ACN 072 507 147

Thorn 2021 Annual General Meeting – Chairman's address & CEO report

20 August 2021

Thorn Group Limited (ASX: TGA) (**Thorn**) attaches the Chairman's address, Chief Executive Officer's report and presentation slides to be delivered at Thorn's 2021 Annual General Meeting.

This release has been authorised by the Board of Directors.

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ABOUT THORN GROUP LIMITED (ASX: TGA, www.thorn.com.au)

Thorn is a diversified financial services company providing financial solutions to consumers and businesses. Thorn's consumer leasing business, Radio Rentals (RR Rentlo Reinvented in South Australia), is a leader in the household goods consumer leasing market, operating since 1937. Thorn Business Finance is a provider of leasing and other financial services to small and medium enterprises. Thorn has been listed on the ASX since 2006, is licensed under the National Consumer Credit Protection Act 2009 and operates a responsible lending policy.

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING OF THORN GROUP LIMITED AUGUST 20, 2021

Good Morning Ladies and Gentlemen and welcome to your company's AGM. My name is Warren Mcleland and I am the Chairman of your company. This sadly, is the second AGM we have been required to convene virtually, as a consequence of the lockdown restrictions imposed on the citizens of NSW, concurrent with similar lockdowns in the ACT, Victoria, Queensland, WA and SA.

I am joined today by my Director colleagues, Paul Oneile, Deputy Chairman and Dr Allan Sullivan, Pete Lirantzis our CEO, Luis Orp our Chief Financial Officer and Alexandra Rose, our Company Secretary & General Counsel, General Manager Risk & Compliance. Also present is Mark Nicholaeff, our Audit Partner from UHY Haines Norton. Mark and Luis are available to address any question you may have on the financial accounts and results.

Our Company Secretary has advised that we have the necessary quorum of shareholders present to open the AGM which I now intend to action. Following my address to shareholders, I shall ask our CEO to address the meeting with his report for the year to March 31, 2021.

Today's meeting is being held online via the Lumi platform. This allows shareholders, proxies and guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes.

The Notice of Meeting has been sent to all shareholders and lodged with ASX on 19 July 2021. It has also been made available on Thorn's website since that date. I will take the Notice of Meeting as read.

I refer to the minutes of the last meeting of shareholders of the Company which was the Extraordinary General Meeting held on 4 January 2021 and also the last Annual General Meeting held on 19 August 2020. The minutes are with the Company Secretary and available for inspection upon request.

Copies of the Chairman's Address and CEO's Report which you are about to hear have been released to ASX and will be available on Thorn's website.

The year to March 31, 2021 was overborne by the destructive pandemic, Covid-19. All shareholders have witnessed and experienced this directly and personally, its plague proportion has impacted our country. The impact on your company was similarly rapid and severe. Many of Thorn's 40,000 plus individual customers sought financial assistance from Thorn and in our small business equipment financing activities, we were similarly deluged with requests for assistance and direct relief from repayment requirements.

I am pleased to report that Thorn responded immediately with major and effective measures of support. We acknowledge the financial assistance from the Federal Government through its Job Keeper and similar programmes available to thousands of individual Australians who had experienced stand downs, redundancies and large scale corporate restructuring actions by employers. The Job Seeker support initiatives introduced were critical to reducing the enormity of the financial burdens facing Australians. Covid inflicted severe financial pain on all communities.

Thorn itself was no exception to the extent of damage that reigned amongst Corporate Australia, the likes of which were exacerbated in the small to medium sized business segment which has been your company's "sweet spot" for a number of years.

The effects of Covid hit simultaneously with our decision to dramatically overhaul the company's operation and to commence a programme of switching from a prior analogue focussed to a fully integrated digitally driven business. As previously reported to shareholders, we closed all Radio Rentals shops and warehouses nationally, reducing our employment numbers from over 500 staff to approximately 200. As a matter of prudence, we were forced to raise provisions for future financial losses as the performance of both our equipment financing and consumer financing books deteriorated. This has proved to be a wise decision.

We also commenced, and are continuing to review, our two business lines to assess their financial attractiveness for the future risk and return parameters we wish to consistently deliver to shareholders. In addition to the review of our two business lines, the Board is also considering further opportunities that deliver benefits to all shareholders and will continue to update the market as and when required if any of these opportunities progress to a sufficient level of certainty.

We also brought much needed clarity to our underlying raison d'être. Thorn is at its core a financier, and part retailer, especially in our consumer financing division of Radio Rentals. Prior to 2019 we were increasingly attempting to become a traditional, successful retailer of consumer products. We have adapted to provide a 21st century laser beam focus on providing finance to our Radio Rental customers. We aim to deliver what they expect from such a company, namely superior product offering (which has expanded from around 40 to 50 products to around 450 within a few months), aligned with outstanding customer service (tailored to our specific and selected customer segments) and sold at competitive prices.

