GENERAL CAPITAL

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2020

General Capital Limited
Annual Report
For the year ended 31 March 2020

Contents

GENERAL CAPITAL

Directors' Profiles

REWI HAMID BUGO B.Sc., M.Com.
Non-Executive Chairman

Rewi Hamid Bugo has been a Non-executive Director of General Capital Limited since 13 June 2017 and was elected Chairman of the Board of Directors following the acquisition of Corporate Holdings Limited in August 2018. Mr Bugo is a graduate of the University of Canterbury, Christchurch, where he obtained a Bachelor of Science in Management Science and a Master of Commerce in Business Administration. He has business experience in several sectors including oil and gas, property development, insurance broking and travel and tourism.

Mr Bugo sits on the Board of several private companies in Malaysia and New Zealand and is Vice Chairman of the Sarawak Chapter of the Malaysia New Zealand Chamber of Commerce.

BRENT DOUGLAS KING, BCom, CA, CMA, RFA
Managing Director

Brent Douglas King has been the Managing Director of General Capital Limited and its subsidiaries since 3 August 2018. Prior to that date, Mr King was a non-executive Director since 30 September 2011. He was also the founder and Managing Director of the Dorchester Group of Companies for seventeen (17) years until he resigned in 2005. He holds a number of public and private directorships. He has more than twenty-five (25) years' experience in financial, investment banking, underwriting, capital raising and accounting areas and has assisted a number of public and private companies.

HUEI MIN LIM, LLB (Hons), MNZM, CMInstD
Non-executive Independent Director

Huei Min Lim (also known as Lyn Lim) is a Non-Executive Director of General Capital Limited and has been since 21 December 2011. Lyn Lim is also on the boards of the Auckland Regional Amenities Funding Board and Restaurant Brands New Zealand Limited. She is also a trustee of the Asia New Zealand Foundation.

Lyn has also served on the boards of Auckland University of Technology (AUT), the New Zealand Shareholders' Association, Public Trust, the New Zealand China Trade Association, the Hong Kong and New Zealand Business Association, was the Chair of the New Zealand Chinese Youth Trust and held the positions of Trustee, Deputy Chair and Chair of Foundation North. She has been a member of ANZ Private Bank External Advisory Board and has served as a council member of the Auckland District Law Society Inc. In 2017, Lyn was appointed as a Member of the New Zealand Order of Merit for her services to New Zealand-Asia relations and governance. Lyn is a Chartered Member of the New Zealand Institute of Directors, a member of the New Zealand Law Society and a member and Vice Chair of the Women in Business Committee of the Inter Pacific Bar Association.

Directors' Profiles (Continued)

GRAEME IAIN BROWN BCom
Non-executive Independent Director

Graeme Iain Brown is a graduate of the University of Otago where he obtained a Bachelor of Commerce. He has over 20 years' experience in the Malaysian plantation industry. He has been the Managing Director of Keresa Plantations Sdn. Bhd. since 1997. Keresa Plantations is one of just a few RSP0 certified plantations in Sarawak. Graeme also founded Keresa Mill Sdn. Bhd. in 2005, which has been a pioneer in the successful implementation of advanced milling technologies for FFB processing. Graeme was also a co-founder in 2007 and joint Chief Executive Officer of Asian Plantations Limited, which was sold to a Malaysian corporation for RM1.2 billion in 2015.

Graeme has been an Executive Director of Sarawakiana Realty Sdn. Bhd., a property company, since 1996, and Malesiana Tropicals Sdn. Bhd., a tissue culture company, since 2000 as well as being a Director of several private companies, including Rajang Wood Sdn. Bhd., a plantation holding company, since 1996.

SIMON JOHN McARLEY LLB(Hons)
Non-executive Independent Director

Simon John McArley graduated from Victoria University, Wellington in 1984 with an LLB (Hons). Simon is a lawyer by training who specialises in corporate governance and risk.

After almost 20 years in private practice with Kensington Swan, specialising in banking and securities law, Simon took up regulatory positions with NZX as acting Head of Regulation and the (then) Securities Commission as acting Director Primary Markets. Simon went on to join the Serious Fraud Office (SFO) as General Manager Capital Markets and Corporate Fraud in 2011 where he had responsibility for the successful investigation and prosecution of finance sector fraud uncovered by the GFC. After 12 months as acting Director of the SFO, Simon left the SFO in late 2013 and has since been consulting with government and private sector entities on governance and risk management issues. Simon has also held governance positions with commercial and not for profit entities. Simon is a member of the New Zealand Law Society. Simon is also a keen sailor and has extensive coastal and blue water experience.

