APPENDIX 4E
PRELIMINARY FINAL REPORT
FLEETPARTNERS GROUP LIMITED
ACN : 131 557 901

YEAR ENDED 30 SEPTEMBER 2024

1 Details of the reporting period and the prior period

Current period	1 October 2023 - 30 September 2024
Prior period	1 October 2022 - 30 September 2023

2 Results for announcement to the market

	Year Ended 30 Sep 2024	Year Ended 30 Sep 2023	Change on Prior Period	Change on Prior Period
Financial Performance	**$'000**	**$'000**	**$'000**	**%**
Revenue from continuing operations	761,632	676,774	84,858	12.5%
Profit for the year after tax	77,877	81,021	(3,144)	(3.9%)
Net profit attributable to members	77,877	81,021	(3,144)	(3.9%)
NPATA for the period[1]	87,712	88,324	(612)	(0.7%)
Earnings per share	**Cents**	**Cents**	**Cents**	**%**
Statutory earnings per share	32.4	30.7	1.7	5.5%
Diluted statutory earnings per share	32.0	29.9	2.1	7.0%
NPATA earnings per share[1]	36.5	33.4	3.1	9.3%
Number of ordinary shares used in calculating	**Units**	**Units**	**Units**	**%**
Statutory earnings per share	240,352,856	264,175,536	(23,822,680)	(9.0%)
Diluted statutory earnings per share	243,544,680	271,163,324	(27,618,644)	(10.2%)
NPATA earnings per share	240,352,856	264,175,536	(23,822,680)	(9.0%)

1. NPATA for the year is the statutory profit after tax, adjusted for the post tax effect of material one-off items that do not reflect the ongoing operations of the Group, the amortisation of intangible assets and the fair value gain or loss on the ineffective portion of the interest rate hedges. The NPATA for 30 September 2023 has been restated to remove the profit and loss impact of the ineffective portion of the hedge loss. The hedge loss/gain results in volatility of earnings which is not driven by business performance, is not controllable by the Group and is non-cash in nature (being a fair value adjustment of a derivative), accordingly it has been excluded from the calculation of NPATA. The Group previously reported a 2023 NPATA of $87,976,000 and an NPATA earnings per share of 33.3 cents per share.

Commentary
Refer to the FleetPartners Group Limited Financial report accompanying this Appendix 4E for a more detailed commentary.

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3 Dividends

No dividends were declared.

4 Net Tangible Assets Per Security

	Year Ended 30 Sep 2024 Cents	Year Ended 30 Sep 2023 Cents (Restated)
Net tangible assets per ordinary security	60.0	61.4

Net tangible assets has been restated to include deferred tax liabilities in the calculation.

5 Auditor's report

The financial report has been independently audited and an unqualified audit opinion has been issued.

6 Attachments

The Financial report of FleetPartners Group Limited for the year ended 30 September 2024 is attached.

7 Signed

Gail Pemberton
Chair
Sydney

Damien Berrell
Chief Executive Officer and Managing Director
Sydney

Date: 15 November 2024

FleetPartners Group Limited

ACN 131 557 901

Financial report
for the year ended 30 September 2024

FleetPartners Group Limited

ACN 131 557 901

Financial report for the year ended 30 September 2024

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Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as Group or FleetPartners) consisting of FleetPartners Group Limited (Company) and the entities it controlled at the end of, or during, the year ended 30 September 2024.

1. Directors

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

GAIL PEMBERTON MA (UTS), FAICD, GCERT FIN

Chair since 6 May 2021, Independent Non-Executive Director since 26 March 2015.

Gail Pemberton's executive roles have included Chief Operating Officer UK at BNP Paribas Securities Services and CEO and Managing Director, BNP Paribas Securities Services, Australia and New Zealand. Gail joined BNP Paribas after a highly successful career at Macquarie Bank, where she worked for 20 years, holding the role of Group CIO for 12 years and subsequently as COO of the Financial Services Group in her last three years at Macquarie.

In addition to FleetPartners Group, Gail is currently independent non-executive director of HSBC Bank Australia from October 2021, Sydney Metro from April 2019 and Land Services WA & SA from May 2020 and February 2024, respectively.

Gail retired as independent non-executive director of Symbio Holdings Limited (ASX:SYM) in February 2024, where she was a director since September 2020, as independent non-executive director of Link Administration Holdings Limited (ASX:LNK) in May 2024, where she was a director since January 2024, and as Chair of Prospa Group Limited (ASX:PGL) in August 2024, where she was a director since May 2018 and Chair since February 2019.

Gail was awarded the Order of Australia (AO) in the 2018 Australia Day Honours list for distinguished service to the finance and banking industry, to business through a range of roles, as an advocate for technology, and as a mentor to women.

DAMIEN BERRELL BEc, CA, GAICD

Chief Executive Officer and Managing Director since 31 January 2023.

Damien has over 20 years' experience in the domestic and international non-bank financial institutional space, with the majority of this time in senior leadership roles at successful fleet leasing businesses. Damien joined FleetPartners in 2020 as Chief Financial Officer (CFO), where he was responsible for all aspects of Finance as well as Strategy, M&A, Legal, Investor Relations and Company Secretarial.

Prior to this, Damien served as CFO at Custom Fleet. Here, Damien played a lead role in the sale of the business by General Electric (GE) and repositioning the business in Australia and New Zealand. Damien has also held senior finance positions at GE in Australia, New Zealand, Japan, China and in the US. Damien holds a Bachelor of Economics, Accounting from Macquarie University and is a qualified Chartered Accountant.

RUSSELL SHIELDS FAICD

Independent Non-Executive Director since 26 March 2015.

Russell Shields has more than 35 years' experience in financial services, including six years as Chair of ANZ Bank, Queensland and Northern Territory.

Prior to joining ANZ, Russell held senior executive roles with HSBC, including Managing Director Asia Pacific - Transport, Construction and Infrastructure and State Manager Queensland, HSBC Bank Australia. He was founding Chairman of Maritime Capital Shipping Ltd, an unlisted public company in Hong Kong, until the business was sold in 2009.

Russell retired as Chair of Aquis Entertainment Ltd (ASX:AQS) in May 2023, he was a director since April 2015.

1. Directors (continued)

FIONA TRAFFORD-WALKER BEc (HONS) (JCUNQ), MFIN (RMIT), GAICD

Independent Non-Executive Director since 27 July 2021.

Fiona is currently an Independent Non-Executive Director of Perpetual Limited (ASX:PPT) from December 2015 and the Victorian Funds Management Corporation (VFMC). Fiona is also a member of the Investment Committee for the Walter and Eliza Hall Institute.

Fiona was previously an Investment Director at Frontier Advisors, where she was a member of the firm's Investment Committee and Governance Advisory team. She was the inaugural Managing Director at Frontier Advisors and played a critical role in growing the firm.

Fiona retired as an Independent Non-Executive Director of Link Administration Holdings Limited (ASX:LNK) in May 2024, where she was a director since September 2015, and Prospa Group Limited (ASX:PGL) in August 2024, where she was a director since March 2018.

Fiona has more than 30 years' experience advising institutional asset owners and investors on investment and governance-related issues. In 2013, Fiona was awarded inaugural Woman of the Year in the Money Management/Super Review of Women in Financial Services Awards and was ranked one of the top 10 global Asset Consultants from 2013 to 2016, and again in 2019. In 2016, Fiona was announced as a winner in The Australian Financial Review and Westpac 100 Women of Influence Awards in the Board/ Management category.

CATHY YUNCKEN BCOM/LLB (UNSW), GAICD

Independent Non-Executive Director since 27 July 2021.

Cathy is a Non-Executive Director of State Super (SAS Trustee Corporation) and Managing Director of See Y Pty Ltd which provides commercial advisory services to government and business clients.

Cathy has over 30 years commercial and executive leadership experience in the financial services industry, including corporate finance and investment banking roles at Bank of America and Barclays Capital, and executive leadership roles at GE Capital, Commonwealth Bank's Institutional Bank, and most recently at Westpac Group, where Cathy's roles included leadership of Westpac Group's multi-brand commercial bank, SME banking and Westpac Group's private wealth businesses.

MARK BLACKBURN Dip of Bus (ACC), GAICD

Independent Non-Executive Director since 15 November 2023.

Mark is currently Independent Non-Executive Director and Chair of the Audit and Risk Committee for Lifestyle Communities Limited (ASX:LIC), director from December 2019, and Independent Non-Executive Director and Chair of the Audit, Business Risk and Compliance Committee for Pro-Pac Packaging Limited (ASX: PPG), director from November 2022.

Mark has over 23 years' experience as a CFO in both listed and unlisted companies in the financial services, manufacturing and mining sectors. Most recently, Mark was CFO of McMillan Shakespeare Limited, an ASX-listed provider of Salary Packaging, Novated Leasing, asset management and related financial products and services.

Mark brings extensive financial and capital management skills and experience with ASX-listed companies, acquisitions and establishing joint ventures, as well as strong industry domain experience particularly in Fleet, Novated Leasing and Salary Packaging.

ROB McDONALD BCOM (UoA), FCA, CMInstD

Independent Non-Executive Director since 15 November 2023.

Rob is an experienced Non-Executive Director based in New Zealand and an experienced Chief Financial Officer.

Rob is currently Independent Non-Executive Director and Chair of Contact Energy Limited (ASX/NZX:CEN) and Councillor with the University of Auckland. Rob retired as an Independent Non-Executive Director of Fletcher Building (ASX/NZX:FBU) in June 2024, where he was a director since September 2018.

1. Directors (continued)

Rob retired from Air New Zealand in 2018 after 14 years as CFO, where he successfully led the financial function of this international company, during periods of intense adverse market and financial turmoil (including GFC and Christchurch earthquake).

Rob brings extensive experience in financial risk management including the development and execution of treasury policies and multibillion dollar funding programmes and structures, as well as a strong understanding of digital issues and concepts.

TREVOR ALLEN BCOM (HONS) (UNSW) CA, FAICD

Independent Non-Executive Director retired 25 January 2024.

Trevor Allen has over 40 years' corporate and commercial experience, primarily as a corporate and financial adviser to Australian and international corporates.

He is a Non-Executive Director of Peet Limited (ASX:PPC) and Topco Investments Pte Ltd, the holding company of Real Pet Food Company Limited.

Prior to undertaking non-executive roles in 2012, Trevor held senior executive positions as an Executive Director - Corporate Finance at SBC Warburg and its predecessors for eight years and as a Corporate Finance Partner at KPMG for nearly 12 years. At the time of his retirement from KPMG in 2011, he was the Lead Partner in its National Mergers and Acquisitions Group.

Trevor was Director - Business Development for Cellarmaster Wines from 1997 to 2000, having responsibility for the acquisition, integration, and performance of a number of acquisitions made outside Australia in that period.

2. Company Secretary

Lauren Osbich (BA (Hons), LLB) was appointed Company Secretary on 1 February 2023. Lauren is admitted as a practising Solicitor of the Supreme Court of NSW, holds a Bachelor of Arts/Law with Honours in English and a Graduate Diploma of Legal Practice.

The Company Secretary function is responsible for ensuring the Company complies with its statutory duties and maintains proper documentation, registers and records. The role provides advice to the Directors and officers about corporate governance and legal matters.

3. Directors' Meetings

The table below sets out the number of meetings held during the 2024 financial year and the number of meetings attended by each Director. During the year a total of 10 Board meetings, 5 Audit and Risk Committee meetings and 4 People, Culture, Remuneration and Nomination Committee meetings were held.

	Board		Audit and Risk Committee		People, Culture, Remuneration and Nomination Committee	
Director	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
Gail Pemberton	10	10	5	5	4	4
Damien Berrell	10	10	-	-	-	-
Russell Shields	9	9	5	5	-	-
Fiona Trafford-Walker	10	10	5	5	4	4
Cathy Yuncken	9	9	5	5	4	4
Mark Blackburn	8	8	-	-	3	3
Rob McDonald	8	7	3	3	-	-
Trevor Allen	3	3	-	-	2	2

4. Principal activities

The Group is one of the leading providers of fleet management services in Australia and New Zealand. The Group's products include a comprehensive range of motor vehicle fleet services including vehicle acquisition, leasing, in-life fleet management and vehicle remarketing. The Group provides novated leasing and salary packaging services to customers in Australia.

5. Group financial performance

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

- Net operating income (NOI). This represents earnings before tax after direct costs such as interest expense on debt allocated to fleet assets, depreciation and amortisation of fleet assets. NOI also includes end of lease income but excludes the gains and losses associated with the movement in the fair value of ineffective interest rate hedges (hereon referred to as “hedge gains/losses”). Hedge gains/losses result in volatility of earnings which is not driven by business performance, is not controllable by the Group and is non-cash in nature (being a fair value adjustment of a derivative), accordingly hedge gain/losses have been excluded from the calculation of NOI.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA). This represents NOI before taxes after indirect costs such as wages, occupancy and technology costs. It also includes impairment expenses. EBITDA excludes depreciation and amortisation of non-fleet assets, share-based payments and operating finance costs (interest expense on debt other than debt allocated to fleet assets).
- Net profit after taxes, excluding amortisation (NPATA). This represents the post-tax earnings of the Group after excluding certain items. The items excluded are costs which are non-recurring due to the nature of the expense, amortisation of intangible assets and hedge gains/losses.

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

$m	**2024**	**2023**
Net operating income as per the statement of profit and loss	226.5	223.5
Add back the hedge loss	3.5	0.5
NOI*	**230.0**	**224.0**
Bad and doubtful debts	(3.5)	(0.6)
Operating expenses	(89.2)	(84.5)
EBITDA*	**137.3**	**138.9**
Depreciation	(3.0)	(3.2)
Share based payments	(3.3)	(3.4)
Operating finance costs	(6.7)	(7.0)
Tax*	(36.6)	(37.0)
NPATA*	**87.7**	**88.3**
Reconciling items to statutory profits		
Amortisation of acquired intangibles (post-tax)	(1.7)	(2.1)
Amortisation and impairment of software (post-tax)	(4.4)	(4.7)
Hedge loss (post-tax)	(2.5)	(0.3)
Non-recurring items (post-tax)	(1.2)	(0.2)
Statutory Profit	**77.9**	**81.0**

*For the year ended 30 September 2024, the Group, amended the calculation of NPATA by excluding any hedge gains/losses. The hedge gains/losses result in volatility of earnings which is not driven by business performance, is not controllable by the Group and is non-cash in nature (being a fair value adjustment of a derivative), accordingly hedge gains/losses have been excluded from the calculation of NPATA. The Group restated the comparatives for 30 September 2023: NOI was previously reported as $223.5 million; EBITDA was previously reported as $138.4 million; Tax was previously reported as $(36.8) million; and NPATA was previously reported as $88.0 million.

5. Group financial performance (continued)

NOI

NOI increased by $6.0 million compared to the 2023 financial year. The NOI increase was largely as a result of:

- An increase in New Business Writings (NBW) which resulted in a higher lease book that will generate income over the life of the leases; partially offset by
- lower management fees, as the supply of new vehicles improved, allowing replacement of vehicles under extended contracts; and
- lower funding commissions, as a higher proportion of NBW was funded using the Group's warehouse funding structure, rather than through principal and agency funding arrangements. Funding leases through the warehouse funding structure impacted revenue by spreading the revenue over the life of the lease as net interest margin, rather than receiving the revenue at the start of the lease as funding commissions.

Bad and doubtful debts

Bad and doubtful debts increased by $2.9 million compared to the 2023 financial year. The increase in bad and doubtful debts largely relates to provisions raised on the novated lease portfolio, which has grown by $170.0 million over the last twelve months. For the novated and finance lease portfolio actual write-offs (post-recoveries) for the year ended 30 September 2024 has been $0.1 million (30 September 2023: $0.3 million).

Operating expenses

Operating expenses increased by $4.7 million compared to the 2023 financial year. The increase was mostly driven by higher employee costs.

Reconciling items to statutory profit

The major reconciling items between NPATA and statutory profit include:

Amortisation of acquired intangibles (post-tax)

The amortisation of other intangibles (post-tax) represents the amortisation of customer relationships. Customer relationships have now been fully amortised.

Amortisation and impairment of software (post-tax)

The amortisation and impairment of software (post-tax) represents the amortisation and impairment of purchased and in-house developed software. For the 2024 financial year, the Group recognised a post-tax impairment of $0.2 million for software; this related to software that will be discontinued post the implementation of the Accelerate program. For the 2023 financial year, the Group recognised a post-tax impairment of $0.8 million for software; this related to software which was no longer being used where new software was implemented.

Non-recurring items

Non-recurring items recognised for the year ended 30 September 2024 included legal costs the company has incurred in relation to its defence against the shareholder class action and costs associated with redundancy payments. Non-recurring items for the year ended 30 September 2023 primarily related to employee redundancy costs.

Segment performance

Australia Commercial

($m)	**2024**	**2023**
NOI*	**142.0**	147.1
Bad and doubtful debts	**(2.8)**	(0.4)
Operating expenses	**(61.2)**	(57.6)
EBITDA*	**78.0**	89.1

* NOI and EBITDA for the year ended 30 September 2023 has been restated to exclude hedge gains/losses. NOI was previously reported as $146.8 million and EBITDA was previously reported as $88.8 million.

5. Group financial performance (continued)

The Australia Commercial segment specialises in fleet leasing and management. It currently operates under the trading names of FleetPlus and FleetPartners. The Group intends to retire the FleetPlus brand as part of the Accelerate program.

NOI decreased by $5.1 million compared to the 2023 financial year largely as a result of:

- Lower end-of-lease income as a result of lower average income per sold motor vehicle which was partially offset by an increase in the number of vehicles sold; and
- The timing of profitability on new leases when compared to the leases that were being replaced, and differences in pricing of a new lease when compared to a lease that has been extended.

Bad and doubtful debts had a $2.4 million negative impact when compared to the year ended 30 September 2023. This was largely as a result of incremental provisions held on the novated lease portfolio reported as finance leases (recorded in the Australia Commercial segment) which have grown significantly over the last twelve months, as losses from Novated leases primarily arise in relation to contracts which have been denovated when the employee has left their employer, at which point the lease is classified as a finance lease under the Australia Commercial segment for the purposes of provisioning.

Operating expenses increased by $3.6 million largely as a result of higher employee costs.

EBITDA within the Australia Commercial segment was $78.0 million and decreased by $11.1 million compared to the 2023 financial year, as a result of the above factors.

Novated

($m)	**2024**	**2023**
NOI*	**33.0**	21.8
Bad and doubtful debts	**(0.1)**	(0.3)
Operating expenses	**(12.7)**	(12.1)
EBITDA*	**20.2**	9.4

* NOI and EBITDA for the year ended 30 September 2023 has been restated to exclude hedge gains/losses. NOI was previously reported as $21.5 million and EBITDA was previously reported as $9.1 million.

NOI increased by $11.2 million compared to the year ended 30 September 2023 as a result of the high growth in NBW. This growth was largely driven by the increase in demand for and supply of electric vehicles, where eligible electric cars are exempt from Fringe Benefits Tax. The Fringe Benefits Tax exemption is due to cease from 1 April 2025 for plug-in hybrid electric vehicles and for battery electric vehicles the exemption will be reviewed by the Federal Government by mid-2027. The Group funded a higher proportion of NBW using its warehouse funding structure, where revenue is spread over the life of the lease as net interest margin. As the lease balances grow due to NBW, NOI will also grow.