All this work was undertaken with a very real sense of urgency. We have incessantly sought to hold as much surplus cash as possible (increasing cash from $29 million to $68 million in one year), to assist in sustaining the business in what was an extremely uncertain and unpredictable environment in 2021. Our customer research efforts were dedicated to accurately assess the likely outlook for our industry and our selected product and customer groupings for the next 3 to 5 years.

Our achievements were many and extended across the company. We ended the year to March 31, in a much stronger financial position than prior years and with a sharply improved and higher state of employee teamwork and as a flow on, morale. With emphasis on running down our existing Radio Rentals book, our improving cash position and with very tight control over expenses, facilitated our "transformation to a digital" platform programme to be well ahead of schedule by financial year end. Our future will increasingly be correlated with creating and sustaining top tier customer experience to enhance trust and loyalty from our chosen customers.

As shareholders are only too well aware, the national economy recovered rapidly from the recession when short term control over Covid was achieved. By Christmas 2020, a sense of optimism was widespread across the country and this was reflected in our improved trading results.

But by mid second quarter of 2021, a new variant strain of Covid, termed 'Delta', had surfaced overseas with a rapid spread across India, then into the Sub Continent followed by North and South America, Europe and the UK and within an elapsed time of 8 to 10 weeks, had entered Australia.

Our present lockdown in NSW and also in other States has evolved from being an irritant to being a major new outbreak of Covid throughout NSW and to a lesser extent in our neighbouring States. The impact has been manifest in a dramatic collapse in consumer business confidence, an immediate loss of jobs, and a halting of corporate investment plans.

Your Board and Senior Management team has urgently refocused on what the ramifications are likely to be, in terms of the scope especially the depth of the cuts in economic activity and the length of time we will need to plan and accept to endure, without any optimism of recovery. We do not predict that we have seen the worst yet, nor do we predict the recovery will be as fast as last year nor as widespread.

The immediate impact on managing our business is to further drive our focus on preserving our cash and free up capital positions and to impose strict and tight controls over all our activities. Our 2022 plans for growth have been suspended and we are in a phase of safeguarding our business operations.

A pre-requisite appraisal of the risk/reward parameters for our business activities is underway to align with our initial preliminary view that national economic growth will be impeded until, possibly, financial year 2024. The external environment has also recently deteriorated from a continuing concern for Australia's trading relationships with China, and the challenges of developing alternative markets in alternative overseas countries. The financial impact of China's cuts in imports from Australia has been wide particularly for agriculture, such as barley and other grains, some dairy products, all wine products and of course recently spreading to coal and now iron ore. Our population growth for starters is forecast to be significantly lower than in the last +10 years. The Government may well be forced to make decisions to commence a reduction in government indebtedness which will also be painful for all Australians.

The cumulative effect of this unpleasant picture is to increase our business risks and uncertainties. Your Board has commenced the process of reviewing the potential impact of the array of factors described above and is committed to completing this updated assessment as quickly as possible. It is our current expectations that at the announcement of our first half operating and financial results in late November, we will be in a position to report more comprehensively to shareholders in this regard. We aim to provide shareholders a progress report of any likely changes or significant modifications to our underlying business strategy. This will include as and where necessary a forecast for anticipated implementation. We will of course continue to keep all shareholders fully informed of any strategic changes to our business strategy.

I wish to emphasise that your Directors and senior Management are conservative and will continue to manage our cash professionally, carefully and diligently. It will not be squandered.

In summary, 2021 was an extraordinary challenging year for Thorn. 2022 is proving to be unexpectedly even more challenging. But Thorn is in a much stronger financial position to adapt to any changes that prove necessary to not just endure the deteriorating industry conditions and economic downturn, but to emerge as an increasingly competitive specialist financier, possessing an implicit Fintech structure with attractive growth opportunities. Our business will demonstrate the decisions we have implemented to differentiate the company from our competitors.

In closing, and on behalf of my Director colleagues, I have pleasure in congratulating our Management and Employee team. We admire their ability to maintain a measure of cautious optimism under such duress and stressful operational and environmental conditions and for their amazing commitment and loyalty to Thorn.

I shall now ask our CEO, Pete Lirantzis, to provide more detail on a selection of the many highlights for 2021 and to explain, and how we are positioned for the uncertain, higher risk environment for the balance of 2022 and 2023.

Pete Lirantzis - CEO Report for 2021 AGM

Thank you Warren and good morning shareholders.