General Finance Directors and Executive

DONALD FREDERICK HATTAWAY CA, ACIS
General Finance Limited Chairman and Independent Non-Executive Director

Don is a member of the Chartered Accountants Australia and New Zealand (CAANZ) and has practised as a Chartered Accountant in public practice since 1980. He retired as a Partner in Price Waterhouse in 1996 and has specialised in acting for small or medium sized enterprise businesses since then often fulfilling the role of finance director for those companies. Don was the Chairman of listed banking software technology company Finzsoft Solutions Ltd. Don is a previous Chairman of the Board of Directors of the Auckland Cricket Association.

He is a Director of Sietec (NZ) Limited and has held a previous public company directorship with Cooks Global Foods Ltd as well as directorships with a number of private companies

ROBERT GARRY HART LLB (Hons) Waikato University (1998), PG Dip Management.
General Finance Limited Independent Non-Executive Director

Rob is a director of Waikato law firm Ellice Tanner Hart, who has practised law for 16 years. In this role he has wide experience acting on finance and security related matters involving various tiers of lenders. He also advises clients on governance and insolvency related matters. Rob was previously a director of New Zealand Cricket Incorporated and is currently deputy chair of Balloons Over Waikato Trust which annually stages Waikato's largest event.

Rob is a member of the New Zealand Sports Tribunal and has held directorships with a number of private companies.

GREGORY JOHN PEARCE B.Com.
General Finance Limited Executive Director

Greg is a lending and credit specialist having held roles with large companies (Telecom and Air New Zealand) and a senior role with Dorchester Finance Limited being General Manager Lending and Credit from 1997 to 2008. Since that time, he has consulted and contracted to receivers in relation to loan recoveries.

JONATHAN CLARK BCom, CA
General Capital Limited Chief Financial Officer

Jonathan is a Chartered Accountant and has been a member of the Chartered Accountants Australia and New Zealand (CAANZ) since 2013. He has over 9 years post-university working experience, including several years working on statutory external audit engagements for a chartered accounting firm and other accounting and finance roles for listed and unlisted companies.

Directors' Report

The year to 31 March 2020 was a very positive year for General Capital Limited ("the Company") and subsidiaries (together "the Group"). We have seen strong growth in the Group.

Due to the looming Covid-19 crisis we slowed a little over late February and for March; however, the overall growth in the year was strong.

In the Directors' report on page 8 of last year's Annual Report we set out the following objectives for the year ended 31 March 2020:

➢ Increase total assets for the group to $50m	ACHIEVED	Total assets were $51.2m
➢ Increase total deposits to $38m	ACHIEVED	Total Deposits were $41.5m
➢ Increase Capital to $12m	NOT ACHIEVED	Total Capital was $9.4m
➢ Achieve a NPBT of $300k for the year	NOT ACHIEVED	NPBT was $190k

➢ To consider an acquisition in the second 6-months of the financial year.

We considered a number of acquisitions. After initial due diligence we came to the conclusion that none were value for money and none would have increased the value of General Capital. We instead focused on organic growth.

We didn't hit all the objectives, but the Group made good progress.

All Shareholders will know the financial year ended in unprecedented circumstances. The lockdown created a lack of confidence and effectively cost the Group around five weeks of normal trading. The result is that the big targets (Assets and Deposits) were achieved and we built up significant cash to be able to meet all obligations without any stress. We could have survived at least another twelve months without **any** cash inflows.

Raising lower capital than expected had an impact on profitability. We had issued warrants to shareholders which we had expected to be exercised. Unfortunately, the exercise rate was exceptionally low, and we did not receive the inflow we had expected.

This is disappointing for General Capital but is understandable as the issues around Covid-19 and lockdown were foremost in investors' minds. We will continue to consider options for capital raising over this year.

1.0 Recent History

We had a busy year building the Group.