The Novated segment recognised an improvement in actual bad debt write-offs of $0.2 million when compared to the year ended 30 September 2023.

Operating expenses increased by $0.6 million largely as a result of higher employee costs.

EBITDA within the Novated segment was $20.2 million and increased by $10.8 million compared to the 2023 financial year, as a result of the above factors.

New Zealand Commercial

($m)	**2024**	**2023**
NOI*	**55.0**	55.2
Bad and doubtful debts	**(0.6)**	0.1
Operating expenses	**(15.3)**	(14.8)
EBITDA*	**39.1**	40.5

* NOI and EBITDA for the year ended 30 September 2023 has been restated to exclude hedge gains/losses. No material changes to the numbers previously reported were noted, NOI was previously reported as $55.2 million and EBITDA was previously reported as $40.5 million.

The New Zealand Commercial segment specialises in fleet leasing and management. It operates under the trading name of FleetPartners. The Group retired the FleetPlus brand in 2023 as part of the Accelerate program.

5. Group financial performance (continued)

NOI decreased by $0.2 million largely as a result of the timing of profitability on new leases when compared to the leases that were being replaced, and differences in pricing of a new lease when compared to a lease that has been extended.

Bad and doubtful debts had a $0.7 million negative impact when compared to the year ended 30 September 2023. This is largely as a result of the prior comparative period including a release in bad and doubtful debts provisions of $0.3 million.

Operating expenses increased by $0.5 million largely as a result of higher employee costs.

EBITDA within the New Zealand Commercial segment was $39.1 million and decreased by $1.4 million compared to the 2023 financial year.

6. Financial position

Inventory

Inventory was $15.6 million as at 30 September 2024 which is a decrease of $2.4 million compared to 30 September 2023. Inventory levels have decreased as the Group continues to utilise various sales channels to dispose of its inventory and demand for second-hand motor vehicles remains strong.

Finance leases

Finance leases were $554.9 million as at 30 September 2024, which was an increase of $162.7 million compared to 30 September 2023. The increase was driven by an increase in the Novated segment’s NBW because of the increase in demand and supply of electric vehicles. The increase was also driven by the Group's strategy of funding a higher portion of leases through its warehouse funding structures.

Operating leases reported as property, plant and equipment

Operating leases were $1,121.0 million as at 30 September 2024, which was an increase of $124.5 million compared to 30 September 2023. The increase was driven by growth in Australia Commercial NBW and the Group’s strategy of funding a higher portion of leases through its warehouse funding structures.

Borrowings and funding

As at 30 September 2024, gross borrowings included an amount of $60.0 million drawn against the corporate debt facilities. This represents a $5.0 million reduction to the 30 September 2023 balance. After deducting cash and cash equivalents, the corporate net cash as at 30 September 2024 was $31.3 million, representing an $8.7 million increase to the corporate net cash balance at 30 September 2023.

The remaining borrowings of $1,596.4 million relate to funding directly associated with finance and operating leases that the Group provides to its customers, along with the inventory of vehicles in the process of being sold. This funding is provided by a combination of warehouse and asset-backed securitisation funding structures.

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

The Group aims to optimise its funding with committed funding facilities to cater for expected business growth. At 30 September 2024, the Group had undrawn corporate debt facilities of $89.0 million.

6. Financial position (continued)

	As at		
Total Group assets and liabilities ($m)	**30 September 2024**	**30 September 2023**	**% change**
Inventory	**15.6**	18.0	(13%)
Finance leases	**554.9**	392.2	41%
Operating leases	**1,121.0**	996.5	12%
	1,691.5	1,406.7	20%
Other assets	**839.1**	840.5	-
Total assets	**2,530.6**	2,247.2	13%
Borrowings	**1,656.4**	1,379.8	20%
Other liabilities	**251.3**	231.7	8%
Total liabilities	**1,907.7**	1,611.5	18%

Cash flow

The Group's cash and cash equivalents, including restricted cash, increased by $26.9 million (2023: $8.9 million) during the 2024 financial year. The increase was driven by EBITDA which is elevated by end of lease income, and a tax shield in Australia from the Temporary Full Expensing measure introduced by the Federal Government for eligible assets purchased between 7:30 pm AEDT on 6 October 2020 and 30 June 2023. These factors were partially offset by the $59.4 million share buy-back.

As at 30 September 2024, the Group held $91.3 million of unrestricted cash and $182.7 million of restricted cash.

Assets Under Management or Financed (AUMOF)

The Group's AUMOF increased 11% during the 2024 financial year. The increase was driven by a 21% increase in NBW during the year.

Vehicles Under Management or Financed (VUMOF) decreased by 4.5% due to a reduction in the number of managed only vehicles, in line with the Group’s strategy to focus on higher yielding products.

7. Going concern

This financial report has been prepared on the basis that the Group is a going concern.

The Group has considered its ability to continue as a going concern using projected cash flow forecasts and other Group metrics and information for at least the next 12 months from the approval of these financial statements. This assessment assumes the Group will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business beyond this period.

8. Business strategic objectives

Strategic Pathways which commenced in 2020 is now embedded in FleetPartners. It is designed to build a competitive advantage and grow market share in our three target markets of corporate fleets, small fleets and novated leasing; across Australia and New Zealand. Execution of Strategic Pathways has driven strong growth in both NBW and AUMOF in the 2024 financial year.

The Group commenced the next phase of its strategy, being the Accelerate program, during the 2023 financial year. The objective of the program is to consolidate multiple operating systems, thereby removing duplication of brands, systems and processes to enhance the profitability benefits currently being delivered by Strategic Pathways. The program is expected to deliver an annualised operating expense saving of $6 million by the end of FY25, at an estimated total capitalised cost of $30 million.

9. Key risks

The following are key risks represent those where the Board and the Executive Leadership Team are focusing their efforts. This is not an exhaustive list and the Board and the Executive Leadership Team do consider other risk and have a process for identifying emerging risks.

Key risk	Mitigating factors
The Group may inaccurately set or forecast vehicle residual values or there may be unexpected falls in used vehicle prices	• The Group performs a monthly portfolio revaluation using market information on all assets where the Group is exposed to residual value risk and any impairment identified is recognised. Given the steady normalisation of used vehicle prices during 2024, the model was updated in 2024 to reflect recent data, where previously it reflected only pre COVID-19 data. • The Group has multiple disposal channels for vehicles returned at the end of the lease, allowing the Group to minimise any losses on vehicles where the residual value is above the market value. • Residual values setting is reviewed regularly by the dedicated and independent from sales asset risk team and adjusted based on market and actual performance. • With respect to battery electric vehicle residual values, the Group utilises data from both vehicle auctioneers and third party residual valuation service providers as part of its twice a year review process.
The Group may not be able to obtain funding from banks and/or capital markets and/or be exposed to increased funding costs due to changes in market conditions	• The Group has a diversified funding platform which includes access to private and public securitisation markets (i.e. warehouses and asset-backed securitisation), bank loan markets and principal and agency funding lines via a number of different funding partners. The Group has the ability to shift funding in circumstances where specific funding lines are constrained. • The Group has a well-developed risk appetite framework which monitors various Group risk metrics, including access to liquidity. • The Board and the Audit and Risk Committee has oversight of the funding strategy, funding risks and funding performance and receive regular reporting on this. • Funding margins are negotiated and agreed on an annual basis for the warehouse facilities, while margins for the asset-backed securitisation and corporate debt facilities are fixed for their respective terms. • The Group has the ability to price any funding margin increase into NBW. • The Group mitigates interest rate risk by hedging the portfolio at point of origination and funding is provided based on the contractual maturity of the lease. The securitisation and principal and agency receivables funding structures contain no bullet maturity risks.
The Group is exposed to credit risk	• The Group has a dedicated and independent from sales credit team that assesses risk, drawing on formal qualification and deep operating experience, a wealth of proprietary data (including customer credit performance, arrears management, loss rates, and recovery rates), and external credit reporting data from local credit bureaus.
The Group is exposed to changes in the supply and mix of new vehicles sold	• The Group's NBW is comprised of leases for a diverse mix of vehicles, including passenger vehicles, light commercial vehicles and heavy commercial vehicles. This mitigates exposure to one vehicle segment. • Supply of new vehicles improved during the 2024 financial year and a substantial proportion of the backlog of orders from earlier periods was able to be delivered to customers.
Attracting and retaining a high-quality team	• The Group has processes in place to identify, develop and retain key talent. Key staff are incentivised through short-term and long-term incentive plans. Incentive plans are reviewed regularly to ensure they appropriately reward individuals for achievements and align with shareholder outcomes. • The Group has a "Work Health, Safety and Wellbeing Policy" where there is a commitment to provide a safe environment to all employees.

9. Key risks (continued)

Key risk	Mitigating factors
Exposure to risk of cyber-attacks	Cyber attacks present an ongoing threat of business disruption and data loss. We take key actions to monitor, detect, contain and secure our technical environment including: • A 24/7/365 Security Operations Centre that actively monitors the Group's technical environment for malicious activity and acts upon findings. • Maintaining our ISO 27001 Information Security Management System (ISMS). • Enterprise-wide backup and system recovery solution. • Policies and procedures in place to manage customer records and the appropriate handling of personal information. • Data classification and handling framework to support and improve the processes that enable the management of data quality as well as the retention and disposal of data appropriately. • Penetration and Disaster Recovery testing on critical systems. • Education and awareness program to ensure increased awareness and vigilance of team members.
Environmental and climate risk	• The Group holds a Climate Active carbon neutral certification from Climate Active for its Australian business operations. • The Group holds a net carbonzero certification from Toitū Envirocare for its New Zealand operations. • The Group has a structured program to support customers to transition to electric vehicles.
The Group is exposed to changes in the regulatory environment in which it operates.	• The Group is actively involved with industry bodies where changes to the regulatory environment are discussed, reviewed and actioned by the industry and its members as appropriate. • The Group has governance structures in place to identify risks and opportunities, with the appropriate actions required and with oversight from the Audit and Risk Committee. • The Group has external relationships with experts in their field who proactively advise the Group of changes to the regulatory environment.
Operational and compliance risk	• The Group's Non-Financial Risk framework allows for the identification, assessment, management, monitoring and reporting of operational risks and compliance obligations. • The framework sets out how to assess the Group's operational risk profile and helps establish and define policies, processes, procedures and controls used to manage and mitigate operational risks.

10. Subsequent events

On 15 November 2024 the Group settled its fourth New Zealand asset backed securitisation of NZD $300 million. The transaction increases funding capacity and provides further funding certainty and diversity, whilst reducing the funding costs of the Group.

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

11. Contingent liability

On 8 November 2023, the Group received a statement of claim relating to a shareholder class action filed in the Victorian Supreme Court. The claim was expressed to be made on behalf of shareholders who acquired an interest in the Group, then named Eclipx Group Limited, during the period between 8 November 2017 and 20 March 2019. The claim alleges during this period, the Group made statements regarding its financial performance in the 2017 and 2018 financial years, and provided guidance to its future earnings for the 2018 and 2019 financial years, and subsequently withdrew, revised or restated this information, and that this involved misleading representations and non-compliance with continuous disclosure obligations. The Group intends to defend the claim. The financial effect of this claim cannot be estimated as at the date of this financial report.

12. Changes in state of affairs

During the financial year, there was no significant change to the state of affairs of the Group other than that referred to in the Directors' report, financial statements or notes thereto.

13. Environmental factors

The Group is not subject to any significant environmental regulation under Australian Commonwealth, State or Territory law. The Group recognises its obligations to its stakeholders being customers, shareholders, employees, and the community, to operate in a way that lowers the impact both it and its customers have on the environment.

14. Dividends and share buybacks

No dividends were declared for the year ended 30 September 2024 (2023: nil). Further details regarding dividends are outlined in Note 4.7 in the financial report.

During the year ended 30 September 2024, the Group executed a $59.4 million share buy-back program. The shares bought back were subsequently cancelled.

15. Share options

At the date of this report the Group has no options.

16. Indemnification of Directors and Officers

The Directors and Officers of the Group are indemnified against liabilities pursuant to agreements with the Group. The Group has entered into insurance contracts with third party insurance providers, in accordance with normal commercial practices. Under the terms of the insurance contracts, the nature of the liabilities insured against, and the amount of premiums paid, are confidential.

17. Non-audit services

KPMG, the external auditor of the Group provided no non-audit services during the 2024 financial year. The role of the external auditor is to provide an independent opinion that the financial reports are true and fair and that they comply with applicable regulations. The Audit and Risk Committee has implemented processes and procedures to review the independence of the external auditors and to ensure that they may only provide services that are not conflicting with their role of external auditor.

The fees paid or payable to KPMG were as follows:

	2024 $m	2023 $m
Audit and assurance services		
Audit and review of financial statements	1.16	1.09
Total remuneration for KPMG	1.16	1.09

A copy of the auditor’s independence declaration is set out on page 15 of this financial report, and forms part of the Directors Report.

18. Rounding of amounts

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

This Directors’ Report is signed on 15 November 2024 on behalf of the Directors in accordance with the resolution of Directors made pursuant to section 298(2) of the Corporations Act 2001.

Gail Pemberton
Chair

Sydney
15 November 2024

Damien Berrell
Chief Executive Officer and Managing Director

Sydney

KPMG

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

To the Directors of FleetPartners Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of FleetPartners Group Limited for the financial year ended 30 September 2024 there have been:

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

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

KPMG

KPMG

Peter Zabaks
Partner

Sydney
15 November 2024

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the FleetPartners Remuneration Report for the year ended 30 September 2024.

FleetPartners is committed to aligning its executive remuneration strategy with its business strategy, and linking remuneration outcomes to business performance, prudent management of risk, and long-term sustainable growth objectives. Our Executive Remuneration Framework is designed to attract, motivate and retain the talent we need to deliver on these objectives and create value for all our stakeholders.

No changes were made to the FleetPartners Remuneration Framework in FY24. Executive remuneration comprises Fixed Remuneration (FR), Short-Term Incentive (STI) and Long-Term Incentive (LTI) components, and is designed to ensure executives have a proportion of remuneration at risk, subject to performance objectives set at the start of the performance period. STI and LTI awards are both delivered 100% in performance rights, and our Executive KMP and Non-Executive Directors are subject to minimum Shareholding Requirements.

Executive remuneration outcomes in FY24

In FY24, the Board approved remuneration outcomes as outlined below.

Fixed Remuneration - With respect to Executive KMP, there was no change to the CEO's fixed remuneration in FY24. The CFO's Fixed Remuneration was reviewed and increased by 10% in FY24 following a market benchmarking exercise.

Short-term Incentive - The Board awarded STI payments to the CEO and CFO of 73% of maximum opportunity, reflecting performance across the balanced scorecard. These STI awards are delivered 100% in equity and will vest in November 2025 after a 12 month deferral period. The CEO's FY24 STI and FY25 LTI awards are subject to shareholder approval at our Annual General Meeting.

Long-term Incentive - No LTI awards vested for Executive KMP in FY24. The FY22 LTI was tested as at 30 September 2024, in accordance with the FY22 LTI Plan. The Board determined that based on performance achieved over the three-year period from FY22 to FY24 against the Earnings Per Share (EPS) growth measure, the EPS hurdle was achieved at 100% of target. As a result, these awards will vest for the CEO and CFO on 22 November 2024.

Non-Executive Director fees - There was no change to Non-Executive Director fees in FY24, and no change to the approved Board fee pool.

Looking ahead

The Board is committed to monitoring our remuneration strategy and framework to ensure they remain fit for purpose; strongly supporting delivery of the Group's strategy, Strategic Pathways, values, and stakeholder expectations, delivering business efficiency improvements via the Accelerate program, whilst rewarding executive performance in line with the creation of long-term value for shareholders.

The Board is proud of the hard work and dedication of our leaders and team members throughout FY24. We thank all of our people for their commitment and contribution to FleetPartners over the year.

I invite you to read the FY24 Remuneration Report and welcome your feedback and support of the Board in its endeavours to attract, retain and motivate our talented executives.

Yours faithfully,

C Yuncken

Cathy Yuncken

Chair of the People, Culture, Remuneration & Nomination Committee

1 Remuneration Report

1.1 Table of Contents

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1.2 Who is covered by this Report?

This Report details remuneration outcomes for the Group's key management personnel (KMP), who are the team responsible for determining and implementing the Group's strategy. For the year ended 30 September 2024, the KMP were as follows.

Name	Position	Term as KMP
Executive KMP		
Damien Berrell	Chief Executive Officer and Managing Director (CEO & MD)	Full Year
James Owens	Chief Financial Officer	Full Year
Non-Executive Directors		
Gail Pemberton	Independent Chair	Full Year
Russell Shields	Independent Non-Executive Director	Full Year
Fiona Trafford-Walker	Independent Non-Executive Director	Full Year
Cathy Yuncken	Independent Non-Executive Director	Full Year
Rob McDonald	Independent Non-Executive Director	From 15 November 2023
Mark Blackburn	Independent Non-Executive Director	From 15 November 2023
Trevor Allen	Independent Non-Executive Director	Until 25 January 2024

2 FY24 at a glance – Remuneration Outcomes

2.1 Fixed Remuneration

The Group's Fixed Remuneration strategy is designed to offer market competitive rates to attract and retain top talent in our Executive Team and across the Group. Remuneration levels are set based on role responsibility, complexity and leadership accountability. They are benchmarked externally using Mercer salary data, and ASX peer data for comparable roles in the fleet management, salary packaging and non-bank financial institutions industries.

During FY24 there was no change to the Fixed Remuneration of CEO and MD Damien Berrell. CFO James Owens' Fixed Remuneration was increased by 10% to $470,250, inclusive of salary and superannuation contributions, effective 15 November 2023.

2.2 FY24 Short Term Incentive (STI) balanced scorecard assessment

The Executive KMP balanced scorecard assesses the achievement of the Executive KMPs' annual performance objectives and informs determination of their overall STI award for the performance year.

In early FY24, the Board considered and approved the financial and non-financial Key Performance Indicators (KPIs) for Executive KMP as set out in the table below.

The Executive KMP considered for an STI award for FY24 were the CEO and MD Damien Berrell, and the CFO James Owens. In the context of their performance for FY24, the Board undertook a comprehensive year-end performance review and determined that:

- the risk gateway requirements for FY24 were met; and
- there were no material breaches of company policy or risk appetite statement during FY24.

As a result, Damien Berrell and James Owens were deemed eligible for an STI award for their performance.

Individual STI outcomes reflect business performance against the STI balanced scorecard, individual contribution to these results, ways of working and alignment with our core values. Executive KMP have a maximum STI opportunity of 130% of their target STI.

The table below provides a summary of Executive KMP financial and non-financial objectives, and performance outcomes relative to targets set at the start of FY24 for each KPI.