Slide heading: Pete Lirantzis CEO

I'm now 18 months into the role, following my appointment, I was right into the devastating bush fires during the summer that also coincided with the outbreak of Covid-19 in Australia.

Our board of directors and management team were forced to make a series of difficult decisions to stabilise the company and navigate our way through the continuing COVID-19 pandemic.

We were on the front foot to care for our customers that needed our support most, by extending hardship assistance, providing payment holidays and adjusting and deferring our collections activity, including implementing well-being checks for our customers, throughout the COVID period, well beyond government mandated guidelines.

In addition, we developed new digital strategies for Thorn to increase our collections success and emerge from the disruption and create opportunities for the future.

I'm proud of how the Thorn team dealt with the complexities faced throughout this year, there was a lot of doubt cast over the organisation, suggesting that collecting amid the prevailing headwinds, in an industry sector known to be quite challenging to collect cash at the best of times, and I wanted to acknowledge and thank everyone across our business and our Board for moving quickly on analysing, assessing, making the bold decisions and working tirelessly to ensure the company has options moving forward.

It should be noted that these challenges remain, as the debt relief programs are coming to an end, new COVID-19 variants are ticking up and the new wave of lockdowns are being introduced.

Our priorities remain, keeping our people safe, continuously improving our collections efforts, serving our customers and executing on our strategic priorities.

Slide heading: Overview of FY 21 Results

These actions have paid early dividends with Thorn emerging from a loss of $81.1 million loss to a Net Profit After Tax of $8.4 million for the year ending 31 March 2021.

This allowed the company to declare a fully franked final dividend of 1 cent per ordinary share – on top of a special fully franked dividend paid during the year, totalling 8.5 cents per ordinary share.

The achievements over the last year have included:

1. Strengthening our free cash position at $68.3 million in March 2021, up from $28.7million in March 2020, and currently at $72.5 million as of this week.
2. Delivered strong collections cashflows in both divisions, we fulfilled all principal and interest payments to warehouse funders.
3. Executed more than $40million of annualised cost reductions across staff, stores, warehouses and vehicles, significantly reducing our fixed cost base.
4. Successfully shifted the entire workforce to remote mode, during which, executed on payment variations, adjusted hardship and collections processes to ensure appropriate support was extended to our customers and SME's. Incidentally, this remote model is

operating smoothly and we maintain confidence in our ability to provide our products and services despite the lockdowns.

5. Rapidly transformed the RR business model, a significant achievement to ensure the RR brand was back in market quickly, alleviating customer concerns, supporting collections efforts, replacing store engagement points, offering a broad range of products and delivering an expandable digital model to support repeat and new originations.
6. And recently, launched a fintech debtor product that links into accounting platforms and removes the onerous administration burden associated with the traditional approach.

The Group is now effectively in a "start-up" phase. This involves a significant investment in technology and navigating through the challenges of the pandemic, and an increasingly competitive market, in addition to continuing to re-engineer legacy outdated business processes to maintain the performance of the current portfolios and significantly uplifting our risk and regulatory frameworks.

Slide heading: Overview of Thorn

Thorn continues to be a diversified financial services organisation that provides real financing alternatives for both consumers and SME's.

We operate two divisions:

1. **Our Consumer Finance Division:**
    - Which operates under the Radio Rentals brand.
    - The division provides rental plans with affordable weekly payments, enabling our customers to get access to house-hold essentials.
    - We believe that choice, value and convenience are three of the most important features to offer, so we make sure it's at the heart of what we do with Australia's most trusted brands.
    - Our business model is the combination of both a financier and a retailer, a single market place that offers goods with weekly repayment plans, with drop-ship arrangements to ensure we offer a broad and flexible range of goods efficiently.
2. **Our Business Finance Division:**
    - The business finance division, which has been concentrating its activities on collections, has re-opened under the Thornmoney brand with a digitally supported debtor finance product.
    - Our debtor finance product enables small and medium sized businesses to fund their short term (up to 90 days) working capital needs. This could include, purchasing additional stock, maximising seasonality windows or seizing new opportunities that otherwise would be unaffordable.
    - Equipment finance is planned to be developed into the service offerings and will be leveraging the existing distribution relationships and customer base.
    - The Business Finance division will utilise our existing knowledge of the SME market, their product needs and distribution channels that we have developed over time, utilising fintech platforms that provide automation and leading customer experiences to deliver our value proposition, differentiating with automated links to accounting platforms to streamline the facility approval and day to day drawdowns,

in addition to reducing the administration burden for customers and our team to ensure cost effective scalability.

Slide heading: Consumer Finance Journey

Since May 2020, we have staged the development of our digital business model.

