
Consideration satisfied in cash	15,391	3,172
Previously recognised equity interest	5,130	-
Goodwill arising on acquisition	3,315	1,176

Goodwill arose in the CCNZ business combination because the cost of the combination included a control premium paid to acquire the CCNZ network. 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 network. 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. Goodwill is tested annually for impairment.

A fair value assessment of the equity interest held by the business as at acquisition date was performed, based on the total consideration paid for the acquisition. This assessment determined that the previously held equity interest of $5,337,812 was being held above fair value. As a result, an adjustment was made at acquisition date to reduce the equity interest by $207,563, with an equivalent expense recognised through other expenses in the statement of profit or loss and other comprehensive income.

14.b) Purchase consideration – cash outflow

	30-Jun 2023 $'000	30-Jun 2022 $'000
Cash outflow to acquire business combinations		
Cash consideration	15,391	3,172
Less cash balances acquired	(1,593)	(28)
Payment for business combinations, net of cash acquired	13,798	3,144

14.c) Revenue and profit or loss contribution

The acquired business contributed revenues of $13,810,244 and net loss before income tax of $2,565,908 to the Group for the period from 30 November 2022 to 30 June 2023.

If the acquisition had occurred on 1 July 2022, for the year ended 30 June 2023 consolidated pro-forma revenue for the Group would include an additional $9,177,256 and the consolidated pro-forma net profit before income tax would include an additional profit of approximately $531,744. These amounts have been calculated using the monthly financials provided under the previously recorded equity accounting method.

14.d) Acquisition related costs

Acquisition related costs of $658,289 (2022: $112,458) are included in other 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 previous financial year were all finalised as at 30 June 2022 and as such there are no further changes to the initial accounting for those business combinations.

14.f) Significant accounting judgements, estimates and assumptions

The Group has applied judgement in determining what constitutes a business combination as well as applying judgement to classify all aspects of CCNZ as a single business combination – ie an aggregation of personal finance, retail (corporate stores), franchise operations and general head office. This business combination is structured in a way that the acquired business becomes a subsidiary of CCIL.

Judgement has been exercised in the allocation of fair value across the assets and liabilities acquired and for the harmonisation of accounting policies of the foreign subsidiary with those of the holding company.

Separately Identifiable Intangible Assets

The Group engaged external advisors to calculate the value of any Separately Identifiable Intangible Assets (“SIIA”), such as brand and reacquired franchise rights.

In assessing the value of the New Zealand brand asset, the Group has used a ‘Relief from Royalty’ (“RfR”) method. The premise of the RfR approach is that the value of the intangible asset is equal to the present value of the royalty income attributable to it, whereby the royalty income represents the cost savings that are available by the avoidance of paying royalties to license the use of those assets from another owner.

In assessing the fair value of the reacquired franchise rights, an 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 agreements. The remaining contractual life of each franchise arrangement was assessed individually based on the likelihood of the franchisee renewing their contract at the end of the current option.

15 Post balance date business combination

Capital Cash Limited (“Capital Cash”) is the largest franchise group in the United Kingdom operating under the Cash Converters Master Franchisor arrangement, operating 42 Cash Converters franchise stores in the United Kingdom.

Cash Converters UK Holdings Ltd (“CCUK”) entered into a Sale and Purchase Agreement dated 5 March 2023 (“the SPA”) to acquire the entire issued capital of the Capital Cash, subject to the satisfaction or waiver of conditions contained in the SPA.

Capital Cash has been operating in the United Kingdom for twenty years. This strategic acquisition gives Cash Converters a corporate store footprint in the United Kingdom, and an experienced management team who will continue to grow the Cash Converters business.

This acquisition is a core part of the Group’s strategy to acquire value accretive franchise store networks, with this acquisition establishing a corporate base to oversee the Group’s wider European operations.

The total consideration under the SPA for the acquisition may be up to 13.9 million GBP (approximately $26.5 million at the 30 June 2023 foreign exchange rates) comprising a headline completion amount of up to 12.4 million GBP payable at completion and an earn-out payment of up to 1.5 million GBP which is to be calculated based on the Capital Cash EBITDA for the 12-month period ending 30 September 2023.

The SPA conditions were all satisfied or waived by 6 July 2023. CCUK completed the acquisition through a cash settlement on 6 July 2023 and attained 100% ownership and control of Capital Cash on 6 July 2023.