OBJECTIVE	MEASURE	WEIGHTING	OUTCOME
FINANCIAL (60%)			
Group Financial Targets	New Business Writings Target **FY24 outcome was 21% up on prior comparative period (pcp)**	20%	THRESHOLD TARGET MAXIMUM
	NPATA (pre EOL) Target **FY24 outcome was 4% up on pcp**	20%	THRESHOLD TARGET MAXIMUM
Project Accelerate	Successful implementation on time and on budget	20%	Not Met
NON-FINANCIAL (40%)			
People and Culture	Employee engagement score **FY24 outcome was 4 points below pcp, when pcp outcome exceeded target by 4 points**	10%	THRESHOLD TARGET MAXIMUM
	Drive talent management, DE&I and cultural initiatives	10%	Met
Customer	Net Promoter Score **FY24 outcome was 5 points higher than pcp**	10%	THRESHOLD TARGET MAXIMUM
Sustainability	Embed sustainability initiatives and carbon neutral accreditation in Australia and New Zealand	10%	Met
Overall	As assessed by the Board		Overall STI outcome 95% of target and 73% of maximum

The Board's performance review considered the balanced scorecard outcomes and endorsed the awarding to the CEO and CFO 73% of their maximum STI opportunity for FY24.

The STI awards will be granted entirely in Performance Rights, following disclosure of the FY24 results in November 2024. In accordance with the Group's Plan rules, the vesting of these awards will be deferred until the conclusion of FY25.

2.3 FY24 STI awards

Executive KMP	Target STI Opportunity	Maximum STI Opportunity	% of Maximum STI Opportunity Awarded	% of Maximum STI Opportunity Forfeited	Value of STI Awarded – 100% Performance Rights	Deferral Amount	Deferral Duration
Damien Berrell	$720,531 100% of FR	$936,690 130% of FR	73%	27%	$684,568	100%	12 months
James Owens	$211,613 45% of FR	$275,097 59% of FR	73%	27%	$201,051	100%	12 months

2.4 LTI vesting in FY24

There were no LTI grants awarded to KMP for FY21 (1 October 2021 to 30 September 2023), as a result of which no LTI awards vested in FY24.

2.5 FY22 LTI Plan Outcomes

The FY22 LTI Performance Rights awarded to the CEO and CFO were tested as at 30 September 2024 against the EPS Growth performance hurdle. The following table sets out the FY22 LTI Plan outcomes for the three-year performance period ended 30 September 2024.

Measure	Threshold	Maximum	Actual	% of FY22 LTI Plan award that vested
EPS Growth CAGR (FY21 to FY24)	2.5%	6.5%	11.7%	100%

The Board therefore determined that 100% of the FY22 LTI award qualified for vesting in accordance with the terms of the FY22 LTI Plan, as a result of which the following performance rights will vest for Executive KMP:

Executive KMP	**Performance Rights Granted**	**% Qualified for Vesting**	**Performance Rights Qualified for Vesting**
Damien Berrell	78,431	100%	78,431
James Owens	23,639	100%	23,639

3 Executive KMP Remuneration Strategy and Framework

3.1 Link between business strategy and Remuneration Framework

Our remuneration strategy

The remuneration strategy of the Group seeks to attract, retain and motivate key talent, fostering business performance that aligns with our Strategic Pathways business strategy to deliver sustainable long-term value creation.

Our business strategy

Strategic Pathways is the Group's business strategy, with the primary objective of expanding market share in our target markets of Corporate, Small Fleets and Novated. The strategy focuses on developing sales, distribution and service capabilities to drive further penetration into these markets. Execution of Strategic Pathways has driven strong growth in both New Business Writings and Assets Under Management or Finance (AUMOF) in FY24.

A key enabler of Strategic Pathways is the Accelerate business transformation program, which consolidates the Group's brands, systems and processes and is anticipated to deliver an annualised reduction in operating expenses of $6 million. A key component of the Accelerate program will be the implementation of the Miles platform in our Australian business, which will make it easier for our customers and team members to do business, and thereby improve the customer experience and outcomes.

Our Purpose: to deliver growth and sustainable financial returns for our shareholders while transforming our target markets, product and overall customer experience.

The table below summarises key financial performance metrics over the last five years.

	FY20	FY21	FY22	FY23	FY24
NPATA[1] ($'000)	33,615	84,905	108,105	88,324	87,712
NPATA pre EOL Income[2] ($'000)	10,955	36,078	43,113	36,400	37,910
Cash EPS[3] (cents)	10.6	27.6	37.6	33.4	36.5
Statutory EPS (cents)	5.8	24.7	35.9	30.7	32.4
Share price at the end of the year	$1.54	$2.47	$2.25	$2.74	$3.09
Total dividend paid (cents)	–	–	–	–	–
Share buy-back ($'000)	–	27,587	63,301	75,366	59,393

1) NPATA for FY21, FY22 and FY23 has been restated to remove the profit and loss impact of the ineffective portion of the hedge loss (after tax). The Group previously reported FY21 NPATA of $86,149,000, FY22 NPATA of $110,824,000 and FY23 NPATA of $87,976,000. These periods have been adjusted as they relate to the base years for the measure of the EPS growth measure for the FY22 LTI Plan, FY23 LTI Plan and FY24 LTI Plan, respectively. NPATA for FY20 is shown as previously reported and has not been adjusted to exclude hedge gains/losses. Note that for the purposes of the EPS growth measure in respect of the FY22, FY23, FY24 and FY25 LTI Plans, other adjustments have been made to these NPATA figures.
2) End of lease income.
3) Cash EPS for FY21, FY22 and FY23 has been restated to reflect the restated NPATA figures for those periods.

The strategic objectives for each target market are summarised in the graphic below.

Our remuneration principles

ALIGNMENT TO PERFORMANCE
Support the business strategy and shareholder alignment

MARKET COMPETITIVE
Attract, motivate and retain highly capable executives

SIMPLE AND TRANSPARENT
A remuneration framework that is easy to communicate

EQUITABLE
Balanced approach with a significant portion of remuneration at risk and provided in equity

CULTURE
Drive a culture of rewarding high performance and engagement

RISK MANAGEMENT
Clear practices in place to minimise potential conflicts of interest and enable effective decision making

3.2 Executive KMP Remuneration Framework

The Board undertakes a detailed review of the Executive Remuneration Framework on an annual basis, to ensure its continued alignment with the Group's objectives and purpose. Following its review in FY24, the Board resolved to make no changes to the overall Executive Remuneration Framework, which is summarised below.

	Fixed Remuneration (FR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)	Minimum Shareholding Requirement (MSR)
What is it?	Base salary, non-monetary benefits and superannuation	Performance Rights tested at the end of the financial year (100% of the award is deferred for twelve months)	Performance Rights allocated using a face value methodology	Executive KMP are required to hold equity / shares equivalent in value to Fixed Remuneration as follows: • CEO: 100% of FR • CFO: 50% of FR KMP have five years from the implementation of MSR (or appointment as a KMP) to meet the requirement
Purpose	Attract and retain key talent based on capability and experience to deliver strategy	Motivate, retain and reward Executive KMP, focusing on near-term actions designed to deliver sustainable long-term performance and strategic goals	Motivate, retain and reward Executive KMP focusing on sustainable long-term performance, and providing participants with exposure to the Group's share price	Retain and align Executive KMP with shareholder interest
Link to performance	Set based on the individual's experience, capability and the value they bring to the Group	Performance assessed annually by reference to risk outcomes and performance outcomes achieved relative to balanced scorecard performance objectives	Will only deliver value to participant where shareholder value is created as assessed by reference to LTI measures	
Alignment with business strategy	Attract and retain based on comparable roles in companies with similar market capitalisation	Linked to company's strategic goals	Rewards individuals for delivering business performance that creates shareholder value	Aligning the long-term interests of Executive KMP with those of shareholders

3.3 FY24 Executive KMP remuneration mix

The remuneration components for each Executive KMP are expressed as a percentage of their total 'face value' target remuneration opportunity, and maximum remuneration opportunity, as illustrated in the below graphic.

	Fixed Remuneration	STI Opportunity	LTI Opportunity	Total	
Damien Berrell					
Target	$720,531	$720,531	$720,531	$2,161,593	FR 33.3% STI 33.3% LTI 33.3%
Maximum	$720,531	$936,690	$720,531	$2,377,752	FR 30.3% STI 39.4% LTI 30.3%
James Owens					
Target	$470,250	$211,613	$280,000	$961,863	FR 49% STI 22% LTI 29%
Maximum	$470,250	$275,097	$280,000	$1,025,347	FR 46% STI 27% LTI 27%

3.4 FY24 STI plan

Key terms of the FY24 STI plan are outlined in the following table.

Elements	How the STI works
Purpose	To reward the achievement of annual performance targets aligned with FleetPartners' business strategy and objectives that deliver sustainable stakeholder outcomes.
Performance period	12 months ended 30 September
Gateway	A risk gateway must be satisfied for any STI award to be made. The risk gateway is based on compliance with the Group's Risk Appetite Statement, ensuring that appropriate governance and risk tolerance levels are met, and no material breaches occur during the performance period.
Maximum STI opportunity	The maximum STI opportunity for the CEO is 130% of Fixed Remuneration, and for the CFO is 59% of Fixed Remuneration.

For personal use only

Group scorecard	Group performance is measured against a scorecard comprising financial (60%) and non-financial measures (40%). The performance measures used in the FY24 STI Group scorecard are outlined below.

Objective	Measure	Weighting
Financial		**60%**
Group Financial Targets	New business writings target	20%
	NPATA (pre EOL) target	20%
Project Accelerate	Successful implementation on time and on budget	20%
Non-financial		**40%**
People and Culture	Employee engagement score	10%
	Drive talent management, DE&I and cultural initiatives	10%
Customer	Net promoter score	10%
Sustainability	Embed sustainability initiatives and carbon neutral accreditation in Australia and New Zealand	10%

Performance assessment	Performance against the Group STI scorecard for Executive KMP is assessed by the People, Culture, Remuneration & Nomination Committee and approved by the Board. The Board takes a robust approach to determining Executive KMP remuneration outcomes, using business judgement and oversight, and considers a range of factors both qualitative and quantitative when making decisions.
Instrument	100% of the FY24 STI award outcomes will be delivered in the form of Performance Rights to acquire Group shares (at no cost to the participant), which will vest 12 months after grant, subject to the Executive KMP's continued employment with the Group. The number of Performance Rights granted is based on the FY24 STI awarded and the face value of a Performance Right (calculated as the VWAP for the five trading days following announcement of the Group's FY24 full-year results). The FY24 STI Performance Rights will be satisfied using shares already purchased on market and held as part of the ESOP trust.
Malus	In the event of fraud, dishonest conduct or breach of duty or obligation owed to the Group by the participant, the Board has the discretion to cancel all Performance Rights.

3.5 FY24 LTI

Key terms of the FY24 LTI plan are outlined in the following table.

<table>
<tr><th>Elements</th><th>How the LTI works</th></tr>
<tr><td>Overview</td><td>Awards granted under the FY24 LTI plan will vest at the end of the three-year performance period subject to achievement of the performance hurdles relating to EPS growth and Return on Assets (ROA).</td></tr>
<tr><td>Instrument</td><td>The FY24 LTI grant was provided in the form of Performance Rights to acquire Group shares (at no cost to the participant), subject to the achievement of performance hurdles based on growth in EPS over a three-year performance period and ROA in FY26. The Rights are also subject to the Executive KMP's continued employment with the Group.
The number of FY24 Performance Rights granted was determined by the Board based on a percentage of the Executive KMP's Fixed Remuneration and the face value of a Right (calculated as the VWAP for the five trading days following announcement of the Group's FY23 full-year results).</td></tr>
<tr><td>Maximum LTI opportunity</td><td>CEO – 100% of Fixed Remuneration
CFO – 60% of Fixed Remuneration</td></tr>
<tr><td>Performance period</td><td>1 October 2023 – 30 September 2026</td></tr>
<tr><td>LTI Measure 1
EPS Growth
75% weighting</td><td>The following table sets out the normalised EPS growth targets for the FY24 LTI grant. Targets have been set, and performance will be measured, after adjusting for elevated end of lease income.
<table>
<tr><th>Normalised EPS CAGR (from FY23 to FY26)</th><th>% of FY24 LTI that vests</th></tr>
<tr><td>Below 5.0%</td><td>Nil</td></tr>
<tr><td>At 5.0%</td><td>50%</td></tr>
<tr><td>Between 5.0% and 6.5%</td><td>Straight line pro-rata vesting between 50% and 100%</td></tr>
<tr><td>At or above 6.5%</td><td>100%</td></tr>
</table></td></tr>
<tr><td>LTI Measure 2
Return on Asset (ROA)
25% weighting</td><td>The following table sets out the ROA targets for the FY24 LTI grant. Targets have been set and performance will be measured, after adjusting for the elevated end of lease income.
<table>
<tr><th>ROA for FY26</th><th>% of FY24 LTI that vests</th></tr>
<tr><td>Below 2.9%</td><td>Nil</td></tr>
<tr><td>At 2.9%</td><td>50%</td></tr>
<tr><td>Between 2.9% and 3.0%</td><td>Straight line pro-rata vesting between 50% and 100%</td></tr>
<tr><td>At or above 3.0%</td><td>100%</td></tr>
</table></td></tr>
<tr><td>Malus</td><td>In the event of fraud, dishonest conduct or breach of duty or obligation owed to the Group by the participant, the Board has the discretion to cancel all FY24 LTI Performance Rights.</td></tr>
<tr><td>How will the FY24 LTI award be satisfied?</td><td>The FY24 LTI Performance Rights will be satisfied using shares already purchased on market and held as part of the ESOP trust.</td></tr>
</table>

4 FY25 Executive Remuneration Framework

The Board's FY24 review determined that due to the continued strategic focus of the Group on Strategic Pathways, and the business transformation being delivered following implementation of the Accelerate program, no changes would be made to the overall Executive Remuneration Framework for FY25.

With respect to the FY25 LTI program, the Board reviewed the measures it would use to evaluate the Group's performance at the end of the three-year performance period (FY25 to FY27) and resolved to retain the EPS growth and ROA measures adopted in the FY24 LTI program, weighted at 75% and 25% respectively. The Board further determined it would, as in prior years, normalise inputs to calculation of performance, as follows.

4.1 EPS growth measure (75% weighting)

In calculating EPS growth achieved for the FY25 LTI grant, the following adjustments will be made to NPATA and Shares on Issue (SOI) to normalise the EPS calculation, as follows:

(a) Adjustments to NPATA

End of lease profit continues to reflect the impact of elevated second-hand vehicle prices in Australia and New Zealand. As a result, the FY24 end of lease profit will be substituted with FY19 end of lease profit, which represents normalised conditions.

This adjustment results in an FY24 NPATA of $58.6 million (from $87.7 million) for the purposes of assessing the FY25 LTI grant.

(b) Adjustment to SOI

In addition to the above NPATA adjustment, the impact of the Group's share buy-back program on SOI will be neutralised in the calculation of EPS for LTI purposes, by holding SOI constant over the three-year performance period at the average number of SOI for FY24. Adjustments for any shares bought back or treasury share issuances, to meet ESOP requirements or any M&A related issuance will be considered on a case –by case basis.

With careful consideration, by the Board, of both the NPATA adjustment and share buy-back neutralisation, the FY25 to FY27 EPS CAGR target will be set at a minimum threshold target of 5.5% to a maximum of 7.0%.

4.2 Return on Assets measure (25% weighting)

The ROA measure reflects the efficiency of the business in generating returns on the assets under management and will be measured by dividing FY27 NPATA by the average AUMOF for the FY27 period.

Given total NPATA includes end of lease profit, to the extent that EOL exceeds the company's historical "normal" EOL earnings profile in FY27, the Board may determine to normalise NPATA for the purposes of testing the ROA measure.

The minimum ROA will be set at 2.7% up to a maximum of 2.8%, with straight line vesting from 50% to 100% across the range. This target range was deemed to incorporate appropriate stretch given the expected impact of normalisation of EOL and provisions on NPATA over the performance period.

5 Executive Service Agreements

5.1 Executive service agreements

The table below details the key individual terms and conditions of employment applying to Executive KMP.

	Damien Berrell	James Owens
Notice period	12 months by either party	6 months by either party
Termination entitlement when initiated by the Group	12 months	6 months
Serious misconduct	Immediate termination	
Restraint of Trade	12 months following expiry of notice period	

6 Non-Executive Director Remuneration

6.1 Overview

Non-Executive Directors (NEDs) receive base Board member fees and Committee membership fees, inclusive of statutory superannuation. Fees are reviewed and set annually by the Board.

NEDs do not participate in any variable remuneration plans.

There were no changes to Board fees in FY24. Board fees have not changed since the year ended 30 September 2017.

NEDs may participate in the Share Right Contribution Plan, under which shareholder-approved NEDs may elect to sacrifice up to 50% of base fees (excluding Committee fees) to acquire shares on a pre-tax basis. The following key terms apply to the Share Right Contribution Plan.

- Share Rights are not subject to performance conditions.
- If a participant ceases to hold office before their Share Rights convert to shares, all Share Rights will lapse and the fee amount sacrificed under the Share Rights Contribution Plan will be returned to the participant.

During FY24, NEDs did not elect to sacrifice a proportion of their base Board fees to acquire Share Rights.

The table below outlines the Board fee structure. Fees in FY24 are within the approved aggregate Board fee pool of $1.4 million.

Committee	Chair fees ($)	Member fees ($)
Board	250,000	125,000
Audit & Risk Committee	25,000	12,500
People, Culture, Remuneration & Nomination Committee	25,000	12,500

6.2 FY24 remuneration

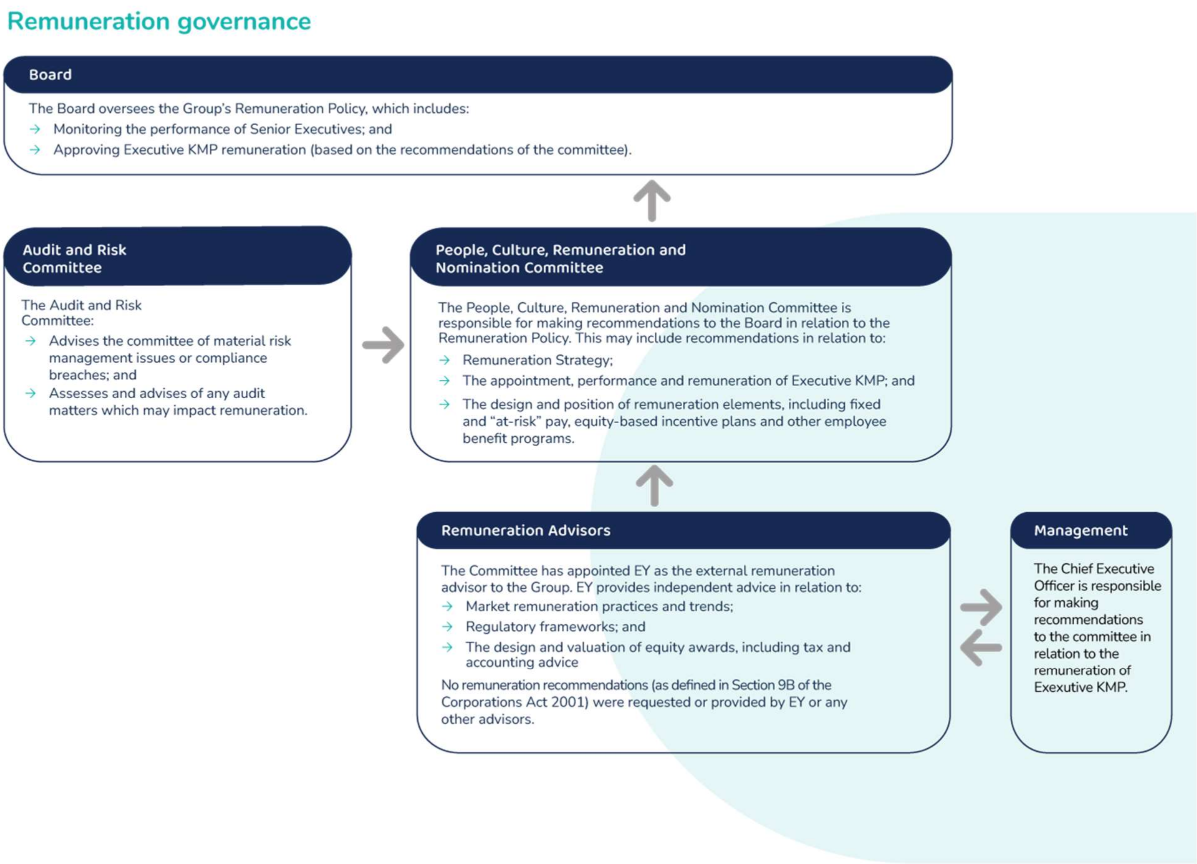
The following table shows the statutory remuneration received by NEDs in FY24.