We have now centralised our core services, both in collections and customer service.

We continue to improve our Collections capabilities, whilst maintaining a close working relationship with our customers. Ensuring we also work within the increasing regulatory guidelines and COVID related restrictions.

Our digital store now has multiple product suppliers and offers more than 450 products, up from around 30 when we first launched. The drop-ship benefits allow us to test new products without the need to outlay significant cash on inventory.

In April this year we started our digital marketing campaigns, we have also launched new TV and radio ads that promote our service offering, focusing on our household essentials items.

Using our deep historical data base of consumer behaviour, our Credit Policy has been fundamentally rebuilt around a machine learning-based scorecard to uplift the maturity of credit decisioning, while continuing to comply with Thorn's responsible lending obligations, setting us up to implement automation and instant credit decisioning in future releases.

Slide heading: Consumer Finance Market

We have a distinct place in the financial services market, separate from the buy now, pay later players.

We provide both the goods and payment plan, we are the merchant and the finance company, with the ability to generate revenue from both the physical product margin and from the finance lending interest rate. We also operate in a heavily regulated space, as opposed to a short term four-step payment plan that is provided via a 3rd party retailer.

Our payment plans range from 12 – 48 months. Our average ticket price is greater than $1,000.

Our lower income customers therefore, are not required to outlay a significant upfront cash payment, and we provide an affordable and manageable payment plan that includes the repair and maintenance for the product.

Slide heading: Business Finance Journey

Once Covid hit and our more than 30 day arrears hit close to 37%, that is, greater than $100 million of our overall books' exposure in the SME space.

The team were required to urgently re-model and recalibrate the division's collections and recoveries functions.

During this time, we partnered with a fintech platform that would enable us to establish a foundation for our new business moving forward. A foundation that will allow us to get into market quickly and enable us to get a deeper understanding of our SME clients and safely offer adjacent products seamlessly in the future.

As a result, we have successfully launched Thornmoney, a new business aligned to our strategy of doing things digitally and different to our traditional competitors.

We have established a new team, built new credit and operating procedures, developed simple customer facing documents which is a major driver for our SME's and establishing ourselves within the Xero app marketplace, increasing our exposure to a wider base of potential clients.

Further thinking about the future needs of our SME's, we have established an additional partnership with a fintech BNPL and payment platform, which will enable us to introduce additional complementary finance offerings, including finance products for the emerging supply chain market, as we build personalised SME payment profiles, augment credit data to assist with prudent credit analysis and improve the duration of 'time to cash' needs for our clients. Producing a significant differentiator in the market.

Slide heading: Business Finance Market

When companies start to emerge from the impacts of Covid, they will need to be able to access working capital fast to fund their ongoing operations and to capitalise on new opportunities. The Debtor Finance product was introduced to meet this market demand.

In addition, our customers are now also looking to the future and will require funding to invest in new equipment and modernising their fleets to help them grow and become more efficient.

Thorn plans to utilise its experience in this segment's needs to develop new financial products for the SME sector, which are not currently well serviced by traditional lenders.

SME's today are requiring fast, convenient and easy ways to access credit without the imposition of complex financial covenants and the requirement to sign over their family home as security.

In addition, SME's expect technology simplicity and customer experiences to be now in line with what the consumers enjoy, these needs and expectations underpin our platform implementation strategy for our Business finance division.

We will be utilising our proprietary data on the characteristics and behaviours of this market to accurately assess credit risk and leverage capabilities across the group and partnerships with technology platforms to deliver a leading customer experience.

Slide heading: Financial Results

In closing I would like to thank our Board for the strong support, counsel and advice provided to management during these challenging times.

To my fellow team members, thank you as always for your hard work and dedication.

With that said, I will hand you over to Luis Orp, our CFO who will provide an update on the company's financial performance.

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ANNUAL GENERAL MEETING 2021

Warren McLeland Chairman
Pete Lirantzis CEO
Luis Orp CFO

Chairman’s Address

Warren McLeland
Chairman

CEO’s Report

Pete Lirantzis
Chief Executive Officer

Overview of FY 21 Results

Results

Shareholder returns

- NPAT of $8.4 million for FY21
- 7.5c fully franked dividend paid
- Share price increased from 5c on 31/3/20 to 18c on 31/3/21
- 1.0c fully franked dividend announced in May 2021

Focused on cash and collections capability uplift

- $68.3m of free cash at bank in March 21, up from $28.7m in March 20
- Strong cashflows from collections on Radio Rentals receivables book
- Strong collections and recoveries in TBF to preserve the value of the book during COVID