The major items were as follows:

- 14 Jun 2019 Preliminary Results announced showing strong Growth
- 18 Jun 2019 New CFO appointed for the Group
- 25 Jun 2019 Warrants issued to Directors and Staff
- 01 Jul 2019 Migration to the Main Board
- 30 Aug 2019 Annual Meeting held all resolutions carried
- 16 Sep 2019 General Finance receives a BB- credit Rating with a positive outlook.
- 4 Nov 2019 Warrant tender process undertaken for non-eligible shareholders
- 19 Nov 2019 6-monthly Results announced showing further strong Growth
- 24 Jan 2020 General Finance Credit Rating confirmed
- 31 Mar 2020 GENWA Warrants Final Exercise Date - notice of securities issued given 2/4/20

Directors' Report (Continued)

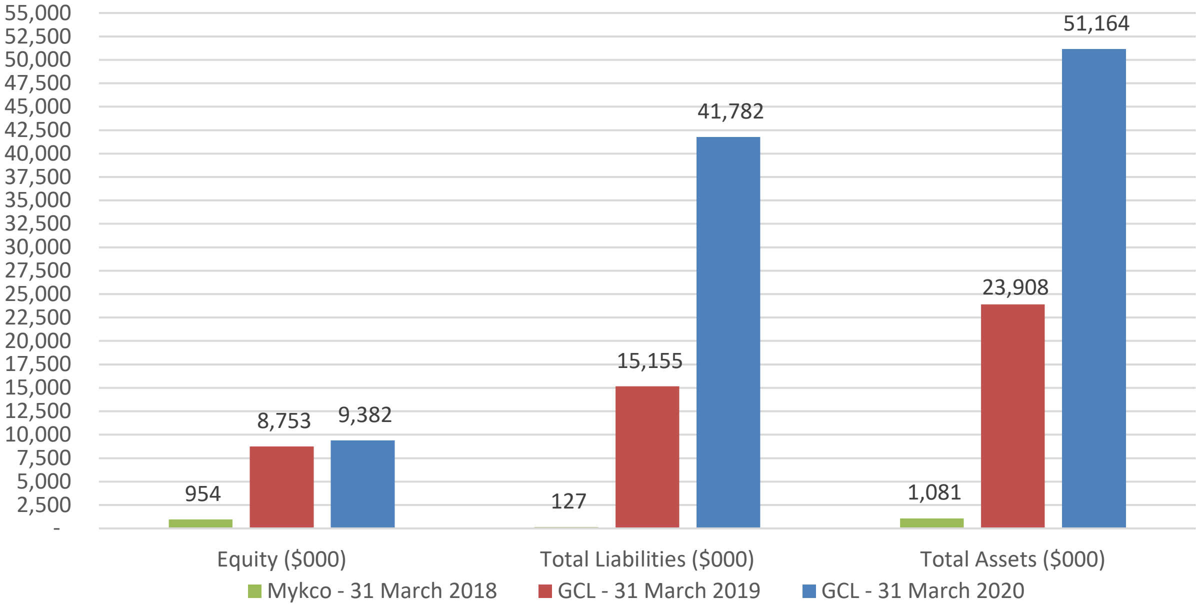
2.0 Result to 31 March 2020

The results for this financial year show the results of building the business.

We have had growth in virtually all aspects of the Group. The major factors are as follows:

• Total Assets	UP 114% to $51.2m
• Net Revenue	UP 48% to $2.0m
• Term Deposits	UP 178% to $41.5m
• Cash	UP 326% to $12.6m
• Net Profit after tax	UP 128% to $130k

Figure 1: Balance Sheet Growth



31 March 2019 and 31 March 2020 figures are extracted from the audited financial statements of General Capital Limited (GCL). 31 March 2018 figures are extracted from the 31 March 2018 audited financial statements of Mykco Limited. Refer to the notes to the financial statements for further details.

In summary, we are profitable, and we have had excellent growth. We are one of the exceptions. Companies with high growth often cannot get near breakeven let alone achieve profits.

3.0 Accounts

The Auditors have completed their Audit and they are satisfied on all aspects bar one. The exception is the carrying value of the goodwill and licenses allocated to our research and advisory cash generating unit (the business of Group subsidiary, Investment Research Group Limited, "IRG"). The Auditors have concluded they have insufficient audit evidence to support the assumptions we have made in valuing IRG and are thus unable to determine if any adjustment to our figures are necessary.

Directors' Report (Continued)

The valuation of IRG is based on an estimation of the forecast earnings of the business over the next 5 years, discounted at an appropriate rate. This involves complex and subjective estimation and judgement. It is not an exact science and is always open to differing interpretations and uncertainties. In particular it is very hard to be certain of the future cash flows an asset, like IRG will produce. That is the reality of this business, particularly at this point of the economic cycle.