NED	Year	Salary and fees		Short-term benefits	Post-employment benefits	Share-based payments	Total ($)
		Cash ($)	Fees sacrificed to acquire share rights ($)	Non- monetary ($)	Superannuation ($)	Equity-settled ($)	
Gail Pemberton (Board Chair)	FY24	273,909	–	–	1,091	–	275,000
	FY23	268,825	–	–	7,232	–	276,057
Russell Shields	FY24	123,746	–	–	13,754	–	137,500
	FY23	131,290	–	–	13,950	–	145,240
Trevor Allen	FY24	39,544	–	–	4,350	–	43,894
	FY23	136,612	–	–	10,551		147,163
Fiona Trafford-Walker	FY24	160,023	–	–	2,477	–	162,500
	FY23	156,928	–	–	4,274	–	161,202
Cathy Yuncken	FY24	146,245	–	–	16,255	–	162,500
	FY23	147,449	–	–	15,676	–	163,125
Mark Blackburn	FY24	115,341	–	–	5,765	–	121,106
	FY23	–	–	–	–	–	–
Rob McDonald	FY24	108,957	–	–	12,149	–	121,106
	FY23	–	–	–	–	–	–

7 Remuneration Governance

The People, Culture, Remuneration and Nomination Committee assists the Board in relation to the Group's remuneration arrangements. The Board makes all final decisions in relation to these arrangements.

The Committee may seek the advice of a professional remuneration advisor or expert if considered necessary to carry out its duties and responsibilities. During FY24 , the Committee considered remuneration data, trends and other relevant governance matters with the support of experienced remuneration consultants. No remuneration recommendations as defined in the Corporations Act 2001 (Cth) were provided to the Committee during FY24.



8 Statutory Disclosures

8.1 Executive KMP statutory remuneration

The following Executive KMP remuneration table has been prepared in accordance with the accounting standards and has been audited. The values in the table below align with the amounts expensed in the Group's financial statements.

		Short-term benefits			Long-term benefits				
KMP	Year	Salary ($)	Non-monetary ($)[1]	Annual leave ($)	Long service leave ($)[2]	Super-annuation	Share-based payments ($)[3]	Total ($)	Proportion of remuneration performance related
Damien Berrell	FY24	692,499	3,434	29,138	15,381	28,032	870,744	1,639,228	53%
	FY23	623,046	6,139	16,267	13,097	26,463	764,152	1,449,164	53%
James Owens	FY24	437,033	3,434	5,727	2,882	28,120	304,199	781,395	39%
	FY23[4]	267,609	2,352	6,430	1,116	18,487	216,079	512,073	42%

1) Amount represents motor vehicle, car parking, and fringe benefits tax.
2) Amount represents long service leave provision movements.
3) In accordance with the accounting standards, remuneration includes a proportion of the fair value of the Options and Rights awarded under the LTI program from current and prior years. The fair value is determined as at grant date and is progressively allocated over the vesting period. The amount included in remuneration above may not be indicative of the benefit (if any) that KMP may ultimately realise should the equity instrument vest.
4) Reflects earnings for the period James Owens was a KMP following his appointment as CFO on 1 February 2023.

8.2 Outstanding awards

The maximum value of awards that may vest that will be recognised as share-based payments in future years is set out in the table below. The table includes the number and value of awards that have been exercised during the period. The amount reported is the value of share-based payments calculated in accordance with AASB2 Share-Based Payments over the vesting period.

KMP	Plan	Award type	Performance condition	Number of awards granted	Grant date	Exercise price	Fair value per instrument	Total fair value of award at grant date	Vesting date	Number of awards vested and can be exercised	Value of awards exercised	Expiry date
Damien Berrell	FY24 LTI – Performance Rights	Rights	75% EPS 25% ROA	260,119	25 Jan-24	-	$3.06	$795,964	24 Nov-26	-	-	24 Nov-28
	FY23 STI Rights	Rights	Service	220,014	25 Jan-24	-	$2.77	$609,438	24 Nov-24	-	-	24 Nov-26
	FY23 LTI - Performance Rights[1]	Rights	75% EPS 25% ROIC	383,261	1 Feb-23	-	$2.06	$789,518	21 Nov-25	-	-	20 Nov-27
	FY22 STI Rights	Rights	Service	90,426	1 Feb-23	-	$1.88	$170,001	21-Nov-23	90,426	$247,427	20 Nov-27
	FY22 LTI – Performance Rights	Rights	100% EPS	78,431	23 Nov-21	-	$2.20	$172,548	22 Nov-24	-	-	23 Nov-26
	FY20 Sign-on Grant	Options	Service	819,672	27 Nov-19	$1.63	$0.31	$250,000	27 Nov-22	819,672	$1,598,359	26 Nov-24
	FY20 LTI Options	Options	EPS	747,682	27 Nov-19	$1.63	$0.31	$228,043	27 Nov-22	747,682	$1,457,976	26 Nov-24
James Owens	FY24 LTI – Performance Rights	Rights	75% EPS 25% ROA	101,083	24 Nov-23	-	$2.73	$275,957	24 Nov-26	-	-	24 Nov-28
	FY23 STI Rights	Rights	Service	60,968	24 Nov-23	-	$2.77	$168,881	24 Nov-24	-	-	24 Nov-26
	FY23 LTI – Performance Rights[1]	Rights	75% EPS 25% ROIC	68,218	21 Nov-22	-	$2.00	$136,095	21 Nov-25	-	-	20 Nov-27
	FY22 STI Rights	Rights	Service	80,157	21 Nov-22	-	$2.00	$159,913	21-Nov-23	80,157	$220,746	20 Nov-27
	FY22 LTI – Performance Rights	Rights	100% EPS	23,639	21 Nov-22	-	$2.00	$47,160	22 Nov-24	-	-	20 Nov-27

1) Based on current expectations for FY25 NPATA, the EPS component of the FY23 LTI Performance Rights (75%) is not expected to vest, and the share-based payments expense already recognised in respect of this amount was reversed during FY24.

8.3 Equity instruments

Equity instruments held by Non-Executive Directors and Executive KMP as at 30 September 2024 are set out in the table below.

Non-Executive Directors	Held as at 30 September 2023			Net change[2]			Held at 30 September 2024		
	Shares	Rights	Options	Shares	Rights	Options	Shares	Rights	Options
Non-Executive Directors									
Gail Pemberton (Chair)	450,221	–	–	–	–	–	450,221	–	–
Russell Shields	335,647	–	–	–	–	–	335,647	–	–
Trevor Allen[1]	214,846	–	–	–	–	–	214,846	–	–
Cathy Yuncken	27,500	–	–	–	–	–	27,500	–	–
Fiona Trafford-Walker	25,834	–	–	10,298	–	–	36,132	–	–
Mark Blackburn	–	–	–	11,940	–	–	11,940	–	–
Rob McDonald	–	–	–	11,000	–	–	11,000	–	–
Executive KMP									
Damien Berrell	–	552,118	1,567,354	472,075	389,707	(1,567,354)	472,075	941,825	–
James Owens	–	172,014	–	42,483	81,894	–	42,483	253,908	–

1) Trevor Allen resigned as Director effective 25 January 2024. Net change in number of shares represents shareholding at the date of resignation.
2) Net change reflects equity instruments granted or acquired during the period, less those sold, exercised or forfeited.

8.4 Loans

There were no employee loans issued or settled during FY24.

FleetPartners Group Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 September 2024

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue and income from continuing operations	2.2	**761,632**	676,774
Cost of revenue and income	2.2	**(450,217)**	(396,844)
Lease finance costs	2.3	**(84,892)**	(56,421)
Net operating income before operating expenses and impairment charges		**226,523**	223,509
Impairment expense on loans and receivables		**(3,477)**	(553)
Software Impairment	3.7	**(267)**	(1,138)
Total impairment		**(3,744)**	(1,691)
Employee benefit expense		**(71,962)**	(67,884)
Depreciation and amortisation expense	2.3	**(11,329)**	(11,639)
Operating overheads	2.3	**(22,342)**	(20,377)
Total overheads		**(105,633)**	(99,900)
Operating finance costs	2.3	**(6,713)**	(7,040)
Profit before income tax		**110,433**	114,878
Income tax expense	2.5	**(32,556)**	(33,857)
Profit for the year		**77,877**	81,021
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		**(24,842)**	(4,586)
Exchange differences on translation of foreign operations		**(3,456)**	12,076
Other comprehensive income for the year		**(28,298)**	7,490
Total comprehensive income for the year		**49,579**	88,511
Profit attributable to:			
Owners of FleetPartners Group Limited		**77,877**	81,021
Total comprehensive income for the year attributable to:			
Owners of FleetPartners Group Limited		**49,579**	88,511

	Notes	2024 Cents	2023 Cents
Earnings per share			
Basic earnings per share	2.4	**32.4**	30.7
Diluted earnings per share	2.4	**32.0**	29.9

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

FleetPartners Group Limited
Statement of Financial Position
As at 30 September 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
ASSETS			
Cash and cash equivalents	4.3	**91,298**	87,629
Restricted cash and cash equivalents	4.3	**182,705**	159,463
Trade receivables and other assets	3.4	**79,145**	80,019
Inventory		**15,577**	17,972
Finance leases	3.3	**554,895**	392,224
Derivative financial instruments	4.4	**-**	34,044
Operating leases reported as property, plant and equipment	3.1	**1,120,966**	996,519
Property, plant and equipment	3.1	**3,495**	1,898
Right-of-use assets	3.2	**3,782**	3,956
Intangibles	3.7	**478,720**	473,501
Total assets		**2,530,583**	2,247,225
LIABILITIES			
Trade and other liabilities	3.5	**138,092**	144,030
Provisions		**8,397**	8,408
Derivative financial instruments	4.4	**5,727**	-
Borrowings	4.1	**1,656,446**	1,379,810
Lease liabilities	3.6	**5,738**	4,527
Deferred tax liabilities	2.5	**93,251**	74,766
Total liabilities		**1,907,651**	1,611,541
Net assets		**622,932**	635,684
EQUITY			
Contributed equity	4.5	**444,679**	503,668
Reserves	6.1	**163,340**	194,980
Retained earnings		**14,913**	(62,964)
Total equity		**622,932**	635,684

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

FleetPartners Group Limited
Statement of Changes in Equity
For the year ended 30 September 2024

		Attributable to owners of FleetPartners Group Limited			
Consolidated	**Note**	**Contributed equity $'000**	**Reserves $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance at 30 September 2022		578,072	186,551	(143,985)	620,638
Profit for the year		-	-	81,021	81,021
Cash flow hedges		-	(4,586)	-	(4,586)
Foreign currency translation		-	12,076	-	12,076
Total comprehensive income for the year		-	7,490	81,021	88,511
Transactions with owners in their capacity as owners:					
Net movement in employee share schemes	6.1	-	3,423	-	3,423
Exercise of options		1,924	-	-	1,924
Movement in treasury reserve		-	1,478	-	1,478
Acquisition of treasury shares		-	(4,924)	-	(4,924)
On market share buy-back		-	(75,366)	-	(75,366)
Cancellation of shares		(76,328)	76,328	-	-
Balance at 30 September 2023		**503,668**	**194,980**	**(62,964)**	**635,684**
Balance at 30 September 2023		503,668	194,980	(62,964)	**635,684**
Profit for the year		-	-	77,877	**77,877**
Cash flow hedges		-	(24,842)	-	**(24,842)**
Foreign currency translation		-	(3,456)	-	**(3,456)**
Total comprehensive income for the year		-	(28,298)	77,877	**49,579**
Transactions with owners in their capacity as owners:					
Net movement in employee share schemes	6.1	-	2,331	-	**2,331**
Movement in treasury reserve		-	(714)	-	**(714)**
Acquisition of treasury shares		-	(4,555)	-	**(4,555)**
On market share buy-back		-	(59,393)	-	**(59,393)**
Cancellation of shares		(58,989)	58,989	-	**-**
Balance at 30 September 2024		**444,679**	**163,340**	**14,913**	**622,932**

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

FleetPartners Group Limited
Statement of Cash Flows
For the year ended 30 September 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operations			
Receipts from customers		**906,640**	814,981
Payments to suppliers and employees		**(453,524)**	(413,031)
Cash generated from operations before interest, tax and investment in lease portfolio		**453,116**	401,950
Income tax paid		**(6,940)**	(10,789)
Interest received		**11,385**	9,166
Interest paid		**(85,954)**	(61,007)
Cash generated from operations before investment in lease portfolio		**371,607**	339,320
Purchase of items reported under operating leases reported as property, plant and equipment		**(459,970)**	(403,354)
Purchase of items reported under finance leases		**(320,427)**	(207,925)
Proceeds from sales of inventory		**240,921**	215,122
Net cash outflow from operating activities	6.6	**(167,869)**	(56,837)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(18,549)**	(19,549)
Net cash outflow from investing activities		**(18,549)**	(19,549)
Cash flows from financing activities			
Proceeds from borrowings		**731,996**	558,449
Repayments of borrowings		**(450,518)**	(396,723)
Payment of lease liabilities		**(2,315)**	(2,429)
Exercise of options		**-**	1,924
Payments on settlement of long term incentive plans		**(990)**	-
On market share buy-back		**(59,393)**	(75,366)
Purchase of treasury shares		**(4,555)**	(4,924)
Net cash inflow from financing activities		**214,225**	80,931
Net increase in cash and cash equivalents		**27,807**	4,545
Cash and cash equivalents at the beginning of the financial year, net of overdraft		**247,092**	238,233
Exchange rate variations on New Zealand cash and cash equivalent balances		**(896)**	4,314
Cash and cash equivalents at end of the year, net of overdraft	4.3	**274,003**	247,092

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

1.0 INTRODUCTION TO THE REPORT

Statement of compliance

These general purpose financial statements of the consolidated results of FleetPartners Group Limited (ACN 131 557 901) have been prepared in accordance with the Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial report was authorised for issue by the Board of Directors on 15 November 2024.

Basis of preparation

These financial statements have been prepared under the historical cost convention, except for the financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The Statement of Financial Position is prepared with assets and liabilities presented in order of liquidity.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Critical accounting estimates and assumptions

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Material accounting policies

The accounting policies that are material to the Group are set out below. Other material accounting policies are contained in the notes to the financial report to which they relate. The financial statements are for the Group consisting of FleetPartners Group Limited (Company) and its controlled entities.

(i) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of FleetPartners Group Limited as at 30 September 2024 and the results of all controlled entities for the year then ended. FleetPartners Group Limited and its controlled entities together are referred to in this financial report as the Group or the consolidated entity.

The Company controls an entity if it is exposed, or has rights, to variable returns from its involvement with the controlled entity and has the ability to affect those returns through its power over the controlled entity. All controlled entities have a reporting date of 30 September.

Profit or loss and other comprehensive income of controlled entities acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. In preparing the financial report, all intercompany balances, transactions and unrealised profits arising within the consolidated entity are eliminated in full.

1.0 INTRODUCTION TO THE REPORT (continued)

Material accounting policies (continued)

(ii) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

Going concern

This financial report has been prepared on the basis that the Group is a going concern.

The Group has considered its ability to continue as a going concern, using projected cash flow forecasts and other Group metrics and information for at least the next 12 months from the approval of these financial statements. This assessment assumes the Group will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business beyond this period.

At 30 September 2024, the Group held unrestricted cash reserves of $91.3 million, and undrawn capacity under its corporate debt facilities of $89.0 million.

Changes in material accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in the notes to the financial statements to all periods presented in these consolidated financial statements.

New and revised standards and interpretations not yet adopted by the Group

A number of new standards are issued, but not yet effective. Early application is permitted; however the Group has not early adopted the new or amended standards in preparing the financial statements.

New Australian Accounting Standards and amendment standards that are effective in the current period

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact for the full financial year ending 30 September 2024. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2.0 BUSINESS RESULT FOR THE YEAR

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year and, where relevant, the accounting policies applied and the critical judgements and estimates made.

2.1 Segment information
2.2 Revenue and income
2.3 Expenses
2.4 Earnings per share
2.5 Taxation

2.1 Segment information

Identification of reportable segments

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

The Group has identified three business segments, Australia Commercial, Novated (based in Australia) and New Zealand Commercial. The segments have been identified based on how the Chief Operating Decision Maker monitors performance and allocates resources.