At completion, the preliminary headline completion amount payable was adjusted to 10.2 million GBP ($19.7 million).

The SPA provides for adjustments to the total consideration via an adjustment payment statement. These adjustments will be agreed upon between the parties following the finalisation of the completion accounts as at 6 July 2023 by the Seller and the review of the Capital Cash books by CCUK.

The earn-out payment amount will be calculated based on the Capital Cash EBITDA for the 12 months ended 30 September 2023 and will be nil if EBITDA is less than 2.3 million GBP and increasing to a maximum of 1.5 million GBP if EBITDA is 2.9 million GBP or more. Based on management accounts to 31 July 2023, it is probable that the maximum earn-out payment will be achieved.

The initial accounting for this business combination is incomplete at the date of this annual report as:

- Capital Cash completion accounts as at 6 July 2023 are still being finalised. The SPA allows 60 days for the accounts to be provided and 60 days for CCUK to review and respond;
- The earn-out payment and consideration adjustments, and consequently total consideration, cannot currently be determined; and
- The Group has yet to finalise judgements around the assignment of fair values to the individual assets acquired and liabilities assumed under the business combination, identification and valuation of SIIA and adoption of International Financial Reporting Standards (in particular Financial Instruments, Leases, Income Taxes (tax effect accounting)) and the harmonisation of Capital Cash accounting policies with that of the Group.

Accordingly, this post-balance date business combination is incomplete as at 30 June 2023 for the reasons stated above.

As the Capital Cash acquisition occurred after the reporting period, no revenue or profit or loss of the acquiree has been included in the consolidated statement of comprehensive income for the reporting period.

Acquisition related costs of $2,259,426 are included in other expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

16 Interests in other entities

16.a) Subsidiaries

Controlled entities of Cash Converters International Limited:

Name of entity					Country of incorporation	Ownership interest 2023	2022
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	1	2			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 Ltd					UK	100%	100%
Cash Converters Holdings (NZ) Ltd					NZ	100%	n/a
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		2			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 2023.
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 prior period.

16.b) Deed of cross guarantee

Cash Converters International Limited and certain wholly-owned companies ("the Closed Group"), identified in note 16.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 2023 and consolidated statement of financial position as at 30 June 2023, comprising the members of the Closed Group after eliminating all transactions between members, are set out on the following pages.

Although CCPF Receivables Trust No 1 is not a party to the Deed, this entity facilitates the Fortress Investment Group borrowings within the Group (note 7.f) and as a result, for transparency and consistency with prior reporting periods, the Group has elected to include them within the Closed Group results below.

Summarised statement of profit or loss and comprehensive income

	30-Jun 2023 $'000	30-Jun 2022 $'000
(Loss) / profit before income tax	(91,488)	12,642
Income tax expense	(5,657)	(4,321)
Total comprehensive income	(97,145)	8,321

Summary of movements in Closed Group's retained earnings

	30-Jun 2023 $'000	30-Jun 2022 $'000
Retained earnings at beginning of year	46,600	51,236
Transfer reserve balance	(723)	(407)
Dividend paid	(12,550)	(12,550)
Net (loss) / profit	(97,145)	8,321
Retained (losses) / earnings at end of year	(63,818)	46,600

Statement of financial position

	30-Jun 2023 $'000	30-Jun 2022 $'000
Current assets		
Cash and cash equivalents	62,918	47,861
Trade and other receivables	2,750	1,845
Loan receivables	182,068	144,056
Inventories	26,494	23,734
Prepayments	2,365	1,459
Total current assets	276,595	218,955
Non-current assets		
Trade and other receivables	1,739	1,509
Loan receivables	42,660	31,597
Plant and equipment	6,485	4,708
Right-of-use assets	46,858	50,000
Deferred tax assets	21,366	17,953
Goodwill	3,279	110,481
Other intangible assets	19,592	16,042
Investments in associates	-	4,869
Total non-current assets	141,979	237,159
Total assets	418,574	456,114
Current liabilities		
Trade and other payables	12,990	10,474
Lease liabilities	7,196	6,761
Current tax payable	338	1,839
Borrowings	109,044	51,957
Provisions	11,531	9,289
Total current liabilities	141,099	80,320
Non-current liabilities		
Lease liabilities	56,301	57,736
Borrowings	27,948	16,408
Provisions	4,319	2,481
Total non-current liabilities	88,568	76,625
Total liabilities	229,667	156,945
Net assets	188,907	299,169
Equity		
Issued capital	249,860	249,663
Reserves	2,865	2,906
Retained (losses) / earnings	(63,818)	46,600
Total equity	188,907	299,169