While we understand the Auditors reasoning, there are a number of factors outside strict audit evidence that we believe justify the value we have adopted. For example:

- For the first time IRG has two signed mandates in place at the beginning of the financial year, as well as the prospect of further advisory work during the year. This reflects the strong networks the business has built that are now bearing fruit.
- IRG has only been under General Capital's ownership and governance for a short time. During that time significant management resource has been devoted to the finance company. With the finance company now on track, more focus can now move to growing IRG.
- While the current economic outlook is uncertain, the structural disruption we are experiencing in the economy is likely to enhance demand for the small scale and innovative capital raising IRG specialises in.
- The current valuation is supported by the independent appraisal conducted at the time of purchase of the business.

Based on the above and after carefully reviewing the history of the business and projections for the next 5-years, the Directors believe that the carrying value of the asset is not impaired at 31 March 2020.

We will of course review the carrying value each 6-months to ensure that the Directors still believe the value is appropriate based on the expected future cash flows from the business.

We have no doubt that there will be differing approaches between Auditors and Directors during these uncertain times. The valuation challenges mentioned above are magnified by uncertainty in the wider economy. We however believe in being positive and optimistic about the future. The challenges we face will provide greater opportunity. The Directors believe it would be premature to simply write off IRG because of uncertainty, given the many positive factors discussed above. That would not give the Shareholders a fair representation of the value.

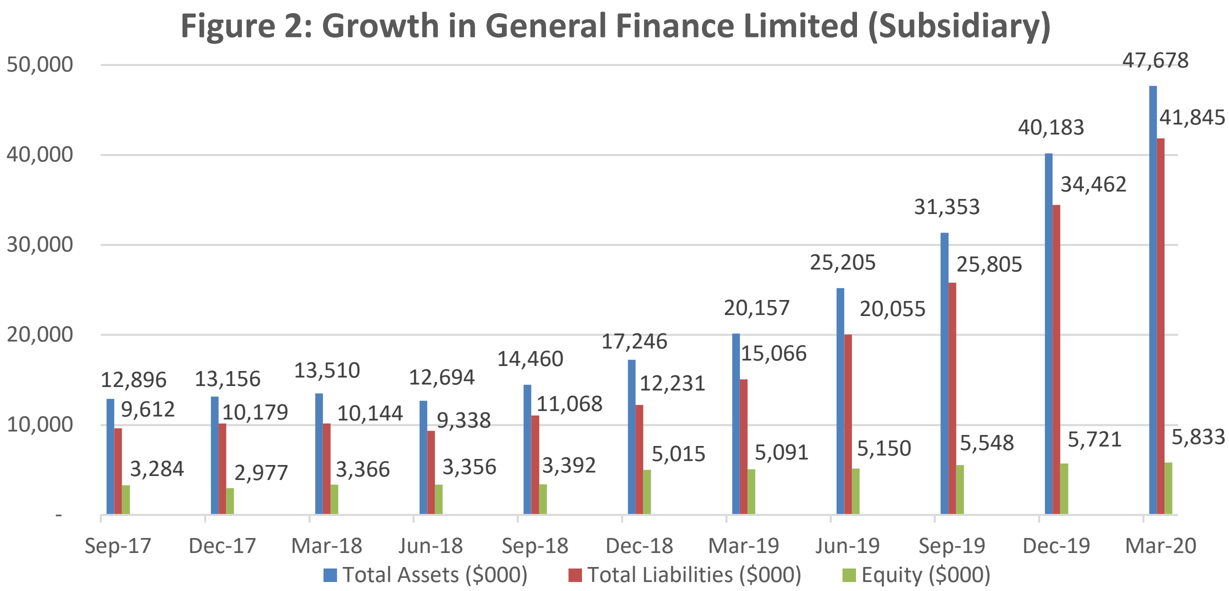
4.0 General Finance Limited

General Finance is the obvious star of the Group.

General Finance has the benefit of most of the Group's capital and most of the resources. It has been a highly successful year in all regards. The growth has now made the business into a profitable entity. We have been able to increase market awareness of our products and to increase management support. General Finance has had to bear increased costs such as the costs of obtaining a credit rating this year. We are now well past "critical mass" and continued growth will add net revenue, but it will not add significant costs. We expect to see increasing profits over the next year.

On a cautionary note, we have increased cash reserves. The carrying of surplus cash creates a cost. We will continue to hold significant cash to allow a margin for the unexpected. We are currently working on increasing our loan book which has reduced as we have had repayments and ceased new lending under lockdown. The challenge for us is to rebuild our loan book to previous levels and to increase above that level whilst still maintaining high quality loans. As always, we will approach this in a measured and planned manner.