Cost savings of >$40million and reduction in fixed cost base

- Closure of Radio Rentals stores, warehouses & logistics network
- Reduced headcount by more than 300+ across both business divisions
- Successfully exited ~100 property leases, vehicle leases and technology contracts

Navigated through COVID and serviced customer base

- Successfully shifted entire workforce to remote working during COVID
- Supported impacted consumer and SME customers through COVID
- All principal and interest payments due to warehouse funders

Transformed RR model and set up business finance ready to launch

- Shifted from a bricks and mortar business with retail stores / warehouse / trucks to digital originations, centralised servicing and a drop-ship supply chain
- Implemented fintech debtor platform, established new distribution and launched debtor product

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Overview of Thorn Group

Providing real financing alternatives for everyday Australians to access all-encompassing household essentials and to enable small to medium businesses to grow

Thorn operates across the regulated consumer and commercial markets

We have been offering alternative lending options to the underserviced markets for over 80 years

Thorn is the combination of both a financier and a retailer in the consumer segment

Our Brands

thornmoney

THORN BUSINESS FINANCE

Radio Rentals

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Consumer Finance Journey

Closed our stores and warehouses in May 2020 and shifted to a ‘beta’ online platform with one drop-ship partner

Re-modelled and centralised our customer support, credit and product service functions

Continued to service and collect on the receivables book

Launched limited product range in Jul 2020 and broadened through adding additional suppliers, extending our product range from 31 to >450 items

Launched marketing campaigns across Digital, TV and Radio in Apr 2021

Enhancing credit capabilities and automating decisioning

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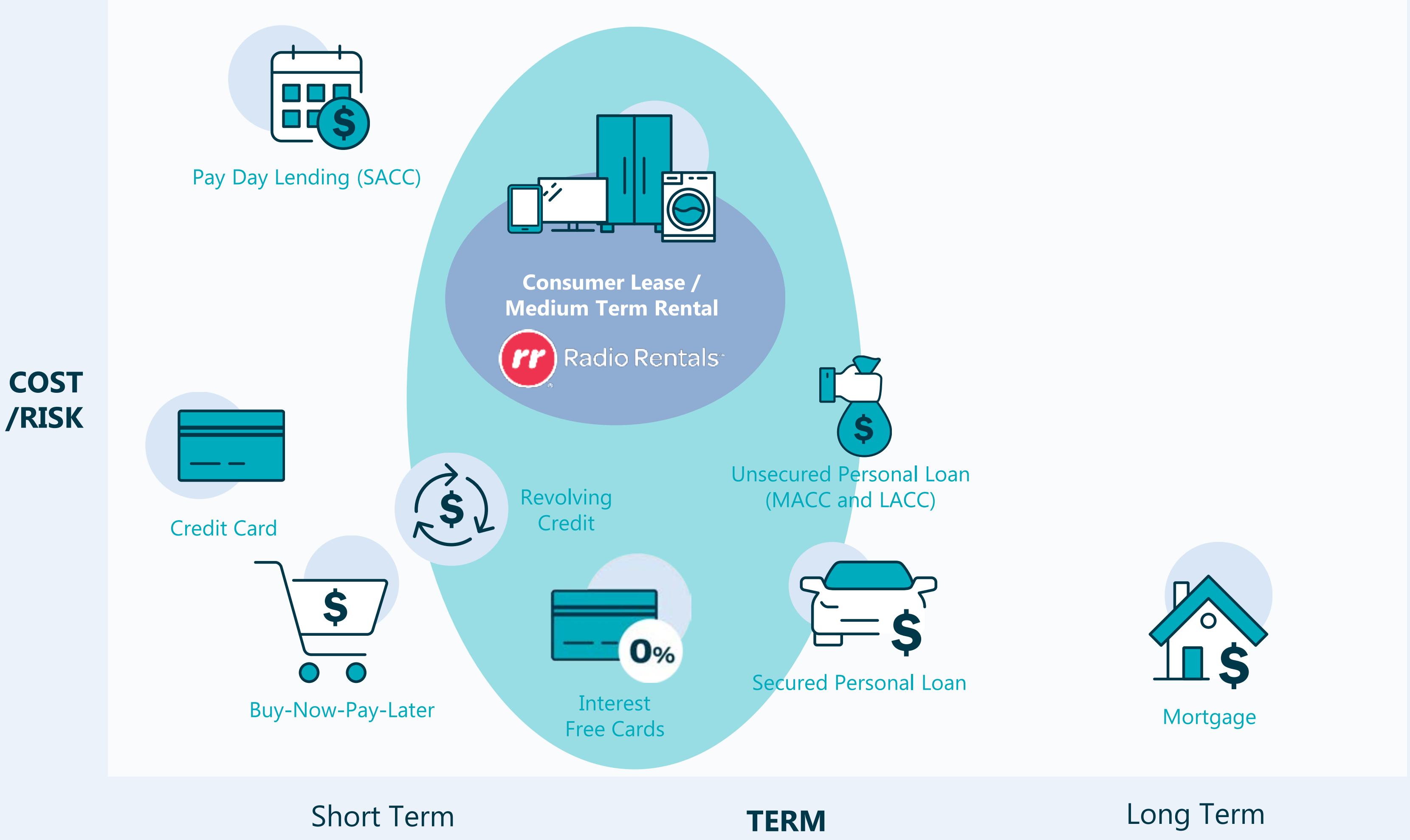
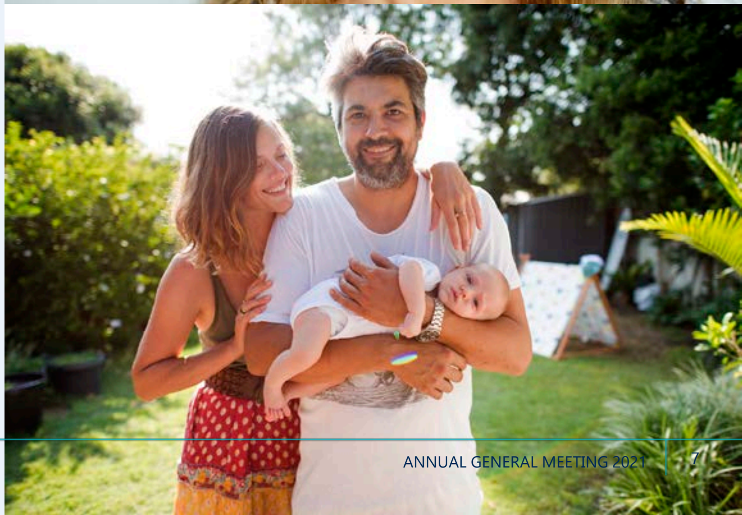
3 Consumer Finance Market