16.c) Interests in associates

	30-Jun 2023 $'000	30-Jun 2022 $'000
Balance at beginning of year	4,868	7,168
Net profit for year	251	853
Return on investment received	-	(2,870)
Fair value adjustment of investment held at acquisition date	(208)	-
Equity investment recognised under business combination	(5,130)	-
Foreign exchange adjustment	219	(283)
Balance at end of year	-	4,868

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.

Prior to 30 November 2022 the Group held an investment in the Cash Converters Holdings Limited Partnership, the master franchisor in New Zealand. The company held a 25% equity interest (ownership and voting interest) in all aspects of the New Zealand enterprise, including corporate stores, franchise contracts and financial services. On 30 November 2022, the Group acquired the remaining 75% interest (refer to note 14). This business combination is structured in such a way that the acquired business is now recognised as a 100% owned subsidiary of CCIL.

A fair value assessment of the equity interest held by the business as at acquisition date was performed, based on the total consideration paid for the acquisition. This assessment determined that the previously held equity interest of $5,337,812 was being held above fair value. As a result, an adjustment was made at acquisition date to reduce the equity interest by $207,563, with an equivalent expense recognised through other expenses in the statement of profit or loss and other comprehensive income.

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 2023 $'000	30-Jun 2022 $'000
Current assets	-	3,567
Non-current assets	-	3,987
Current liabilities	-	(386)
Non-current liabilities	-	-
Net assets	-	7,168

17 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.

The Directors are not aware of any material contingent liabilities in existence as at 30 June 2023 requiring disclosure in the financial statements.

18 Commitments

Capital expenditure

As at 30 June 2023, capital expenditure commitments were nil (2022: $645 thousand).

Other contractual commitments

	30-Jun 2023 $'000	30-Jun 2022 $'000
Within one year	3,094	4,408
One to five years	1,567	2,091
Longer than five years	225	353
	4,886	6,852

19 Events occurring after the reporting period

On 6 July 2023, Cash Converters UK Holdings Ltd acquired 100% of the issued capital of Capital Cash Limited. Refer to note 15 post balance date business combinations for further details.

There were no other 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.

20 Related party transactions

20.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.

20.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
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
	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 KMP	
Ms Lisa Stedman	Chief Operating Officer
Mr James Miles	Chief Information Officer
Mr Leslie Crockett	Chief Financial Officer (resigned 31 December 2022)
Mr Jonty Gibbs	Interim Chief Financial Officer (appointed 1 January 2023)
	Chief Financial Officer (appointed 1 April 2023)

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

	30-Jun 2023 $	30-Jun 2022 $
Short-term employee benefits	4,102,071	3,872,604
Post-employment benefits	177,923	151,277
Other long-term benefits	30,579	37,081
Share-based payments	621,934	1,197,785
Termination benefits	218,500	-
	5,151,007	5,258,747

20.c) Transactions with other related parties

During the year an amount of $120,000 (2022: $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.

Other than share-based payments (as disclosed in note 21) and shareholdings of KMP (as disclosed in the remuneration report), the parent, its subsidiaries, associates and KMP made no other related party transactions during the reporting period.

21 Share-based payments

21.a) Employee rights plan

The Cash Converters rights plan ("the 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 12,062,519 performance rights were granted in Tranches 33, 34, 35 and 36 to eligible employees of the Company.

The following arrangements were in existence during the current reporting period, not adjusted for rights which have forfeited or lapsed during the current or prior periods:

Tranche	Vesting Conditions[1]	Grant date	Grant date fair value	Exercise price	Measurement date	Number
29	TSR	29-Sep-20	$0.096	$0.00	30-Jun-23	6,612,478
30	EPS	29-Sep-20	$0.150	$0.00	30-Jun-23	6,612,478
31	TSR	26-Oct-21	$0.162	$0.00	30-Jun-24	4,642,856
32	EPS	26-Oct-21	$0.213	$0.00	30-Jun-24	4,642,856
33	TSR	04-Oct-22	$0.119	$0.00	30-Jun-25	4,223,496
34	EPS	04-Oct-22	$0.170	$0.00	30-Jun-25	4,223,485
35	TSR	25-Oct-22	$0.127	$0.00	30-Jun-25	1,807,769
36	EPS	25-Oct-22	$0.180	$0.00	30-Jun-25	1,807,769