The segment information for the reportable segments for the year ended 30 September 2024 is as below:

2024

	Australia Commercial $'000	Novated $'000	New Zealand Commercial $'000	Total $'000
Net operating income before operating expenses and impairment charges	141,308	32,436	52,779	226,523
Add back hedge loss	733	560	2,201	3,494
NOI	142,041	32,996	54,980	230,017
Bad and doubtful debts	(2,756)	(141)	(580)	(3,477)
Operating expenses	(61,206)	(12,671)	(15,331)	(89,208)
EBITDA	78,079	20,184	39,069	137,332
Depreciation, amortisation and impairment	(6,032)	(903)	(2,214)	(9,149)
Share based payments	(2,032)	(374)	(915)	(3,321)
Holding company debt interest	(5,117)	(679)	(917)	(6,713)
Amortisation of acquired intangibles	(2,067)	(380)	-	(2,447)
Non-recurring items*	(1,686)	-	(89)	(1,775)
Hedge loss	(733)	(560)	(2,201)	(3,494)
Tax	(18,204)	(5,187)	(9,165)	(32,556)
Statutory net profit after tax	42,208	12,101	23,568	77,877
Post-tax add-back of amortisation of acquired intangibles	1,446	266	-	1,712
Post-tax add-back of non-recurring items	1,181	-	64	1,245
Post tax add back of hedge loss	610	287	1,585	2,482
Cash net profit after tax including amortisation of software	45,445	12,654	25,217	83,316
Post-tax add-back of software amortisation and impairment	2,806	516	1,074	4,396
NPATA	48,251	13,170	26,291	87,712

* Non-recurring items relate to restructuring and class action legal costs.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.1 Segment information (continued)

Identification of reportable segments (continued)

2023

	Australia Commercial $'000	Novated $'000	New Zealand Commercial $'000	Total $'000
Net operating income before operating expenses and impairment charges	146,775	21,557	55,177	223,509
Add back hedge loss/(gain)	310	223	(35)	498
NOI**	147,085	21,780	55,142	224,007
Bad and doubtful debts	(386)	(341)	174	(553)
Operating expenses	(57,589)	(12,094)	(14,816)	(84,499)
EBITDA**	89,110	9,345	40,500	138,955
Depreciation,amortisation and impairment	(6,821)	(775)	(2,247)	(9,843)
Share based payments	(2,142)	(332)	(949)	(3,423)
Holding company debt interest	(5,342)	(723)	(975)	(7,040)
Amortisation and impairment of acquired intangibles	(2,490)	(406)	(38)	(2,934)
Non-recurring items*	(222)	(5)	(112)	(339)
Hedge loss**	(310)	(223)	35	(498)
Tax	(21,652)	(2,065)	(10,140)	(33,857)
Statutory net profit after tax	50,131	4,816	26,074	81,021
Post-tax add-back of amortisation and impairment of acquired intangibles	1,745	284	28	2,057
Post-tax add-back of non-recurring items	155	4	80	239
Post tax add back of hedge loss**	217	156	(25)	348
Cash net profit after tax including amortisation of software**	52,248	5,260	26,157	83,665
Post-tax add back of software amortisation and impairment	3,135	472	1,052	4,659
NPATA**	55,383	5,732	27,209	88,324

* Non-recurring items relate to restructuring.

** The 30 September 2023 Segment Information has been restated to align with the presentation in the current year. The hedge gains/losses result in volatility of earnings which is not driven by business performance, is not controllable by the Group and is non-cash in nature (being a fair value adjustment of a derivative), accordingly hedge gains/losses have been excluded from the calculation of NPATA. The hedge loss totalling $498,000 and the post-tax add-back of hedge loss totalling $348,000 have been disclosed separately in the segment information. As a result, for the period ended 30 September 2023, the total NOI has increased by $498,000 from $223,509,000 to $224,007,000, the total EBITDA has increased by $498,000 from $138,457,000 to $138,955,000, the total cash net profit after tax including amortisation of software has increased by $348,000 from $83,317,000 to $83,665,000 and the total NPATA has increased by $348,000 from $87,976,000 to $88,324,000.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.2 Revenue and income

Recognition and measurement

Revenue is recognised when the Group satisfies its obligations in relation to the provision of goods and services to its customers in the ordinary course of business. Revenue is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for performing these obligations. The Group's revenue is disaggregated by the nature of the product or service.

Finance income

For finance leases, the Group purchases vehicles to lease to customers and earns a spread, or net interest income, being the difference between the interest component of the lease rental income (finance income) it receives from customers and its cost of funds. The Group recognises finance income over the life of the lease. Finance income from finance lease contracts is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the future asset. Payments collected from the lease are allocated between reducing the net investment in the lease and recognising interest income.

Operating lease rentals

The Group purchases vehicles to lease to customers and collects rentals in relation to these operating leases. The operating lease instalments (or rental income) are recognised in the financial statements in their entirety on a straight-line basis over the lease term. The instalments are classified and presented in 'Operating lease rentals'.

Maintenance and management income

Income related to maintenance and management services is recognised over the term of the lease contract based on the percentage of completion method. The allocation of maintenance income over the term is based on a maintenance profile supported by market data of expected service costs and intervals. The difference between the amounts received and amounts recognised as income is accounted for as deferred revenue disclosed within trade and other liabilities. Deferred maintenance income amounted to $11.5 million (2023: $11.7 million) and will be recognised over the remaining term of the respective lease contracts.

Related products and services income

The Group earns income from the provision of related products and services. Revenue is recognised when the right to receive payment is established and the performance obligation has been satisfied.

Brokerage income

The Group earns fees for the origination of financing from third party banks and financial institutions. Revenue is recognised when the related service has been provided. This is deemed to be at settlement date.

End of lease income - vehicle sales

The Group earns income on the sale of vehicles from terminated lease contracts. The Group acts as the principal in these transactions and proceeds are recognised on a gross basis. Revenue is recognised at the point in time the vehicle is sold and there are no remaining performance obligations.

End of lease income - other

The Group earns other end of lease income for variations in contractual terms related to early termination, mileage and excessive wear and tear of the vehicle. The fees are recognised at a point in time, upon termination of the lease contract.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.2 Revenue and income (continued)

Recognition and measurement (continued)

Sundry income

The Group earns sundry income which includes commissions from finance and warranty product referrals; and short term flexible rentals to customers. Revenue is recognised when the service has been provided. This is deemed to be at settlement date for product referrals; and over time for short term rental vehicles.

	Consolidated	
	2024	2023
	$'000	$'000
Revenue and income from continuing operations:		
Finance income	**54,267**	34,310
Maintenance and management income*	**103,779**	105,972
Related products and services income*	**46,370**	42,355
Operating lease rentals	**287,643**	249,985
Brokerage income*	**5,279**	6,608
Sundry income*	**3,031**	5,032
End of lease income - vehicle sales*	**241,617**	216,876
End of lease income - other*	**19,646**	15,636
Total revenue and income from continuing operations	**761,632**	676,774

* The above amounts totalling $419,722,000 (2023: $392,479,000) represents the Group's revenue derived from contracts with customers, in accordance with AASB15 *Revenue from Contracts with Customers*.

Net interest income

As part of the analysis of the revenues and direct cost of revenue FleetPartners also considers net interest income as a relevant metric for financial reporting purposes. Operating lease rentals reported under Revenue from continuing operations of $287,643,000 (2023: $249,985,000) include an interest component of $90,287,000 (2023: $71,914,000). The net interest income recognised for operating and finance leases is presented below:

	Consolidated	
	2024	2023
	$'000	$'000
Operating lease – interest income	**90,287**	71,914
Finance income	**54,267**	34,310
Lease finance costs	**(84,892)**	(56,421)
Net interest income	**59,662**	49,803

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.2 Revenue and income (continued)

Cost of revenue and income

Cost of revenue and income comprises the cost associated with providing the service components of the lease. Cost of revenue and income is recognised as incurred.

	Consolidated 2024 $'000	Consolidated 2023 $'000
Cost of revenue and income:		
Maintenance and management expense	**47,926**	47,807
Related products and services expense	**16,931**	16,851
Cost of vehicles sold	**190,646**	158,848
Impairment expense/(release) on operating lease assets	**(655)**	411
Depreciation on operating leased assets	**195,369**	172,927
Total cost of revenue and income	**450,217**	396,844

2.3 Expenses

Recognition and measurement

Depreciation

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Motor vehicles: 2-10 years;
- Furniture and fittings: 3-10 years;
- Plant and equipment: 3-10 years; and
- Right-of-use asset: over term of the lease.

Operating finance costs

Facility finance costs and lease liability interest is recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

Facility finance restructure costs are recognised in the statement of profit or loss and other comprehensive income as and when they are incurred.

Amortisation

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years for non-core system software, and seven to ten years for core system software.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.3 Expenses (continued)

	Consolidated	
	2024 $'000	2023 $'000
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Plant and equipment - fixture and fittings	**1,338**	1,071
Other intangible assets	**2,447**	2,934
Software	**5,972**	5,477
Right-of-use assets	**1,572**	2,157
Total depreciation and amortisation expense	**11,329**	11,639
Lease finance costs		
Interest and finance charges - third parties	**81,398**	55,923
Hedge loss	**3,494**	498
Total lease finance costs	**84,892**	56,421

	Consolidated	
	2024 $'000	2023 $'000
Operating finance costs		
Facility finance costs	**6,362**	6,761
Lease liabilities interest (where the Group is the lessee)	**351**	279
Total operating finance costs	**6,713**	7,040
Operating overheads		
Premises costs	**1,250**	932
Technology costs	**7,898**	8,340
Restructuring costs	**569**	339
Other overheads	**12,625**	10,766
Total operating overheads	**22,342**	20,377

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.4 Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Profit attributable to the ordinary shareholders

	Consolidated	
	2024 **$'000**	**2023** **$'000**
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
Profit from continuing operation	**77,877**	81,021
From continuing operations	**77,877**	81,021

Weighted average number of shares used as the denominator

	Consolidated	
	2024 **Number**	**2023** **Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	240,352,856	264,175,536
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	243,544,680	271,163,324

Earnings per share

	Consolidated	
	2024 **Cents**	**2023** **Cents**
Basic earnings per share	**32.4**	30.7
Diluted earnings per share	**32.0**	29.9

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Taxation

Recognition and measurement

Current tax

Current tax assets and liabilities are measured at the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax offsets, to the extent that it is probable that sufficient future taxable profits will be available to utilise them.

However, deferred tax assets and liabilities are not recognised for:

- taxable temporary differences that arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future; and
- taxable temporary differences arising from goodwill.

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

Income taxes relating to items recognised directly in equity are recognised directly in equity and not in the statement of profit or loss and other comprehensive income.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation legislation

FleetPartners Group Limited and its wholly owned Australian controlled entities are part of a tax-consolidated group under Australian taxation law. FleetPartners Group Limited is the head entity in the tax-consolidated group. 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, FleetPartners Group Limited and each of the entities in the tax-consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Taxation (continued)

(i) Reconciliation of income tax expense

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Profit from continuing operations before income tax expense	110,433	114,878
	110,433	114,878
Prima facie tax rate of 30.0% (2023 - 30.0%)	**33,130**	34,463
New Zealand tax rate differentials	**(759)**	(780)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Others	**185**	174
Income tax expense	**32,556**	33,857
Income tax expense comprises:		
Current tax	**9,429**	7,030
Deferred tax	**23,127**	26,827
	32,556	33,857
Income tax expense is attributable to:		
Profit from continuing operations	**32,556**	33,857
Income tax expense	**32,556**	33,857
Effective tax rate	29%	29%

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Taxation (continued)

(ii) Movement of deferred tax

2024	Opening balance $'000	Charged to profit or loss $'000	Charged to other comprehensive income and equity $'000	Reclassification between current tax and deferred tax $'000	Closing balance $'000	Deferred tax asset $'000	Deferred tax liability $'000
Doubtful debt provision	2,171	677	-	-	2,848	2,848	-
Deferred revenue	1,063	(1,063)	-	-	-	-	-
Derivative financial instruments	(9,926)	1,133	10,392	-	1,599	1,599	-
Accruals, employee provisions and other	107,705	(47,317)	(714)	(5,036)	54,638	56,579	(1,941)
Leasing adjustments	(176,502)	22,503	-	-	(153,999)	-	(153,999)
Transaction costs	166	(146)	-	-	20	20	-
Right-of-use assets	(1,141)	43	-	-	(1,098)	-	(1,098)
Lease liabilities	1,311	371	-	-	1,682	1,682	-
Intangible assets	387	672	-	-	1,059	1,059	-
	(74,766)	(23,127)	9,678	(5,036)	(93,251)	63,787	(157,038)
Set off DTL against DTA						(63,787)	63,787
Net tax liabilities					(93,251)	-	(93,251)

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Taxation (continued)

2023	Opening balance $'000	Charged to profit or loss $'000	Charged to other comprehensive income and equity $'000	Reclassification between current tax and deferred tax $'000	Closing balance $'000	Deferred tax asset $'000	Deferred tax liability $'000
Doubtful debt provision	2,114	57	-	-	2,171	2,171	-
Deferred revenue	2,439	(1,376)	-	-	1,063	1,063	-
Derivative financial instruments	(11,623)	(260)	1,957	-	(9,926)	-	(9,926)
Accruals, employee provisions and other*	93,963	10,066	1,478	2,198	107,705	109,276	(1,571)
Leasing adjustments	(139,763)	(35,121)	-	(1,618)	(176,502)	-	(176,502)
Transaction costs	1,213	(1,071)	-	24	166	166	-
Right-of-use assets	(1,576)	435	-	-	(1,141)	-	(1,141)
Lease liabilities	1,775	(464)	-	-	1,311	1,311	-
Intangible assets	(520)	907	-	-	387	387	-
	(51,978)	(26,827)	3,435	604	(74,766)	114,374	(189,140)
Set off DTL against DTA						(114,374)	114,374
Net tax assets/(liabilities)					(74,766)	-	(74,766)

* Majority of movement in balance driven by the tax loss incurred in the year ended 30 September 2023 in Australia. This tax loss was driven by the deduction under the Temporary Full Expensing legislation, which is reflected under Leasing adjustments.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Taxation (continued)

(iii) Franking credits

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Franked dividends (Australia)		
Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%)	**4**	13
	4	13

Key estimate and judgement: Taxation
The Group is subject to income taxes in Australia and New Zealand. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax based on estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

3.0 OPERATING ASSETS AND LIABILITIES

This section provides information relating to the operating assets and liabilities of the Group.

3.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Leased property (Motor vehicles and equipment)

Leased property is stated at cost less accumulated depreciation and impairment. Cost includes initial direct costs incurred in negotiating and arranging the operating lease contract. In the event that the 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 at the date of acquisition.

Depreciation is brought to account on leased property. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life (being the term of the related lease contract) to its estimated residual value. The assets' residual values and useful lives are revised, and adjusted if appropriate, at the end of each reporting period.

Residual values are assessed for impairment and in the event of a shortfall, an impairment charge is recognised in the current period.

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
2024				
Opening net book amount	**518**	**1,380**	**996,519**	**998,417**
Reclassifications	**1,380**	**-**	**-**	**1,380**
Additions	**448**	**1,118**	**459,970**	**461,536**
Transfers to inventory	**-**	**-**	**(133,379)**	**(133,379)**
Impairment reversal	**-**	**-**	**655**	**655**
Depreciation charge	**(688)**	**(650)**	**(195,369)**	**(196,707)**
Foreign exchange variation	**(1)**	**(10)**	**(7,430)**	**(7,441)**
Closing net book amount	**1,657**	**1,838**	**1,120,966**	**1,124,461**
2024				
Cost	**19,805**	**7,924**	**1,630,742**	**1,658,471**
Accumulated depreciation and impairment	**(18,148)**	**(6,086)**	**(509,776)**	**(534,010)**
Net book amount	**1,657**	**1,838**	**1,120,966**	**1,124,461**

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.1 Property, plant and equipment (continued)

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
2023				
Opening net book amount	524	1,614	874,334	876,472
Additions	395	372	403,355	404,122
Transfers to inventory	-	-	(137,355)	(137,355)
Impairment charge	-	-	(411)	(411)
Depreciation charge	(410)	(661)	(172,927)	(173,998)
Foreign exchange variation	9	55	29,523	29,587
Closing net book amount	**518**	**1,380**	**996,519**	**998,417**
2023				
Cost*	18,042	6,837	1,501,149	1,526,028
Accumulated depreciation and impairment*	(17,524)	(5,457)	(504,630)	(527,611)
Net book amount	**518**	**1,380**	**996,519**	**998,417**

	Consolidated 2024 $'000	Consolidated 2023 $'000
Motor vehicle and equipment operating leases reported as property, plant and equipment		
Operating leases terminating within 12 months	**241,328**	239,321
Operating leases terminating after more than 12 months	**879,638**	757,198
	1,120,966	996,519
Net book amount of property, plant and equipment		
Plant and equipment	**1,657**	518
Fixture and fittings	**1,838**	1,380
	3,495	1,898
Total property, plant and equipment	**1,124,461**	998,417

Key estimate and judgement: Leased property (Motor vehicles and equipment)
The Group owns assets where the residual value of the asset and useful life of the asset needs to be assessed at each reporting date. The residual value of the asset is impacted by the condition, age, usage of the asset and the demand for the asset at the end of its useful life. The Group uses internal and external data to calculate the residual value of the asset and the expected useful life of the asset. The residual value and useful life of the asset is used to calculate the depreciation and net book value of the asset. The actual value to be realised on the final disposal of the asset will impact the profit and loss on sale of the asset in the period that the sale occurs.

* For the year ended 30 September 2023, the “Cost” and “Accumulated depreciation and impairment” values have been restated, with no changes to the “Net book amounts”. The “Cost” and “Accumulated depreciation and impairment” values decreased by equal amounts for respective classifications as follows: Plant and equipment, a decrease of $779,000 respectively to $18,042,000 and ($17,524,000); Fixture and fittings, a decrease of $2,815,000 respectively to $6,837,000 and ($5,457,000); Motor vehicles and equipment, a decrease of $484,458,000 respectively to $1,501,149,000 and ($504,630,000); Total, a decrease of $488,052,000 respectively to $1,526,028,000 and ($527,611,000).

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.2 Right-of-use assets

Recognition and measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the term of the lease.

(i) Movements in net book value of right-of-use assets

Consolidated	**Buildings $'000**	**Equipment $'000**	**Total $'000**
Balance at 1 October 2023	**3,765**	**191**	**3,956**
Depreciation charge for the year	**(1,512)**	**(60)**	**(1,572)**
Additions to right-of-use assets	**1,429**	**-**	**1,429**
Net foreign currency exchange differences	**(31)**	**-**	**(31)**
Balance at 30 September 2024	**3,651**	**131**	**3,782**

Consolidated	**Buildings $'000**	**Equipment $'000**	**Total $'000**
Balance at 1 October 2022	5,298	120	5,418
Depreciation charge for the year	(2,097)	(60)	(2,157)
Additions to right-of-use assets	408	240	648
Derecognition of right-of-use assets	-	(109)	(109)
Net foreign currency exchange differences	156	-	156
Balance at 30 September 2023	**3,765**	**191**	**3,956**

	2024 $'000	**2023 $'000**
Leases amortising within 12 months	**1,275**	1,760
Leases amortising after more than 12 months	**2,507**	2,196
	3,782	3,956

3.3 Finance leases

Recognition and measurement

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recognised at amounts equal to the present value of the minimum lease payments receivable plus the present value of any guaranteed residual value expected to accrue at the end of the lease term. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Assets leased under finance leases are classified and presented as lease receivables.

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.3 Finance leases (continued)

	Consolidated 2024 $'000	2023 $'000
Gross investment	**671,742**	460,542
Unearned income	**(109,854)**	(63,384)
Expected credit loss provision	**(6,993)**	(4,934)
	554,895	392,224
Amount expected to be recovered within 12 months	**160,396**	132,811
Amount expected to be recovered after more than 12 months	**394,499**	259,413
	554,895	392,224

The future undiscounted lease payments under non-cancellable leases are disclosed in note 4.6(a).

3.4 Trade receivables and other assets

Recognition and measurement

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is disclosed as part of credit risk. Refer to note 4.2.