Business Finance Journey

Successfully supported SMEs through COVID, and met all required principal and interest payments to funders

Implemented fintech debtor finance platform, that integrates with SME accounting software to build a digital profile of customer's performance and risk

Recruited key staff and developed credit and operational policies and procedures. Launched the new debtor product

Developed simple customer facing legal documents with few conditions and covenants, a major SME driver

Executed agreement with Xero to be in the Xero App Marketplace. Will also be connected to MYOB and QuickBooks

Established partnership with fintech BNPL and payments platform and developing new working capital and equipment finance products, to complement and extend SME product suite

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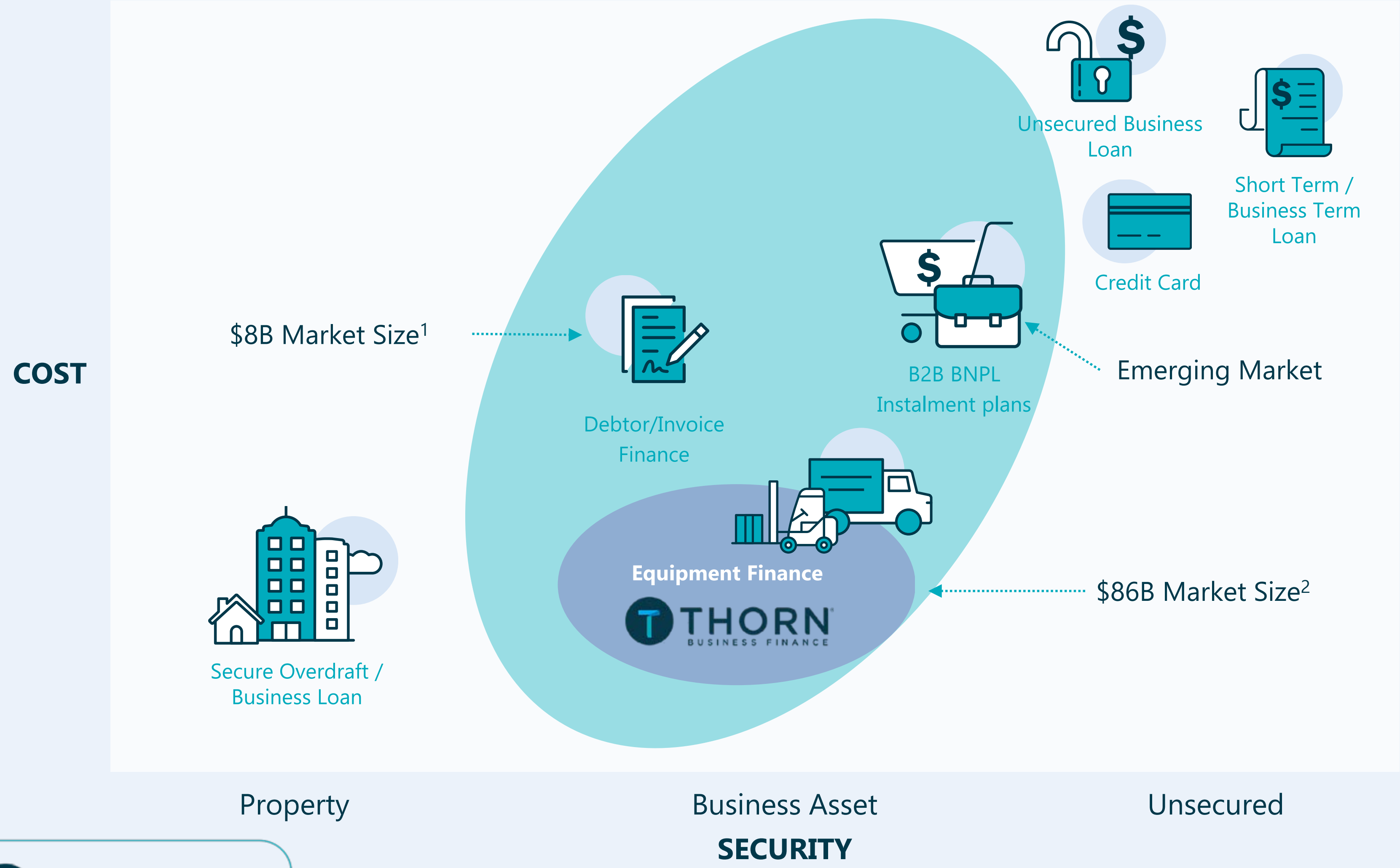
3 Business Finance Market