1 TSR: vesting conditions based on Total Shareholder Return, EPS: vesting conditions based on Earnings Per Share

21.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 $0.15 (2022: $0.19). 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 33	Tranche 34	Tranche 35	Tranche 36
Grant date	04-Oct-22	04-Oct-22	25-Oct-22	25-Oct-22
Option pricing model	Hoadley 1	Hoadley 2	Hoadley 1	Hoadley 2
Grant date share price	$0.23	$0.23	$0.24	$0.24
Exercise price	$0.00	$0.00	$0.00	$0.00
Expected volatility	45.00%	45.00%	45.00%	45.00%
Option life	2.74 years	2.74 years	2.68 years	2.68 years
Dividend yield	8.33%	8.33%	8.33%	8.33%
Risk-free interest rate	3.26%	3.26%	3.55%	3.55%

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

21.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. Certain performance rights may vest on the publication of these results for FY2023.

	2023 Number	2022 Number
Outstanding at beginning of year	26,863,552	17,981,746
Granted during year	12,062,519	9,285,712
Forfeited / lapsed during year	(3,431,814)	(403,906)
Exercised during year	(6,259,034)	-
Cash settled at vesting	(2,052,076)	-
Outstanding at end of year	27,183,147	26,863,552
To be cash settled	1,711,458	2,052,076

21.d) Share options exercised during the year

6,259,034 shares were issued as a result of the exercise of performance rights during the financial year. No shares have been issued as a result of the exercise of share options or performance rights since the end of the financial year. No share options were exercised during the year ended 30 June 2022.

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

Tranche	Grant date	Number
Year ended 30 June 2023		
29	29-Sep-20	169,461
30	29-Sep-20	169,461
31	26-Oct-21	789,474
32	26-Oct-21	789,474
33	4-Oct-22	756,972
34	4-Oct-22	756,972
		3,431,814
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

21.f) Share options outstanding at year end

The total number of options outstanding at 30 June 2023 was 27,183,147 (2022: 26,863,552). The equivalent of 1,711,458 options will be cash settled at their vesting dates if they are determined under the Plan rules to vest. A provision has been recognised for these at 30 June 2023.

Tranche	Vesting condition	Grant date	Grant date fair value	Exercise price	Measurement date	Number
29	TSR	29-Sep-20	$0.096	$0.00	30-Jun-23	4,539,092
30	EPS	29-Sep-20	$0.150	$0.00	30-Jun-23	4,539,092
31	TSR	26-Oct-21	$0.162	$0.00	30-Jun-24	3,778,194
32	EPS	26-Oct-21	$0.213	$0.00	30-Jun-24	3,778,194
33	TSR	4-Oct-22	$0.119	$0.00	30-Jun-25	3,466,524
34	EPS	4-Oct-22	$0.170	$0.00	30-Jun-25	3,466,513
35	TSR	25-Oct-22	$0.127	$0.00	30-Jun-25	1,807,769
36	EPS	25-Oct-22	$0.180	$0.00	30-Jun-25	1,807,769
						27,183,147

The weighted average remaining contractual life for the options outstanding at 30 June 2023 was 1.1 years (2022: 1.1 years).

22 Remuneration of auditors

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

	30-Jun 2023	30-Jun 2022
Audit / review of the financial report		
- Group	1,124,496	748,417
- Subsidiaries	127,836	125,316
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	24,885	46,200
Other services		
- Taxation services	9,810	32,473
	1,287,027	952,406

23 (Loss) / earnings per share

23.a) (Loss) / earnings per share

	30-Jun 2023 cents	30-Jun 2022 cents
Basic	(15.54)	1.80
Diluted	(15.54)	1.73

23.b) Reconciliations of (loss) / earnings used in calculating earnings per share

	30-Jun 2023 $'000	30-Jun 2022 $'000
Basic and diluted (loss) / earnings per share		
(Loss) / profit attributable to shareholders of the Company used in calculating (loss) / earnings per share	(97,155)	11,177

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

	30-Jun 2023 Number	30-Jun 2022 Number
Weighted average number of shares - basic	625,253,983	621,285,981
Dilutive effect of performance rights	25,726,260	24,811,476
Weighted average number of shares - diluted	650,980,243	646,097,457

24 Assets pledged as security

See note 7.a 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.