	Consolidated 2024 $'000	2023 $'000
Net trade receivables		
Trade receivables	**62,987**	62,526
Expected credit loss provision	**(2,400)**	(2,252)
	60,587	60,274
Sundry debtors	**14,070**	14,899
Prepayments	**4,488**	4,846
Total trade receivables and other assets	**79,145**	80,019

A significant portion of the above amounts are expected to be recovered within 12 months. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.5 Trade and other liabilities

Recognition and measurement

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Trade payables	**57,532**	57,108
Customer related liabilities	**-**	619
Accrued expenses	**11,548**	10,319
Current tax liabilities	**3,630**	992
Maintenance income received in advance	**5,429**	5,060
Other payables	**48,468**	59,871
Deferred revenue	**11,485**	10,061
Total trade and other liabilities	**138,092**	144,030

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Amount expected to be settled within 12 months	**138,092**	144,030
Total trade and other liabilities	**138,092**	144,030

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.6 Lease liabilities

Recognition and measurement

Lease liabilities are measured at the present value of the lease payments to be made over the lease term as at the commencement of the lease. The present value is calculated by discounting the lease payments using the lessee's incremental borrowing rate.

The incremental borrowing rate is the rate that the Group would have to pay to borrow 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. Application of the incremental borrowing rate is adopted where the interest rate implicit in the lease cannot be readily determined, which is generally the case for leases in the Group.

Lease payments due within the next 12 months are recognised within current lease liabilities; payments due after 12 months are recognised within non-current lease liabilities. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance cost and presented in the statement of profit or loss.

The Group leases buildings and equipment. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable; and
- Payments of penalties for the termination of the lease, if the lease term reflects the lessee exercising that option.

(i) Maturity analysis - contractual undiscounted cash flow

	2024 $'000	2023 $'000
Less than one year	**2,164**	2,320
One to five years	**4,219**	2,583
More than five years	**36**	135
Total undiscounted lease liabilities as 30 September	**6,419**	5,038

(ii) Lease liabilities included in the statement of financial position at 30 September

Lease payments due within 12 months	**1,900**	2,116
Lease payments due after more than 12 months	**3,838**	2,411
	5,738	4,527

(iii) Amounts recognised in profit or loss

Lease liabilities interest	**(351)**	(279)
Income from sub-leasing right-of-use assets	**-**	9

(iv) Amounts recognised in statement of cash flow

Financing cash outflow relating to the principal portion of lease payments	**2,315**	2,429
Operating cash outflow relating to the interest expense portion of lease payments	**366**	299
Total cash outflow for leases	**2,681**	2,728

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.7 Intangibles

Recognition and measurement

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired controlled entities at the date of acquisition. Goodwill on acquisitions of controlled entities is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to a cash-generating unit (CGU) for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose.

Customer relationships

Other intangible assets include customer relationships acquired as part of business combinations and recognised separately from goodwill. Customer relationships are amortised over 10 years on a straight line basis.

Software

Software costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
2024				
Opening net book amount	2,447	29,717	441,337	473,501
Reclassifications	-	(1,380)	-	(1,380)
Additions	-	16,983	-	16,983
Amortisation charge	(2,447)	(5,972)	-	(8,419)
Impairment charge	-	(267)	-	(267)
Foreign exchange variation	-	(53)	(1,645)	(1,698)
Closing net book amount	-	39,028	439,692	478,720
2024				
Cost	29,342	118,280	439,692	587,314
Accumulated amortisation and impairment	(29,342)	(79,252)	-	(108,594)
Net book amount	-	39,028	439,692	478,720

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.7 Intangibles (continued)

	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
2023				
Opening net book amount	5,381	17,252	434,293	456,926
Additions	-	18,782	-	18,782
Amortisation charge	(2,934)	(5,477)	-	(8,411)
Impairment charge	-	(1,138)	-	(1,138)
Foreign exchange variation	-	298	7,044	7,342
Closing net book amount	2,447	29,717	441,337	473,501
2023				
Cost	29,342	103,204	441,337	573,883
Accumulated amortisation and impairment	(26,895)	(73,487)	-	(100,382)
Net book amount	2,447	29,717	441,337	473,501

(i) Impairment of assets

For the year ended 30 September 2024, the Group recognised impairments of $0.3 million (2023: $1.1 million) against software upon annual impairment review.

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 reviewed 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 to sell 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 (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

For the purpose of annual impairment testing, goodwill is allocated to the following CGUs, which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

	Consolidated 2024 $'000	Consolidated 2023 $'000
Australia Commercial	**282,493**	282,493
Novated	**46,475**	46,475
New Zealand Commercial	**110,724**	112,369
Goodwill allocation at 30 September	**439,692**	441,337

The recoverable amount of each of the Group's CGUs was determined based on value-in-use calculations, consistent with the methods used as at 30 September 2023. These calculations require the use of assumptions, which includes each business unit's approved budget and three-year projected cash flows.

Goodwill is reviewed on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment.

The impairment test is applied consistently to all CGUs that have goodwill allocated. The value in use is determined by discounting projected future cash flows. Cash flows are projected based on budgets approved by the Board, with an extrapolation of expected cash flows into perpetuity using the growth rates determined by management.

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.7 Intangibles (continued)

The following table sets out the key assumptions for each of the Group's CGUs.

	30 September 2024			30 September 2023		
	Australia Commercial	**Novated**	**New Zealand Commercial**	**Australia Commercial**	**Novated**	**New Zealand Commercial**
Long term growth rate	2.5%	2.5%	2.0%	2.5%	2.5%	2.0%
Post-tax discount rate	11.20%	11.80%	12.87%	11.20%	11.80%	12.87%

Growth rates are reviewed based on data available in the market and adjusted based on forecast expectations of the industry performance, historical data and risks to these expectations. Long term growth rates are based on target rates of the Reserve Bank of Australia and Reserve Bank of New Zealand while considering the economic data from the International Monetary Fund.

Based on the methodology outlined above, the recoverable amount in New Zealand Commercial, Australia Commercial and Novated CGUs were higher than the carrying amount of those CGUs and therefore no impairment was recognised.

Key estimate and judgement: Impairment of goodwill
The testing of goodwill requires management to make estimates as to the future cash flows of the CGUs. Where the actual cash flows of the CGU are lower than the estimated cash flows, the Group may recognise an impairment on goodwill. To address this risk, management tests for likely scenarios which could impact the cash flows of the CGUs and makes an assessment on the likelihood of this to occur based on internal and external data.

4.0 CAPITAL MANAGEMENT

This section provides information relating to the Group's capital structure and its exposure to financial risk, how they affect the Group's financial position and performance, and how the risks are managed. The capital structure of the Group consists of debt and equity.

4.1 Borrowings

Recognition and measurement

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 the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

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 end of the reporting period. Fair value approximates carrying value in relation to borrowings except for the fixed term loan (refer to note 4.2 for details).

The secured borrowings may be drawn at any time and is subject to annual review. Subject to the continuance of satisfactory credit ratings, the borrowing facilities may be drawn at any time and have an average maturity of 12 months (2023: 13 months).

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Bank loans	**60,000**	65,000
Notes payable	**1,598,646**	1,317,333
Borrowing costs	**(2,200)**	(2,523)
Total secured borrowings	**1,656,446**	1,379,810
Amount expected to be settled within 12 months	**362,228**	326,444
Amount expected to be settled after more than 12 months	**1,294,218**	1,053,366
	1,656,446	1,379,810

Bank loans

Bank loans are secured by fixed and floating charge over the assets of the Company and all wholly owned subsidiaries. The carrying amount of assets pledged as security was $189,515,000 (2023: $187,518,000).

On 21 September 2023, the Group refinanced a portion of its bank loans. The refinancing involved a partial repayment on the portion of the original facility which had a maturity date of 1 October 2026; and expanded limits on the revolving facility which had an original maturity date of 1 October 2024. The new facility of $122.0 million has a maturity date of 1 October 2026 and consists of a revolving facility of $99.0 million, a letter of credit facility of $3.0 million and a term facility of $20.0 million. In addition, the Group's bank loans also include a fixed interest rate loan of $30.0 million (2023: $30.0 million) with a maturity date of 31 July 2025.

Notes payable

Notes payable are secured by fixed and floating charge over the motor vehicles and equipment that are leased to customers. The carrying amount of assets pledged as security was $1,858,566,000 (2023: $1,548,205,000).

4.0 CAPITAL MANAGEMENT (continued)

4.1 Borrowings (continued)

Financing arrangements

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

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Loan facilities used at reporting date	**1,658,646**	1,382,333
Loan facilities unused at reporting date	**556,880**	368,215
Total loan facilities available	**2,215,526**	1,750,548

Financial covenants

The Group has complied with financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Liabilities arising from financing activity	Consolidated	
	2024	**2023**
	$'000	**$'000**
Borrowing balance at 1 Oct	**(1,379,810)**	(1,191,622)
Proceeds from borrowings	**(731,996)**	(558,449)
Repayments of borrowings	**450,518**	396,723
Non cash movements		
Foreign exchange	**6,632**	(24,794)
Amortisation of capitalised borrowing costs	**(1,790)**	(1,668)
Borrowing balance 30 Sep	**(1,656,446)**	(1,379,810)

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit or loss information has been included where relevant to add further context.

Risk management

The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is exposed to a variety of financial risks: market risk (this includes foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk, and ageing analysis for credit risk.

Market risk

(i) ***Foreign exchange risk***

The Group operates in Australia and in New Zealand and is exposed to foreign exchange risk arising primarily with respect to the New Zealand dollar (NZD).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group manages its exposures to the NZD by ensuring that its assets and liabilities in New Zealand are predominantly in NZD.

For sensitivity measurement purposes, a +/- 10% (2023:10%) sensitivity in foreign exchange rates to the AUD has been selected as this is considered realistic given the current levels of exchange rates, the recent levels of volatility and market expectations for future movements in exchange rates. Based on the financial instruments held at 30 September 2024, had the AUD weakened/strengthened by 10% (2023:10%) against the NZD compared to year-end rates, with other variables held constant, the consolidated entity's after-tax profits for the year and equity would have been $ 2,720,525 (2023: $2,798,766) higher/lower, as a result of exposure to exchange rate fluctuations of foreign currency operations. All foreign exchange risk is due to the translation of the New Zealand entities on consolidation.

(ii) ***Interest rate risk***

	2024		2023	
	Weighted average interest rate as at year end %	Balance $'000	Weighted average interest rate as at year end %	Balance $'000
Borrowings				
- Fixed interest rate	7.100%	30,000	7.100%	30,000
- Floating interest rate	6.594%	1,628,646	6.736%	1,352,333
Interest rate swaps (notional principal amount)	3.629%	(1,625,563)	2.969%	(1,306,847)
Unhedged variable debt		3,083		45,486

Interest rate risk results principally from repricing risk from the Group lease portfolio and borrowings. The Group's lease receivables are fixed rate lease contracts. The interest rate is fixed for the life of the contract. Lease contracts are typically originated with an average maturity of between four to five years.

The borrowings to fund the leases are variable rate borrowings where the rates are regularly reset to current market rates. Interest rate risk is managed by entering into interest rate swaps, whereby the Group pays fixed rate and receives floating rate.

The Group settles monthly net interest receivable or payable. The Group remeasures the hedging instruments at fair value and recognises a gain or loss in other comprehensive income and deferred to the hedging reserve, where the hedge is effective. Ineffective portions are recognised immediately in the profit or loss. Amounts deferred in the hedging reserve are transferred to the profit or loss in the period in which the hedged forecast transaction takes place. When a hedging instrument expires or is sold or terminated, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedge reserve at that time remains in equity and is reclassified to profit or loss in the period in which the hedged item affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the hedging reserve is reclassified immediately to the profit or loss. For the year ended 30 September 2024, nil expense was reclassified into profit or loss (2023: nil). The Group recognised a loss on hedge ineffectiveness of $3.5 million (2023: $0.5 million loss).

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

The Group hedges 100% of the lease book that is financed through the Group's funding structures. This 100% hedging strategy results in hedge ineffectiveness where the Group provides funding and no external borrowing is used, because the notional amount of hedging instruments exceeds the amount of hedged items.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and assuming that the rate change occurs at the beginning of the financial year and is then held constant throughout the reporting period.

The selected basis points (bps) increase or decrease represents the Group's assessment of the possible change in interest rates. A positive number indicates a before-tax increase in profit and equity and a negative number indicates a before-tax decrease in profit and equity.

Sensitivities have been based on an increase in interest rates by 100 bps (2023: 100 bps) and a decrease by 100 bps (2023: 100 bps) across the yield curve.

2024		**Interest rate risk**	
	Carrying amount $'000	**-100 bps Profit/equity $'000**	**+100 bps Profit/equity $'000**
Financial assets			
Cash and cash equivalents	274,003	(2,740)	2,740
Finance leases			
- Fixed interest rate	554,895	-	-
Total (decrease)/increase	**828,898**	**(2,740)**	**2,740**
Financial liabilities			
Borrowings			
- Fixed interest rate	30,000	-	-
- Floating rate	1,628,646	16,286	(16,286)
Trade and other liabilities	138,092	-	-
Derivatives used for hedging	5,727	(16,256)	16,256
Total increase/(decrease)	**1,802,465**	**30**	**(30)**

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

2023		**Interest rate risk**	
	Carrying amount $'000	**-100 bps Profit/ Equity $'000**	**+100 bps Profit/ Equity $'000**
Financial assets			
Cash and cash equivalents	247,092	(2,471)	2,471
Finance leases			
- Fixed interest rate	392,224	-	-
Total (decrease)/increase	639,316	(2,471)	2,471
Financial liabilities			
Borrowings			
- Fixed interest rate	30,000	-	-
- Floating rate	1,352,333	13,523	(13,523)
Trade and other liabilities	144,030	-	-
Derivatives used for hedging	(34,044)	(13,068)	13,068
Total increase/(decrease)	1,492,319	455	(455)

Credit risk

The recoverability of finance lease receivables and trade and other receivables is reviewed on an ongoing basis. A loss allowance account (provision for impairment) is recognised when there is a difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

To manage credit risk, the Group has a credit assessment process. Leases are provided to novated and commercial customers. Credit underwriting typically includes the use of either an application scorecard and credit bureau report or a detailed internal risk profile review, including a review of the customer against a comprehensive credit database. Internal credit review and verification processes are also used depending on the applicant.

The credit risk function consists of dedicated credit employees who apply the Group's credit and underwriting policy within specific approval authorities. The credit risk team monitors the performance of the portfolio and considers the macro environment to manage exposure to specific clients and specific sectors. The Group has a specialist collections function, which manages all delinquent accounts.

The provision for impairment under AASB 9: *Financial Instruments* applies to the Group's net investment in finance lease receivables and trade and other receivables. The Group will recognise provision for impairments using the simplified approach and record lifetime expected credit losses, as allowed under AASB 9 for lease receivables and trade and other receivables.

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Credit risk (continued)

Measurement

To measure the expected credit loss (ECL), the Group uses a credit loss model developed at a product level based on shared risk characteristics. The key model inputs used in measuring the ECL include:

• Exposure at Default (EAD): represents the calculated exposure in the event of a default. The EAD for finance leases is the principal amount outstanding at reporting date.

• Probability of Default (PD): the development of PDs is developed at a product level considering shared credit risk characteristics. In calculating the PD, 24 months of historical delinquency transition matrices are used to develop a point in time PD estimate.

• Loss Given Default (LGD): the LGD is the magnitude of the ECL in a default event. The LGD is estimated using historical recovery experience.

Macroeconomic scenarios

The assessment of credit risk, and the estimation of ECL, will be unbiased and probability weighted, and incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the report date. The Group has established a process whereby forward-looking macroeconomic scenarios and probability weightings are developed for ECL calculation purposes. The final probability weighted ECL amount will be calculated from a baseline, an upside scenario and a downside scenario.

The weightings of each scenario as applied for 2024 and 2023 are as below:

Scenario	Expectation	Weighting 2024	Weighting 2023
Base Case	This scenario is reflective of the economy as-is with minor volatility.	60%	60%
Upside	This scenario is reflective of a scenario that is benign as compared to the base case scenario.	20%	20%
Downside	This scenario is reflective of an adverse economic period as compared to the base case scenario.	20%	20%

In calculating an ECL, the Group includes forward looking information. The Group considers a number of key indicators, the most significant of which are unemployment rate, gross domestic product, interest rates and inflation. The predicted relationships between these key indicators and the key model inputs in measuring the ECL have been developed by analysing historical data as part of the model build, calibration and validation process. These indicators are assessed semi-annually. Three possible scenarios are applied: Base Case, Upside and Downside. The forward-looking inputs are applied to the macroeconomic scenarios.

Definition of default

Default is generally defined as the point when the borrower is unlikely to pay its credit obligations in full or the borrower is more than 90 days past due.

Write-off

Balances are written off, either partially or in full, against the related allowance when there is no reasonable expectation of recovery. For all balances, write-off takes place only at the completion of collection procedures, or where it no longer becomes economical to continue attempts to recover. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the profit or loss.

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Credit risk (continued)

Impairment provisions

The Group's total impairment provisions from 1 October 2023 to 30 September 2024 are set out below, reconciling the opening loss allowance to the closing loss allowance. No significant changes to estimation techniques or assumptions were made during the reporting period. The maximum exposure to credit risk for finance lease receivables, trade and other receivables is the carrying amount.

The closing loss allowance represented 1.5% of the gross exposure at 30 September 2024, compared to 1.7% at 30 September 2023, reflecting improvements in the weighted average expected loss rates across the 31- 90 days and over 90 days categories. Whilst total write-offs recognised in the 2024 financial year increased compared to the prior year, this was the result of writing off aged trade receivables related to a business that had wound down and had already been fully provided against, with the operating lease portfolio continuing to perform strongly. Write-offs in relation to finance lease receivables (which primarily relate to Novated leases) amounted to $154,000 for the 2024 financial year, down from $325,000 in the prior year and reflective of the low levels of losses experienced in the Novated lease portfolio.

	Net investment in finance lease receivables $'000	Trade and other receivables $'000
Opening loss allowance as at 1 October 2022	**3,791**	**3,196**
Increase / (Decrease) in loss allowance	1,468	(397)
Write-offs	(325)	(547)
Opening loss allowance as at 1 October 2023	**4,934**	**2,252**
Increase in loss allowance	2,213	1,348
Write-offs	(154)	(1,200)
Closing loss allowance as at 30 September 2024	**6,993**	2,400

The ageing of the receivables and allowance for expected credit losses provided for are as follows:

	Weighted average expected loss rate		Gross exposure		Loss allowance	
	2024 %	**2023 %**	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
Current	**0.98%**	1.01%	**576,853**	406,535	**5,630**	4,124
1 - 30 days	**2.80%**	2.34%	**20,933**	15,810	**586**	370
31 - 60 days	**5.99%**	4.85%	**5,656**	4,220	**339**	205
61 - 90 days	**11.33%**	15.57%	**1,792**	1,350	**203**	210
Over 90 days	**53.13%**	63.30%	**4,960**	3,597	**2,635**	2,277
			610,194	431,512	**9,393**	7,186

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. To mitigate against liquidity risk, the Group maintains cash reserves and committed undrawn credit facilities to meet anticipated funding requirements for new business. In addition, the Group can redraw against its committed credit limits if the principal outstanding is reduced by the contractual amortisation payments. Details of unused available loan facilities are set out in note 4.1.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Amounts due to funders are repaid directly by rental and repayments received from the Group's customers.