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[1] Factoring & Discounting Receivables, DIFA Dec 2015. [2] Net Receivables, AFIA, Jan 2020

Financial Results

Consolidated results

		Mar 21	Mar 20	% Change
Revenue	$m	**104.1**	204.3	(49.0)
EBIT pre significant items[1]	$m	**19.4**	(35.4)	nm
EBIT	$m	**19.7**	(62.1)	nm
NPAT	$m	**8.4**	(81.1)	nm
EPS	cents	**2.6**	(33.7)	nm
Free cash	$m	**68.3**	28.7	138.0
Receivables[2]	$m	**196.6**	389.8	(49.6)
Borrowings	$m	**166.3**	305.5	(45.6)

- Revenue as expected considerably lower with measured originations in both Consumer Finance[3] and Business Finance
- Focus on cost reduction and collections has seen a significant improvement in net profit after tax (NPAT)
- Earnings per share (EPS) has seen a significant improvement in line with NPAT
- Focus on cost reduction and collections together with low originations has strengthened cash reserves

Notes:
1. Significant items include $3.5 million of redundancy costs, $0.6m of IT related store closure costs offset by a $1.4 million net gain on exiting of store leases and $2.9 million of JobKeeper grant receipts.
2. Receivables on a net basis, i.e. net of unearned interest and net of provisioning for credit losses.
3. The Consumer Finance business refers to the Consumer Leasing segment.

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Financials Results – Consumer Finance[4]

Key Metrics		Mar-2021	Mar-2020	% Change
Origination volume	'000 units	**5.3**	74.5	(92.8)
Average price per unit	$	**1,173**	1,090	7.6
Average Unit Rate	$/week	**17.6**	14.5	21.3
Originations	$m	**6.0**	74.9	(92.0)
Revenue	$m	**70.7**	162.4	(56.5)
EBIT (pre significant items)	$m	**13.6**	(8.0)	nm
Receivables net of provision	$m	**48.0**	109.7	(56.2)

Credit Quality		Mar-2021	Mar-2020	% Change
Average arrears across period[1] (<30 days)	%	**6.7**	8.4	(1.6)
Average arrears across period[1] (30+ days)	%	**14.0**	13.8	0.1
Net write-offs[2]	$m	**20.5**	28.8	(28.8)
Net write-offs as a % of average receivables[3]	%	**18.4**	18.6	(0.2)
Impairment expense[2]	$m	**13.6**	38.7	(64.9)

Notes:
1. Calculated as average monthly arrears balance across the 12 month period of delinquent accounts expressed as a % of total monthly billings.
2. Net write-offs stated here are the net write-offs processed in the period. The impairment expense line represents that plus changes in the provision for credit losses.
3. Net write-offs for 12 month period expressed as % of average gross receivables.
4. The Consumer Finance business refers to the Consumer Leasing segment.