25 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 2023 $'000	**30-Jun 2022 $'000**
Assets		
Current assets	40	65
Non-current assets	292,485	308,218
Total assets	292,525	308,283
Liabilities		
Current liabilities	470	2,082
Non-current liabilities	-	-
Total liabilities	470	2,082
Net assets	292,055	306,201
Equity		
Issued capital	249,860	249,663
Reserves	2,277	2,495
Retained earnings	39,918	54,043
Total equity	292,055	306,201

Comprehensive income

	30-Jun 2023 $'000	**30-Jun 2022 $'000**
Loss for the year	(853)	(915)
Other comprehensive income	-	-
Total comprehensive loss	(853)	(915)

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 16.

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

26 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.

26.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 16).

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.

26.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.

26.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.

26.d) Revenue recognition

Accounting policy is at note 3.

26.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.

26.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.

26.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.

26.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.

26.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.

26.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.

26.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.

26.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.

26.m) Property, plant and equipment

Segments other than New Zealand

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

New Zealand segment

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. Assets are depreciated from the date of installation/first use, whichever is sooner.

Depreciation is provided on leasehold improvements and plant and equipment. Depreciation is calculated on a diminishing value basis in accordance with the rates set by the New Zealand Inland Revenue Department.

26.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 / brand 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.

26.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.

26.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.

26.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.

26.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.

26.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.

26.t) Share-based payments

The Group provides benefits to executives of the Group in the form of share-based payment transactions, whereby eligible employees 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.

26.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.

26.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.

26.w) (Loss) / Earnings per share

Basic (loss) / earnings per share

Basic (loss) / earnings per share is calculated by dividing:
- the (loss) / 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 (loss) / earnings per share

Diluted (loss) / 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.

Where EPS is negative, DEPS is reported at the same value as EPS.

26.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.

26.y) Indirect taxes (GST & VAT)

Revenues, expenses and assets are recognised net of the amount of associated indirect taxes, unless the indirect tax 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 indirect tax receivable or payable. The net amount of indirect tax recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

The indirect tax 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.

26.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 16 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
30 August 2023

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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 2023, 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 material accounting policy information and other explanatory information, 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 2023 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.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>

Allowance for expected credit loss – loan receivables

As disclosed in Note 7.c), the carrying value of loan receivables as at 30 June 2023 was $224.7 million, net of allowance for expected credit loss ('ECL') of $46.6 million. Loans subject to the allowance for expected credit losses 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 risk 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.c) which impact on the estimate of loss given default; and
- management judgements used in the calculation of overlays to the ECL models.

</td><td>

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 increases in credit risk, valuation of collateral, probability of default and loss given default;
- testing on a sample basis the accuracy and completeness of the historical data utilised in the models;
- in conjunction with our credit modelling specialists,
    - o developing an expected range of the allowance for expected credit losses;
    - o testing the mathematical accuracy of the ECL models through reperformance;
    - o assessing modelled base losses against actual historical losses;
- challenging management's judgements in respect of overlays recognised due to macroeconomic factors; and
- assessing the adequacy of the disclosures in Note 7.c).

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Impairment of goodwill and other non-current assets

As disclosed in Note 5 an impairment charge of $117.2 million was recorded across goodwill in the personal finance and store operations segments as well as multiple individual retail stores consisting of right-of use assets, intangible assets and plant and equipment.

An assessment is made for indicators of impairment for each cash generation unit including the separate retail stores (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.

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 and estimates in preparing a value in use model ('VIU') such as:

- discount rates;
- forecast retail and pawn broking growth rates;
- forecast loan volumes including the expected impact of the PEA legislation on the small amount credit contracts; and
- forecast bad debt levels.

</td><td>

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 small amount credit contract personal loans based on the expected impact of the change in legislation for the expected reduction in the loan book;
    - o forecast loan volumes for other personal loan products 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.
- 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 5.