Directors' Report (Continued)



The 31 March 2020, 31 March 2019 and 31 March 2018 figures have been extracted from the audited financial statements of General Finance Limited. Other quarterly figures have been extracted from General Finance Limited's management accounts.

The Next Stage

We will continue to grow the General Finance business, but at a slower rate this year. Last year we achieved a 100% plus growth. This year we are planning for a 50% growth.

We expect that acquisition opportunities will present themselves and that the industry will see the benefits of rationalisation so costs can be spread over a larger base. Whilst we cannot guarantee this will occur, we will be seeking options that will enhance the value of the Group.

5.0 Investment Research Group

As noted above we are starting the financial year with two investment advisory mandates in place. These are in the bioscience space (including medicinal Cannabis related entities). This is very promising, and we are expecting to be able to announce further positive developments as the year progresses.

With the success of the finance company this year, we hope to be able to move some Management and Board focus to growing the IRG business in the coming year. We believe the current economic disruption will produce more opportunities for the services offed by IRG.

6.0 Caution

We all must have been surprised at the health, social and economic changes this last 6 months. No one knows the future. The key for us all is to progress positively but cautiously. The Board are very aware of the volatility and we are far more cautious than in previous periods.

We know that the unexpected can and will happen!

Directors' Report (Continued)

7.0 Thanks

The Board wishes to thank management, staff and Board Members of General Capital and its subsidiaries for a tremendous performance this year. We think our performance would have been even better if we did not have the Covid-19 impact.

We also thank the shareholders for their support. We understand the patience that you have shown. We hope you can see the significant progress we have made. We are confident these great results will continue through the coming year.

Rewi Hamid Bugo Chairman	Brent Douglas King Managing Director

Corporate Governance Statement

The Board of Directors ("Board") and management of General Capital Limited ("the Company") are committed to ensuring that the Company adheres to best practice governance principles and maintains the highest ethical standards. The Board regularly reviews and assesses the Company's governance structures to ensure that they are consistent, both in form and in substance, with best practice.

The Company was listed on the NZAX up to 30 June 2019 and migrated to the NZX main board on 1 July 2019. The Board framework and governance practices for the year ended 31 March 2020 were compliant with the requirements of the NZX rules.

The Board is currently updating the framework to be in line with the recommendations in the NZX Corporate Governance Code released in 2019 (NZX Code). In this regard, there are several items which the Company is progressing to ensure compliance with the NZX Code. The information in this report is current as at the date of this report and has been approved by the Board. Key governance documents are available in a new corporate governance section of the Company's website: www.gencap.co.nz. Further documents will be added as they are finalised and formalised.

The NZX Corporate Governance Code can be found on the NZX Website at: www.nzx.com/regulation/nzx-rules-guidance/corporate-governance-code.

The Governance Code contains eight (8) principles and various recommendations for each principle. The Board has reported on the Company's compliance with each of the recommendations which are included below.

Principal 1 – Code of Ethical Behaviour

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

RECOMMENDATION 1.1

The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics).

The code of ethics and where to find it should be communicated to the issuer's employees. Training should be provided regularly. The standards may be contained in a single policy document or more than one policy.

The code of ethics should outline internal reporting procedures for any breach of ethics, and describe the issuer's expectations about behaviour, namely that every director and employee:

(a) acts honestly and with personal integrity in all actions;
(b) declares conflicts of interest and proactively advises of any potential conflicts;
(c) undertakes proper receipt and use of corporate information, assets and property;
(d) in the case of directors, gives proper attention to the matters before them;
(e) acts honestly and in the best interests of the issuer, shareholders and stakeholders and as required by law;
(f) adheres to any procedures around giving and receiving gifts (for example, where gifts are given that are of value in order to influence employees and directors, such gifts should not be accepted);
(g) adheres to any procedures about whistle blowing (for example, where actions of a whistle blower have complied with the issuer's procedures, an issuer should protect and support them, whether or not action is taken); and
(h) manages breaches of the code

Compliance with recommendation during the year ended 31 March 2020:

The Board has a strong belief that ethical behaviour is paramount to good corporate governance and underpins the reputation of the Company. As such, the ethical principles that were applied by the Board (and required of Management and employees) were in line with the recommendations above.

Corporate Governance Statement (Continued)

The Group's code of ethics was updated during the year and complies with the recommendation in full. Employees are required to read the code of ethics, and periodic training is provided. The code of ethics has been published on the Company's website.

RECOMMENDATION 1.2
An issuer should have a financial product dealing policy which extends to employees and directors.