- Commenced transforming the business from bricks and mortar to a digital business model
- Lower revenue and originations during the transition to a digital business model
- >$40m of annualised cost reductions across people, stores and warehouses, and vehicles, significantly reducing the fixed cost base
- The receivables book reduced due to subdued origination volumes during the transition to a digital business model
- Overall collection performance has been strong with average <30-day arrears reducing relative to the prior year
- Net write-offs and impairment expense significantly reduced relative to the prior year

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Financials Results – Business Finance

Key Metrics		Mar-2021	Mar-2020	% Change
Originations	$m	**5.2**	152.0	(96.6)
Receivables net of provision	$m	**147.5**	278.4	(47.0)
Revenue	$m	**33.4**	41.9	(20.3)
EBIT (pre significant items)	$m	**12.7**	(19.1)	nm

Credit Quality		Mar-2021	Mar-2020	% Change
Arrears at period end (30+ days)	%	**8.6**	5.1	3.5
Average arrears (30+ days) across the period	%	**23.2**	6.2	17.0
Net write-offs[2]	$m	**12.5**	23.3	(46.3)
Net write-offs as a % of average receivables[3]	%	**4.8**	7.0	(2.1)
Impairment expense[2]	$m	**12.5**	49.9	(74.9)

- Focused on supporting customers impacted by the COVID-19 pandemic to preserve the value of the receivables book. Payment holidays and variations were offered to most COVID-19 impacted customers
- Originations were restricted following the warehouse being placed into amortisation as a direct result of COVID-19
- Average 30+ day arrears were substantially higher than the prior year due to the impacts of COVID-19
- The value of COVID-19 impacted contracts has reduced to ~$73m at March 2021, with ~14.5% of the value 30+ days past due
- The COVID-19 provision is $31.7m as at March 2021

Notes:
1. Calculated as average monthly arrears balance across the 12 month period of delinquent accounts expressed as a % of total monthly billings.
2. Net write-offs stated here are the net write-offs processed in the period. The impairment expense line represents that plus changes in the provision for credit losses.
3. Net write-offs for 12 month period expressed as % of average gross receivables.

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Balance sheet

		31-Mar-2021		31-Mar-2020	
		excl. Trust	incl. Trust	excl. Trust	incl. Trust
Cash at bank	$m	**68.3**	**88.0**	28.7	49.6
Receivables	$m	**55.0**	**196.6**	128.1	389.8
Investment in unrated notes	$m	**-**	**-**	-	-
Inventories and other assets	$m	**3.1**	**3.1**	13.9	13.9
Other investments	$m	**1.0**	**1.0**	-	-
Total assets	$m	**127.4**	**288.7**	170.7	453.3
Borrowings	$m	**-**	**166.3**	12.0	305.5
Other liabilities	$m	**23.6**	**27.3**	35.8	42.1
Total liabilities	$m	**23.6**	**193.6**	47.8	347.6
Total equity	$m	**103.8**	**95.1**	122.9	105.8

- Business focused on managing the impacts of COVID-19 on customers and maximising free cash flow
- Materially lower originations across the Consumer Finance and Business Finance divisions have resulted in a substantial reduction in receivables
- Inventory reduced from $7.8m to $0.1m as Consumer Leasing transitioned to a drop-ship supply chain
- Warehouse borrowings reduced to $166.3m as payments accelerated under amortisation
- Other liabilities reduced as lease liabilities fell from $10.8m to $0.9m following the exit of the store network and associated warehouses

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Receivables

			Mar 21	Mar 20	% change
Consumer Finance	$m	Gross book incl. billed amounts	**77.3**	146.0	(47.1)
	$m	Provision for credit losses	**(29.3)**	(36.3)	(19.3)
	$m	Net balance	**48.0**	109.7	(56.2)
		Provision as a % of gross	**37.9%**	24.9%	13.0
Business Finance	$m	Gross book incl. billed amounts	**192.5**	323.4	(40.5)
	$m	Provision for credit losses	**(45.0)**	(45.0)	-
	$m	Net balance	**147.5**	278.4	(47.0)
		Provision as a % of gross	**23.4%**	13.9%	9.5
Other	$m	Other	**1.1**	1.8	(38.9)
Receivables	**$m**	**Total**	**196.6**	**389.8**	**(49.6)**

- Consumer Finance receivables gross book reduced 47% to $77.3m impacted by lower originations during the transition to a digital business model
- Business Finance receivables gross book reduced 40.5% to $192.5 million due to the warehouse being placed into amortisation and not allowing the funding of new originations
- Provisions for credit losses as a percentage of receivables have increased for both businesses

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