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</table>

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Acquisition of New Zealand master franchisor As disclosed in Note 14 the Group completed the acquisition of Cash Converters New Zealand Limited (the New Zealand master franchisor) on 30 November 2022, for total purchase consideration of $20.5 million which includes goodwill and intangibles of $3.3 million and $6.0 million respectively. Significant judgement was required in assessing the appropriateness of the acquisition accounting, including: • concluding on the date that control was obtained by the Company under the Sale and Purchase Agreement; • valuing the expected credit loss allowance against personal loans receivable • identifying and valuing the identifiable intangible assets acquired, including reacquired franchise rights and brand name; and • the impact of the transaction on associated tax balances, including the deferred tax impact on reset tax cost bases.	Our procedures included, but were not limited to: • reading and understanding the Sale and Purchase Agreement to understand the nature of the transaction, and the consideration; • assessing the acquisition date; • assessing the fair value of consideration transferred; • understanding management's controls over the valuation process for the identification of the assets acquired and liabilities assumed including consideration of contingent assets or liabilities; • obtaining a copy of the management's expert's valuation report that was commissioned to determine the fair values at acquisition date of intangible assets acquired; • assessing the independence, competence and objectivity of management's expert; • assessing, in conjunction with our internal valuation specialists, the identification of assets acquired and liabilities assumed, and the appropriateness of the methodologies and assumptions used by management and their experts, including the following: - *reacquired franchise rights*: assessing the methodologies applied in valuing the rights, and the reasonableness of critical assumptions including assumed agreement renewal periods, forecast excess earnings and discount rate; and - *brand name*: assessing the methodologies applied in relation to valuing the brand name, and the reasonableness of critical assumptions such as forecast cash flows, royalty rate and discount rate; • assessing, in conjunction with our internal taxation specialists, the calculation and valuation of the deferred tax balances arising on the transaction. • we also assessed the adequacy of the disclosures in Note 14.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, 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.
- 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 25 to 46 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Cash Converters International Limited, for the year ended 30 June 2023, 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

Peter Rupp
Partner
Chartered Accountants
Perth, 30 August 2023

Shareholder information

As at 18 August 2023

Distribution of holders of equity securities

	Holders Number	Fully paid ordinary shares Number
1 to 1,000	619	246,490
1,001 to 5,000	1,076	3,045,425
5,001 to 10,000	589	4,649,423
10,001 to 100,000	1,208	43,720,517
100,001 and over	348	575,883,160
	3,840	627,545,015

Voting rights

Cash Converters International Limited fully-paid ordinary shares carry voting rights of one vote per share.

Less than marketable parcel of shares

There were 1,076 holders of less than a marketable parcel of ordinary shares.

Substantial shareholders

	Ordinary shareholder	Number of shares	% of issued shares
1	EZCORP Inc	275,314,157	43.87%

Twenty largest equity security holders

Ordinary shareholder		Number of shares	% of issued shares
1	EZCORP INC	273,939,157	43.65%
2	CITICORP NOMINEES PTY LIMITED	40,395,230	6.44%
3	J P MORGAN NOMINEES AUSTRALIA PTY LTD	38,393,156	6.12%
4	MR TIMOTHY JOHN HILBIG <SP14 A/C>	19,000,000	3.03%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,177,348	2.74%
6	RIOLANE HOLDINGS PTY LTD <CUMINS SUPER FUND A/C>	6,737,226	1.07%
7	MRS LILIAN JEANETTE WARMBRAND + MR ASHLEY PAUL WARMBRAND <FB & LJ WARMBRAND SF A/C>	5,833,385	0.93%
8	CPU SHARE PLANS PTY LIMITED <CCV EST UNALLOCATED A/C>	5,525,046	0.88%
9	MRS LILIAN JEANETTE WARMBRAND	5,434,529	0.87%
10	MR SAM WILLIAM BUDISELIK	4,059,098	0.65%
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	MR PETER CUMINS <PETER CUMINS FAMILY A/C>	3,073,468	0.49%
15	HOPES & WISHES PTY LTD <GREENLAND SUPER FUND A/C>	3,050,000	0.49%
16	BNP PARIBAS NOMS PTY LTD <DRP>	3,025,227	0.48%
17	VADINA PTY LIMITED <JORDAN SUPER FUND A/C>	2,718,750	0.43%
18	MR ALASTAIR EDWARD SCHWIER	2,600,000	0.41%
19	ACRES HOLDINGS PTY LTD <NOEL EDWARD KAGI FAMILY A/C>	2,500,000	0.40%
20	KAMALA HOLDINGS PTY LTD <KAMALA 1994 SUPER FUND A/C>	2,154,896	0.34%
		444,573,825	71.19%