A strong liquidity position was maintained throughout the 2024 financial year, with key metrics and ratios remaining well above the Group's minimum requirements. The Group held undrawn capacity under its corporate debt facilities of $89.0 million and unrestricted cash reserves of $91.3 million at 30 September 2024.

The table below analyses the Group's contractual financial liabilities into relevant maturity groupings. The amounts disclosed below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Contractual maturities of financial liabilities 2024	**Less than 1 year $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Trade and other liabilities	**(138,092)**	**-**	**-**	-	**(138,092)**	**(138,092)**
Borrowings	**(455,381)**	**(386,519)**	**(1,042,490)**	**(21,810)**	**(1,906,200)**	**(1,656,446)**
Provisions	**(5,151)**	**(3,246)**	**-**	-	**(8,397)**	**(8,397)**
Total non-derivatives	**(598,624)**	**(389,765)**	**(1,042,490)**	**(21,810)**	**(2,052,689)**	**(1,802,935)**
Derivatives						
Interest rate swaps	**4,715**	**(6,191)**	**(5,088)**	94	**(6,470)**	**(5,727)**
Total derivatives	**4,715**	**(6,191)**	**(5,088)**	**94**	**(6,470)**	**(5,727)**

Contractual maturities of financial liabilities 2023	**Less than 1 year $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Non-derivatives						
Trade and other liabilities	(144,030)	-	-	-	(144,030)	(144,030)
Borrowings	(402,607)	(291,424)	(861,524)	(27,488)	(1,583,043)	(1,379,810)
Provisions	(5,496)	(2,912)	-	-	(8,408)	(8,408)
Total non-derivatives	(552,133)	(294,336)	(861,524)	(27,488)	(1,735,481)	(1,532,248)
Derivatives						
Interest rate swaps	19,548	10,496	5,708	261	36,013	34,044
Total derivatives	19,548	10,496	5,708	261	36,013	34,044

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Fair value risk

This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities into the three levels prescribed under the accounting standards. An explanation of level 2 follows underneath the table.

2024	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets/(liabilities)				
Derivatives used for hedging	**-**	**(5,727)**	**-**	**(5,727)**
Total financial assets/(liabilities)	**-**	**(5,727)**	**-**	**(5,727)**

2023	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets/(liabilities)				
Derivatives used for hedging	-	34,044	-	34,044
Total financial assets/(liabilities)	-	34,044	-	34,044

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

The fixed term loan has a carrying value of $30,000,000 and a fair value of $29,363,000.

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

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

Valuation techniques used to determine fair values
The fair values of interest rate swaps were calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of interest rates swaps are included in level 2. No other assets or liabilities held by the Group are measured at fair value.

4.0 CAPITAL MANAGEMENT (continued)

4.3 Cash and cash equivalents

Recognition and measurement

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 statement of financial position. Restricted cash, that represents cash held by the entity as required by funding arrangements, is disclosed separately on the statement of financial position and combined for the purpose of presentation in the statement of cash flows.

	Consolidated	
	2024 $'000	2023 $'000
Unrestricted		
Operating accounts	**91,298**	87,629
	91,298	87,629
Restricted		
Collections accounts	**76,876**	69,600
Liquidity reserve accounts	**28,314**	24,025
Vehicle servicing and maintenance reserve accounts	**77,515**	65,838
Cash at bank	**182,705**	159,463
Total as disclosed in the statement of cash flows	**274,003**	247,092

The weighted average interest rate received on cash and cash equivalents for the year was 4.54% (2023: 4.05%).

Liquidity reserve, maintenance reserve, vehicle servicing, collateral and customer collection accounts represent cash held by the entity as required under the funding arrangements and are not available as free cash for the purposes of operations of the Group until such time as the obligations of each trust are settled. Term deposit accounts are also not available as free cash for the period of the deposit.

4.0 CAPITAL MANAGEMENT (continued)

4.4 Derivative financial instruments

Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) ***Cash flow hedges***

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are recycled in the statement of profit or loss and other comprehensive income in the periods when the hedged item will affect profit or loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(ii) ***Derivatives that do not qualify for hedge accounting***

Where a derivative instrument does not qualify for hedge accounting or hedge accounting has not been adopted, changes in the fair value of these derivative instruments are recognised immediately in the statement of profit or loss and other comprehensive income.

(iii) ***Derivatives***

Derivatives are only used for economic hedging purposes (to hedge interest rate risk) and not as trading or speculative instruments. The Group has the following derivative financial instruments:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Interest rate swaps - cash flow hedges	**(5,727)**	34,044
Total derivative financial instrument assets/(liabilities)	**(5,727)**	34,044
Amount expected to be settled within 12 months	**4,697**	19,075
Amount expected to be settled after more than 12 months	**(10,424)**	14,969
Total derivative financial instrument assets/(liabilities)	**(5,727)**	34,044

4.0 CAPITAL MANAGEMENT (continued)

4.4 Derivative financial instruments (continued)

Recognition and measurement (continued)

(iii) Derivatives (continued)

The following shows the maturity profile of hedging instruments (i.e. notional amount of interest rate swaps):

2024	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Derivatives				
Interest rate swaps	**413,090**	**416,256**	**772,057**	**24,160**

2023	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Derivatives				
Interest rate swaps	392,549	335,918	559,246	19,134

The amount relating to hedged items and hedging instruments at the year end are as follows:

Financial Year	Items designated as hedged items	Hedged risk	Items designated as hedging instruments	Hedging instruments - nominal amount ('000)	Carrying amount ('000)
2024	Borrowings - notes payable	Interest rate	Interest rate swaps	1,625,563	(5,727)
2023	Borrowings - notes payable	Interest rate	Interest rate swaps	1,306,847	34,044

	Decrease in fair value of hedging instruments ('000)	Decrease in fair value of hedged item, recorded in hedging reserve ('000)	Hedge ineffectiveness loss recognised in profit or loss via Lease Finance Costs ('000)	Swap interest income accrual recognised as interest and finance charges via Lease Finance Costs ('000)	Changes due to movements in foreign exchange rate ('000)
2024	(39,771)	35,234	3,494	239	804
2023	(5,635)	6,543	498	(512)	(894)

4.0 CAPITAL MANAGEMENT (continued)

4.5 Contributed equity

Recognition and measurement

Ordinary fully paid 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.

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Share capital				
Fully paid ordinary shares	**232,536,677**	247,676,169	**444,679**	503,668
Other equity securities				
Treasury shares	**2,920,087**	5,710,659	**-**	-
Total issued equity	**235,456,764**	253,386,828	**444,679**	503,668

Movements in ordinary share capital

	Shares	$'000
Opening balance 1 October 2023	247,676,169	503,668
Shares utilised to settle equity grants	4,758,025	-
Shares acquired to settle equity grants	(1,835,530)	-
On-market share buy-back	(18,061,987)	(58,989)
Balance 30 September 2024	232,536,677	444,679

Treasury shares

Treasury shares are shares in FleetPartners Group Limited that are held by FleetPartners Group Limited Employee Share Trust or by staff under loans. These shares are issued under the FleetPartners Group Limited Employee Share scheme and the Executive LTI plan. The shares that have not been settled in cash are funded with a loan and are in substance an option and are reflected with zero value until such time that they are settled in cash so as to exercise the option.

Details	Number of shares 2024	Number of shares 2023
Opening balance	**5,710,659**	8,722,000
Shares utilised to settle equity grants	**(4,758,025)**	(4,204,188)
Shares acquired to settle equity grants	**1,835,530**	2,820,432
On-market share buy-back	**18,061,987**	32,466,091
Shares cancelled	**(17,930,064)**	(32,913,348)
Exercise of options	**-**	(1,180,328)
Closing balance	**2,920,087**	5,710,659

4.0 CAPITAL MANAGEMENT (continued)

4.6 Commitments

a. Lease commitments: Group as lessor

i. Finance leases
Future undiscounted lease payments due to the Group under non-cancellable leases, are as follows:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Commitments in relation to finance leases are receivable as follows:		
Less than one year	**197,281**	151,347
One to two years	**171,425**	117,439
Two to three years	**141,030**	97,782
Three to four years	**97,945**	55,214
Four to five years	**64,048**	38,681
More than five years	**13**	79
	671,742	460,542

ii. Operating leases
Lease payments receivable on leases of motor vehicles are as follows:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Lease payments under non-cancellable operating leases of motor vehicles not recognised in financial statements are receivable as follows:		
Within one year	**362,741**	313,196
One to two years	**257,491**	208,647
Two to three years	**164,505**	134,161
Three to four years	**74,380**	62,551
Four to five years	**22,907**	20,427
More than five years	**9,657**	11,918
	891,681	750,900

b. Contractual commitments for the acquisition of property, plant or equipment

The Group had contractual commitments for the acquisition of property, plant or equipment totalling $115,077,741 (2023: $175,149,458). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

4.7 Dividends

Recognition and measurement

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, before or at the end of the financial year but not distributed at balance date.

There were no dividends paid or proposed during the financial year (2023: nil).

5.0 EMPLOYEE REMUNERATION AND BENEFITS

Recognition and measurement

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and 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.

Retirement benefit obligations

The Group makes payments to employees' superannuation funds in line with the relevant superannuation legislation. Contributions made are recognised as expenses when they arise. A total of expense of $5.6 million (2023: $5.1 million) was recognised in the financial year.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Bonus plans

The Group recognises a liability and an expense for bonuses on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

5.1 Share based payments

Share based payments

Share based compensation benefits are provided to employees via the FleetPartners Group LTI and STI plan.

The fair value of options and rights granted under the FleetPartners Group LTI and STI plan is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options and rights (vesting period).

Non-market and service based vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the Group revises its estimate of the number of options that are expected to become exercisable.

The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

In the event a share scheme is cancelled, the remaining unexpensed fair value of the original grant for those options still vesting at the date of cancellation is taken as a charge to the statement of profit or loss and other comprehensive income.

Rights are subject to performance hurdles, as set out in the remuneration report.

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

Options

The fair value at grant date is determined using a Black-Scholes Option Pricing Model that takes into account the exercise price, term of the option, share price at grant date, expected volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

Options do not carry a right to receive any dividends. If options vest and are exercised to receive shares, these shares will be eligible to receive any dividends.

Rights

The fair value at grant date is the difference between the spot price of the underlying asset less the expected present value of the future dividends over the expected life.

Rights do not carry a right to receive any dividends. If rights vest and are exercised to receive shares, these shares will be eligible to receive any dividends.

(i) *Long Term Incentive and Short Term Incentive Plan*

As at the year ended 30 September 2024, the following awards were provided under the following employee share ownership plans:

Options and rights

The awards granted will be subject to continuation of service and testing against the relevant performance hurdle(s).

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

(i) Long Term Incentive and Short Term Incentive Plan (continued)

Set out below are summaries of options granted under each plan:

Options

Grant date	Expected vesting date	Exercise price	Weighted average exercise price	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Exercised during the year Number	Unvested balance at end of the year Number	Vested not exercised Number
2024									
27-Nov-19	27-Nov-22	$1.63	$1.63	6,645,222	-	-	(6,645,222)	-	-

Grant date	Expected vesting date	Exercise price	Weighted average exercise price	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Exercised during the year Number	Unvested balance at end of the year Number	Vested not exercised Number
2023									
24-May-19	24-May-22	$1.20	$1.20	6,363,636	-	-	(6,363,636)	-	-
18-Jul-19	17-Jul-22	$1.60	$1.60	459,771	-	-	(459,771)	-	-
27-Nov-19	27-Nov-22	$1.63	$1.63	10,885,834	-	-	(4,240,612)	-	6,645,222

The weighted-average share price at the date of exercise for share options exercised in 2024 was $3.39 (2023: $2.19).

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

(i) Long Term Incentive and Short Term Incentive Plan (continued)

Rights

Grant date	Expected vesting date	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Exercised during the year Number	Unvested balance at end of the year Number	Vested not exercised Number
2024							
23-Nov-21	22-Nov-24	335,605	-	-	-	335,605	-
23-Nov-21	22-Nov-22	2,647	-	-	-	-	2,647
18-Feb-22	22-Nov-24	183,007	-	-	-	183,007	-
21-Nov-22	21-Nov-24	51,090	-	-	-	51,090	-
21-Nov-22	21-Nov-23	1,082,175	-	-	(996,082)	-	86,093
21-Nov-22	21-Nov-25	575,586	-	(49,099)	-	526,487	-
01-Feb-23	21-Nov-23	90,426	-	-	(90,426)	-	-
01-Feb-23	21-Nov-25	383,261	-	-	-	383,261	-
24-Nov-23	24-Nov-23	-	257,341	-	(132,605)	-	124,736
24-Nov-23	24-Nov-24	-	318,306	-	-	318,306	-
24-Nov-23	24-Nov-26	-	815,525	(68,592)	-	746,933	-
25-Jan-24	24-Nov-24	-	220,014	-	-	220,014	-
25-Jan-24	24-Nov-26	-	260,119	-	-	260,119	-

Grant date	Expected vesting date	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Exercised during the year Number	Unvested balance at end of the year Number	Vested not exercised Number
2023							
08-Jan-19	15-Nov-21	85,000	-	-	(85,000)	-	-
27-Nov-19	15-Nov-21	53,628	-	-	(53,628)	-	-
23-Nov-21	22-Nov-24	335,605	-	-	-	335,605	-
23-Nov-21	22-Nov-22	103,821	-	-	(101,174)	-	2,647
18-Feb-22	22-Nov-24	274,510	-	(91,503)	-	183,007	-
21-Nov-22	21-Nov-24	-	51,090	-	-	51,090	-
21-Nov-22	21-Nov-23	-	1,082,175	-	-	1,082,175	-
21-Nov-22	21-Nov-25	-	575,586	-	-	575,586	-
01-Feb-23	21-Nov-23	-	90,426	-	-	90,426	-
01-Feb-23	21-Nov-25	-	383,261	-	-	383,261	-

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

(i) Long Term Incentive and Short Term Incentive Plan (continued)

(i) *Fair value of instruments granted*

The model inputs for rights granted during FY24 and FY23 are as follows:

Grant date	25-Jan-24	25-Jan-24	24-Nov-23	24-Nov-23	24-Nov-23	1-Feb-23	1-Feb-23	21-Nov-22	21-Nov-22
Award type	**Rights**	**Rights**	**Rights**	**Rights**	**Rights**	**Rights**	**Rights**	**Rights**	**Rights**
Expected vesting date	24-Nov-26	24-Nov-24	24-Nov-26	24-Nov-24	24-Nov-23	21-Nov-23	21-Nov-23	21-Nov-25	21-Nov-23
Share price at grant	$3.06	$3.06	$2.73	$2.73	$2.73	$2.06	$2.06	$2.00	$2.00
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dividend yield (p.a)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fair value per instrument	$3.06	$2.77	$2.73	$2.77	$2.77	$2.06	$1.88	$2.00	$1.88

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

(ii) *Expenses arising from share based payment transactions*

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

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Awards currently issued to employees of controlled entities during the year	**3,322**	3,424

(iii) *Terms and conditions of Share Schemes*

The share based payments issued are subject to vesting conditions described above. Refer to the remuneration report for details of these vesting conditions.

5.2 Key management personnel disclosure

	Consolidated	
	2024	**2023**
	$	**$**
Short-term employee benefits	**2,139,029**	2,124,190
Post-employment benefits	**111,993**	116,894
Long-term employee benefits	**18,263**	15,969
Share based payments	**1,174,943**	1,164,332
	3,444,228	3,421,385

6.0 OTHER

6.1 Reserves

Recognition and measurement

Share based payment reserve

The share based payment reserve is used to recognise:
- the fair value of options and rights issued to Directors and employees but not exercised;
- the fair value of shares issued to Directors and employees; and
- other share-based payment transactions.

Cash flow hedge reserve

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedge transaction affects profit or loss.

Treasury reserve

The treasury reserve is used to record the acquisition and transfer of treasury shares in FleetPartners Group Limited. Treasury shares are acquired as part of the on market share buy-back program and are transferred as a reduction to contributed equity on cancellation. Treasury shares are also acquired to satisfy share based payment obligations (refer to note 5.1).

Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to AUD.

Dividend reserve

The earnings generated by the Group prior to the write offs and losses on disposal have been transferred to the dividend reserve.

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Reconciliation of reserves		
Hedging reserve - cash flow hedges (a)	**(4,258)**	20,584
Treasury reserve	**(27,252)**	(21,579)
Foreign currency translation reserve	**(809)**	2,647
Share based payments reserve (b)	**37,453**	35,122
Dividend reserve (c)	**158,206**	158,206
Total reserve	**163,340**	194,980
Movements in reserves		
(a) Hedging reserve - cash flow hedges		
Balance at 1 October	**20,584**	25,170
Change in fair value	**(35,234)**	(6,543)
Deferred tax	**10,392**	1,957
Balance as at 30 September	**(4,258)**	20,584
(b) Share based payments reserve		
Balance at 1 October	**35,122**	31,699
Awards issued to employees of controlled entities during the year	**3,322**	3,423
Awards subsequently cash settled	**(991)**	-
Balance at 30 September	**37,453**	35,122
(c) Dividend reserve		
Balance at 1 October	**158,206**	158,206
Balance at 30 September	**158,206**	158,206

6.0 OTHER (continued)

6.2 Parent entity information

(i) *Summary financial information*

The individual financial statements for the parent entity show the following aggregate amounts:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Statement of financial position		
Current assets	**14**	14
Non-current assets	**303,310**	370,313
Total assets	**303,324**	370,327
Current liabilities	**(620)**	(725)
Non-current liabilities	**(71,325)**	(75,892)
Total liabilities	**(71,945)**	(76,617)
Shareholders equity		
Issued share capital	**444,679**	503,668
Treasury reserve	**(27,252)**	(21,579)
Share based payments reserve	**37,453**	35,122
Dividend reserve	**96,610**	96,610
Retained earnings	**(320,111)**	(320,111)
	231,379	293,710

(ii) *Guarantees entered into by the parent entity*

As at 30 September 2024 there were cross guarantees given by FleetPartners Group Limited, Pacific Leasing Solutions (Australia) Pty Limited, Leasing Finance (Australia) Pty Limited, Fleet Holding (Australia) Pty Limited, PLS Notes (Australia) Pty Limited, Fleet Partners Pty Limited, Fleet Aust Subco Pty Limited, Fleet Partners Franchising Pty Limited, Car Insurance Pty Limited, FleetPlus Holdings Pty Limited, Fleet Choice Pty Ltd, FleetPlus Pty Limited, FleetPlus Novated Pty Limited, PackagePlus Australia Pty Limited, Eclipx Insurance Pty Ltd, CarInsurance.com.au Pty Ltd, Leasing Finance Services Pty Ltd and Accident Services Pty Ltd.

No liability was recognised by the parent entity or the consolidated entity in relation to the above guarantee as the fair value of the guarantee is immaterial.

(iii) *Contingent liabilities of the parent entity*

On 8 November 2023, the Company received a statement of claim for a shareholder class action filed in the Supreme Court of Victoria. The claim was expressed to be made on behalf of shareholders who acquired an interest in shares in the Company, then named Eclipx Group Limited, during the period 8 November 2017 to 20 March 2019 inclusive. The claim alleges during this period, the Company made statements regarding the Groups financial performance in the 2017 and 2018 financial years, and provided guidance to its future earnings for the 2018 and 2019 financial years, and subsequently withdrew, revised or restated this information, and that this involved misleading representations and non-compliance with continuous disclosure obligations. The Company intends to defend the claim. The financial effects of the claim cannot be estimated as at the date of this financial report.

Except for the contingent liability disclosed above the parent entity did not have any other contingent liabilities as at 30 September 2024 or 30 September 2023. For information about guarantees given by the parent entity, see above.

6.0 OTHER (continued)

6.3 Related party transactions

(i) *Controlling entity*

The parent entity of the Group is FleetPartners Group Limited.

(ii) *Interest in other entities*

The controlled entities of the Group listed below were wholly owned during the current and prior year, unless otherwise stated:

Australia	
Fleet Aust Subco Pty Ltd	Pacific Leasing Solutions (Australia) Pty Ltd
PLS Notes (Australia) Pty Ltd	Leasing Finance (Australia) Pty Ltd
Fleet Holding (Australia) Pty Ltd	Fleet Partners Franchising Pty Ltd
Fleet Partners Pty Ltd	Eclipx Insurance Pty Ltd
Car Insurance Pty Ltd	CarInsurance.com.au Pty Ltd
FleetPlus Holdings Pty Limited	FleetPlus Pty Ltd
FleetPlus Novated Pty Ltd	PackagePlus Australia Pty Ltd
Fleet Choice Pty Ltd	Accident Services Pty Ltd
Leasing Finance Services Pty Ltd	Equipment Finance Holdings Pty Ltd
FP Turbo Series 2021-1 Trust (terminated on 24 June 2024)	FP Turbo Series 2019-1 Trust (terminated on 19 January 2023)
FP Turbo Warehouse Trust 2021-1	FP Turbo EV Warehouse Trust 2021-1
FP Turbo Series 2024-1 Trust	FP Turbo Series 2023-1 Trust

New Zealand	
FleetPlus Ltd	Fleetpartners NZ Trustee Ltd
FleetPartners NZ Limited	Truck Leasing Ltd
Fleet NZ Limited	FP Ignition Trust 2011-1 New Zealand
Pacific Leasing Solutions (NZ) Limited	FPNZ Warehouse Trust 2015-1 (terminated on 21 August 2024)
Leasing Finance (NZ) Limited	PLS Notes (NZ) Ltd
FleetPartners Holding (NZ) Limited	

(iii) *Transactions with other related parties*

Except for the matters disclosed above, there were no material transactions with other related parties.

6.4 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group.

	Consolidated	
	2024	**2023**
	$	**$**
(a) Audit and assurance services		
KPMG Australian firm:		
Audit and review of financials	**1,163,000**	1,089,000
(b) Non-audit services		
KPMG Australian firm:		
Total remuneration for non-audit services for KPMG	**-**	-
Total remuneration for KPMG	**1,163,000**	1,089,000

6.0 OTHER (continued)

6.5 Deed of cross guarantee

FleetPartners Group Limited, Pacific Leasing Solutions (Australia) Pty Limited, Leasing Finance (Australia) Pty Limited, Fleet Holding (Australia) Pty Limited, PLS Notes (Australia) Pty Limited, Fleet Partners Pty Limited, Fleet Aust Subco Pty Limited, Fleet Partners Franchising Pty Limited, Car Insurance Pty Limited, FleetPlus Holdings Pty Limited, Fleet Choice Pty Ltd, FleetPlus Pty Limited, FleetPlus Novated Pty Limited, PackagePlus Australia Pty Limited, Eclipx Insurance Pty Ltd, CarInsurance.com.au Pty Ltd, Leasing Finance Services Pty Ltd and Accident Services Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, pursuant to ASIC Corporations (Wholly Owned Companies) Instrument 2016/785, the wholly owned entities have been relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by FleetPartners Group Limited, they also represent the 'Extended Closed Group'.

Set out below is a statement of profit or loss and other comprehensive income for the year of the Closed Group.

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Statement of profit or loss and other comprehensive income		
Revenue and income from continuing operations	**496,655**	441,933
Cost of revenue and income	**(277,609)**	(244,409)
Lease finance costs	**(52,209)**	(33,722)
Net operating income before operating expenses and impairment charges	**166,837**	163,802
Impairment losses on loans and receivables	**(2,897)**	(727)
Software Impairment	**(267)**	(1,138)
Total impairment	**(3,164)**	(1,865)
Employee benefit expense	**(60,389)**	(56,692)
Depreciation and amortisation expense	**(9,112)**	(9,353)
Operating overheads	**(15,106)**	(13,124)
Total overheads	**(84,607)**	(79,169)
Operating finance costs	**(6,576)**	(6,896)
Profit before income tax	**72,490**	75,872
Income tax expense	**(21,816)**	(22,828)
Profit for the year, net of tax	**50,674**	53,044
Other comprehensive income, net of tax	**(12,659)**	(3,988)
Total comprehensive income for the year	**38,015**	49,056

6.0 OTHER (continued)

6.5 Deed of cross guarantee (continued)

Set out below is a consolidated statement of financial position as at reporting date of the Closed Group.

	Consolidated	
	2024	**2023**
	$'000	**$'000**
ASSETS		
Cash and cash equivalents	**66,902**	73,828
Restricted cash and cash equivalents	**131,404**	109,700
Trade and other receivables	**67,822**	66,486
Inventory	**4,986**	5,425
Finance leases	**549,755**	382,369
Operating leases reported as property, plant and equipment	**613,069**	518,296
Property, plant and equipment	**2,723**	850
Receivables - advances to related parties	**7,111**	45,074
Right-of-use assets	**1,967**	1,657
Intangibles	**362,494**	354,568
Derivative financial instruments	**251**	19,685
Total assets	**1,808,484**	1,577,938
LIABILITIES		
Trade and other liabilities	**72,425**	90,801
Provisions	**7,526**	7,357
Borrowings	**1,170,319**	919,934
Lease liabilities	**3,747**	2,155
Payable - advances from related parties	**26,772**	27,581
Deferred tax liabilities	**55,022**	33,061
Total liabilities	**1,335,811**	1,080,889
Net assets	**472,673**	497,049
EQUITY		
Contributed equity	**444,679**	503,668
Reserves	**156,258**	172,319
Retained earnings	**(128,264)**	(178,938)
Total equity	**472,673**	497,049

6.0 OTHER (continued)

6.6 Reconciliation of cash flow from operating activities

	Consolidated 2024 $'000	2023 $'000
Profit after tax for the year	**77,877**	81,021
Depreciation and amortisation	**206,695**	182,409
Amortisation of capitalised borrowing costs	**1,790**	1,668
Credit impairment provision expense/(release)	**3,477**	553
Impairment expenses	**267**	1,138
Share based payments expense	**3,322**	3,423
Fleet and stock impairment expense/(release)	**(655)**	411
Hedging loss	**3,494**	498
Exchange rate variations on New Zealand cash and cash equivalents	**896**	(4,314)
Net cash inflow from operating activities before changes in assets and liabilities	**297,163**	266,807
Change in operating assets and liabilities:		
Increase in trade and other receivables	**(589)**	(14,433)
Increase in operating leases and finance leases	**(444,083)**	(309,836)
Settlement of Inventory	**(45,162)**	(24,833)
Increase in deferred tax liabilities	**18,485**	7,116
Increase in trade and other liabilities	**4,064**	13,221
Increase in current provisions	**660**	2,889
Increase in other current liabilities	**1,593**	2,232
Net cash outflow from operating activities	**(167,869)**	(56,837)

6.7 Contingent liability

On 8 November 2023, the Group received a statement of claim for a shareholder class action filed in the Supreme Court of Victoria. The claim was expressed to be made on behalf of shareholders who acquired an interest in shares in the Group, then named Eclipx Group Limited, during the period 8 November 2017 to 20 March 2019 inclusive. The claim alleges during this period, the Group made statements regarding its financial performance in the 2017 and 2018 financial years, and provided guidance to its future earnings for the 2018 and 2019 financial years, and subsequently withdrew, revised or restated this information, and that this involved misleading representations and non-compliance with continuous disclosure obligations. The Group intends to defend the claim. The financial effects of the claim cannot be estimated as at the date of this financial report.

6.8 Events occurring after the reporting period

On 15 November 2024 the Group settled its fourth New Zealand asset backed securitisation of NZD $300 million. The transaction increases funding capacity and provides further funding certainty and diversity, whilst reducing the funding costs of the Group.

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

FleetPartners Group Limited
Consolidated Entity Disclosure Statements
For the year ended 30 September 2024

Entity name	Entity type	Place of Incorporation	FPR ownership interest	Country of Tax Residency
FleetPartners Group Limited (Parent Entity)	Body corporate	Australia	-	Australia
Fleet Aust Subco Pty Limited	Body corporate	Australia	100%	Australia
Pacific Leasing Solutions (Australia) Pty Limited	Body corporate	Australia	100%	Australia
Leasing Finance (Australia) Pty Limited	Body corporate	Australia	100%	Australia
PLS Notes (Australia) Pty Limited	Body corporate	Australia	100%	Australia
Fleet Holding (Australia) Pty Limited	Body corporate	Australia	100%	Australia
Fleet Partners Pty Limited	Body corporate	Australia	100%	Australia
FleetPlus Holdings Pty Limited	Body corporate	Australia	100%	Australia
FleetPlus Pty Limited	Body corporate	Australia	100%	Australia
FleetPlus Novated Pty Limited	Body corporate	Australia	100%	Australia
PackagePlus Australia Pty Limited	Body corporate	Australia	100%	Australia
Equipment Finance Holdings Pty Ltd	Body corporate	Australia	100%	Australia
Fleet Partners Franchising Pty Limited	Body corporate	Australia	100%	Australia
Eclipx Insurance Pty Ltd	Body corporate	Australia	100%	Australia
CarInsurance.com.au Pty Ltd	Body corporate	Australia	100%	Australia
Car Insurance Pty Ltd	Body corporate	Australia	100%	Australia
Fleet Choice Pty Ltd	Body corporate	Australia	100%	Australia
Accident Services Pty Ltd	Body corporate	Australia	100%	Australia
Leasing Finance Services Pty Ltd	Body corporate	Australia	100%	Australia
FP Turbo EV Warehouse Trust 2021-1	Trust	Australia	100%	Australia
FP Turbo Warehouse Trust 2021-1	Trust	Australia	100%	Australia
FP Turbo Series 2023-1 Trust	Trust	Australia	100%	Australia
FP Turbo Series 2024-1 Trust	Trust	Australia	100%	Australia
Fleet NZ Limited	Body corporate	New Zealand	100%	New Zealand
FleetPartners NZ Limited	Body corporate	New Zealand	100%	New Zealand
FleetPartners Holding (NZ) Limited	Body corporate	New Zealand	100%	New Zealand
Pacific Leasing Solutions (NZ) Limited	Body corporate	New Zealand	100%	New Zealand
Leasing Finance (NZ) Limited	Body corporate	New Zealand	100%	New Zealand
PLS Notes (NZ) Limited	Body corporate	New Zealand	100%	New Zealand
FleetPlus Limited	Body corporate	New Zealand	100%	New Zealand
Fleetpartners NZ Trustee Limited	Body corporate	New Zealand	100%	New Zealand
Truck Leasing Limited	Body corporate	New Zealand	100%	New Zealand
FP Ignition Trust 2011-1 New Zealand	Trust	New Zealand	100%	New Zealand

Basis of Preparation
This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year. None of the entities included above was a trustee of a trust within the consolidated group.

Determination of Tax Residency
Section 295 (3A) of the Corporations Act 2001defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

(a) Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

(b) Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

(c) Trusts
Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Directors' Declaration

In the opinion of the Directors of FleetPartners Group Limited (Group):

(a) The consolidated financial statements and notes of the Group that are set out on pages 35 to 87 are in accordance with the Corporations Act 2001, including:

  (i) Giving a true and fair view of the Group's financial position as at 30 September 2024 and of its performance for the financial year ended on that date; and

  (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) The Consolidated Entity Disclosure Statement as at 30 September 2024 set out on page 88 is true and correct.

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

(d) There are reasonable grounds to believe that the Group and the Group entities identified in Note 6.5 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

(e) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 September 2024.

(f) The Directors draw attention to note 1 of the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Gail Pemberton

Gail Pemberton
Chairperson

Sydney
15 November 2024

Independent Auditor's Report

To the shareholders of FleetPartners Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of FleetPartners Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 September 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 September 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 September 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of goodwill
- Setting of vehicle residual values
- Revenue recognition in relation to maintenance income

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill ($439.7m)

Refer to Note 3.7 to the Financial Report

The key audit matter	How the matter was addressed in our audit
A key audit matter was the Group's annual testing of goodwill for impairment, given the size of the balance (being 17% of total assets) and the estimation uncertainty from flow-on impacts of previous vehicle supply constraints, and how that effects the realisation of order pipeline and new business writings into cashflows. Key judgements included significant forward-looking assumptions the Group applied in their value in use models and include: • forecast cash flows and associated growth rates – the Group has been challenged by recent uncertain economic conditions such as the inflationary environment and interest rate uncertainty, with a particular weakening of economic conditions in New Zealand, as well as the removal of certain incentives on EVs and variability in second hand car prices. These circumstances have increased the level of judgement associated with forecasting the future pipeline of orders in each market which increases the estimation uncertainty in the impairment assessment; and • discount rates, which are complex in nature and may vary according to the conditions and the environment the specific CGUs are subject to from time to time. The Group's modelling is highly sensitive to small changes in the discount rate. We involved valuation specialists to supplement our senior audit team members in assessing this Key Audit Matter.	Our procedures included: • We assessed the Group's determination of CGU assets for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards. • We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • We assessed the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • We met with management and those charged with governance to understand the flow-on impacts from previous supply constraints of new vehicles on the Group's business and the expected impact on financial results as supply is restored and orders are fulfilled. • We compared the forecast cash flows contained in the value in use model to the Group's budget approved by the Board. • Using our knowledge of the Group, its past performance and its industry, we challenged the Group's cash flow forecast and growth assumptions, including those relating to the ability to write new business going forward and the impact that second hand car prices has on end-of-lease income. • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the model.

KPMG

	• We considered the sensitivity of the model by varying key assumptions, such as forecast growth rates and discount rates within a reasonably possible range. We considered the interdependencies of key assumptions when performing the sensitivity analysis and what the Group consider to be reasonably possible. We did this to identify those CGUs at higher risk of impairment and those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Working with our valuation specialists we challenged the Group's growth assumptions. We compared forecast growth rates and terminal growth rates to authoritative published studies of market trends and expectations and considered differences for the Group's operations. • Working with our valuation specialists we independently developed a discount rate range using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in and compared this to the actual discount rate used by the Group. • We assessed the disclosures in the financial report using our understanding of the Group obtained from our testing against the requirements of the relevant accounting standards.

Setting of vehicle residual values

Refer to Critical Accounting Estimates and Assumptions and disclosures on residual values in the context of property, plant and equipment in Note 3.1 Property, plant and equipment in the Financial Report.

The key audit matter	How the matter was addressed in our audit
Residual value setting relating to leased vehicles is a Key Audit Matter due to: • the significant audit effort required and the high degree of judgement applied by us in assessing the Group's determination of residual values; • residual value is an input into certain accounts and estimates, namely depreciation and impairment assessment of vehicles; and	Our procedures included: • Understanding the process by which residual values are set by the Group and testing a sample of key controls over the Group's residual valuation process, such as the monthly review and approval of residual value changes by senior management. • Comparing a sample of manually approved residual value changes to the-residual values recorded in the lease system.

• the timing of revenue recognition across the term of a lease may be affected by setting different residual values as it impacts the level of revenue recognised during the term of the lease compared to at the end of the lease. We considered the Group's judgements used in the vehicle impairment model. The key judgement in this model is the expected forecast residual value at the end of the lease term used to estimate end-of-lease cashflows, in particular how the impact of changes in second hand vehicle prices may alter expected forecast cashflows.	• Assessing the Group's ability to forecast vehicle residual values by selecting a statistical sample of vehicles disposed of during the year. We compared the sale price achieved to the sales invoice, and also compared it to the recorded written down value as assessed in prior periods, enabling us to understand estimation accuracy. • Comparing a sample of the current recorded residual value of vehicles against the current market value of those vehicles sourced from an independent database of used vehicle valuations.

Revenue recognition in relation to maintenance and management income ($103.8m)

Refer to Note 2.2 Revenue and income to the Financial Report

The key audit matter	How the matter was addressed in our audit
Maintenance income, which is a component of maintenance and management income presented in the financial report, includes a high level of estimation uncertainty and accounting complexity. This area is a Key Audit Matter due to increased audit effort arising from the percentage of completion accounting method which inherently requires judgement by the Group to determine the cost profile of lifetime maintenance services, along with potential re-estimations of total lifecycle maintenance. In particular, we focused on the: • Estimation uncertainty in forecasting the timing and cost of lifetime maintenance services. • Judgement applied by the Group in relation to the key assumptions in the percentage of completion model including: - Proxy vehicle types used for assessing maintenance cost profiles for vehicle categories - Expected lifetime maintenance cost estimates for proxy vehicle types, which is influenced by the age and usage of the vehicle. This is a critical input to the percentage of completion model to apportion expected lifetime maintenance income to vehicles based on their usage.	Our procedures included: • Assessing the Group's revenue recognition policy against relevant accounting standards. • Assessing the integrity of the percentage of completion model, including checking the mathematical accuracy of the underlying formulas. • Recalculating the application of the percentage of completion output from the model to the expected lease lifetime maintenance income and checked the amount apportioned to the current year. • For a sample of maintenance lease assets, checking the average age and usage assumptions in the model for consistency with the actual servicing and maintenance cost profile, which is based on internal lease portfolio statistics of the vehicle type. • Challenging the Group's key assumptions by evaluating the vehicle categories and proxy vehicle types used in the model against the composition of the Group's fleet, and comparing the average cost of lifetime maintenance activities expected to be performed based on the age and usage of the vehicle to publicly available market costs of servicing vehicles. • Assessing the disclosures in the financial report against the requirements of the accounting standards.

KPMG

Other Information

Other Information is financial and non-financial information in FleetPartners Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, and the Remuneration Report. The Chair and CEO Letter, Business Overview, Environmental, Social and Governance Report, Company Directory, Shareholder Information, FleetPartners Values and Corporate Strategy are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf
This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of FleetPartners Group Limited for the year ended 30 September 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 18 to 34 of the Directors' report for the year ended 30 September 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Peter Zabaks
Partner

Sydney
15 November 2024