Compliance with recommendation during the year ended 31 March 2020:
The Board had a securities trading policy in place for employees and directors during the year. This policy requires prior approval of all transactions in General Capital Limited quoted securities and other restricted securities, specifies blackout periods for trading and defines prohibited trading. The Company's governance policies and procedures are currently being reviewed and a draft revised securities trading policy is currently with the Board for consideration. Once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

PRINCIPLE 2 – Board Composition & Performance

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Board Composition
Board members who have a wide range of business, technical and financial background lead the Company. The Board is responsible and accountable to shareholders and other stakeholders for the Company's performance and its compliance with applicable laws and standards.

The Board of Directors currently comprises five (5) directors, four (4) of which are Non-executive Directors (Rewi Hamid Bugo (Chairman), Huei Min Lim, Graeme Iain Brown and Simon John McArley) and one (1) Executive Director (Brent Douglas King).

Huei Min Lim, Graeme Iain Brown and Simon John McArley are independent directors of the Company.

By virtue of being a significant product holder, Rewi Hamid Bugo has not been identified as an independent director of the Company.

Refer to the Directors' Profiles section of this Annual Report for further details.

Board Meetings

The Company's Board meetings are conducted in accordance with proper process. This enables the Board to peruse any board papers and review any issues to be deliberated at the Board meeting to enable Directors to make informed decisions.

A total of 8 (eight) Board Meetings were held during the financial year under review. Board attendance has been recorded as follows:

Board Members	Board	Audit Committee
Rewi Hamid Bugo (Chairman)	6	3
Brent Douglas King	6	N/A
Huei Min Lim	6	3
Graeme Iain Brown	6	3
Simon John McArley	6	3

The Board also met whenever necessary to deal with specific matters needing attention between scheduled meetings.

Corporate Governance Statement (Continued)

The gender balance of the Group's Directors and officers was as follows:

	as at 31 March 2020		as at 31 March 2019	
	Directors	**Officers***	**Directors**	**Officers***
Female	1	0	1	0
Male	4	1	4	1
Total	5	1	5	1

*Officers excludes any directors of the Company.

RECOMMENDATION 2.1
The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.

Compliance with recommendation during the year ended 31 March 2020:

The Board adopted an updated Board Charter during the year which sets out the roles and responsibilities of the Board and Management and complies with the recommendation in full.

The Board Charter has been published on the Company's website.

RECOMMENDATION 2.2
Every issuer should have a procedure for the nomination and appointment of directors to the board.

Compliance with recommendation during the year ended 31 March 2020:

There were no new directors appointed during the year (other than those re-elected at the Annual Meeting). The Board follows the requirements of the NZX Rules as well as the commentary in the NZX Corporate Governance Code when selecting new directors.

The Company's governance policies and procedures are currently being reviewed and updated. A draft Procedure for Nomination and Appointment of Directors is currently with the Board for consideration. This document is expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

RECOMMENDATION 2.3
An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

Compliance with recommendation during the year ended 31 March 2020:

There were no new directors appointed during the year (other than those re-elected at the Annual Meeting). The Company intends to comply with this requirement for future newly appointed directors.

The Company's governance policies and procedures are currently being updated and a draft Procedure for Nomination and Appointment of Directors is currently with the Board for consideration. It is expected that this will include a requirement for written agreements with newly appointed directors in line with the recommendation. Once the majority of the governance policies and procedures have been finalised, they will be published on the Company's website.

Corporate Governance Statement (Continued)

RECOMMENDATION 2.4

Every issuer should disclose information about each director in its annual report or on its website, including a profile of experience, length of service, independence and ownership interests and director attendance at board meetings.

Compliance with recommendation during the year ended 31 March 2020:

All of the information detailed in the recommendation is included in the Annual Report and can be found in the Directors Profiles, Corporate Governance Statement and Shareholder and Statutory Information sections.

RECOMMENDATION 2.5

An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.

Compliance with recommendation during the year ended 31 March 2020:

Despite not having a formal written diversity policy in place during the year, the Board recognises the wide-ranging benefits that diversity brings to an organisation.

The gender composition of the Company's directors and officers is included above.

The Company's governance policies and procedures are currently being reviewed and updated. A draft Diversity Policy is currently with the Board for consideration. This document is expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

RECOMMENDATION 2.6

Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

Compliance with recommendation during the year ended 31 March 2020:

The Company's Board understand their obligations as Directors of a publicly listed Company and undertake training when necessary to remain current on how to best perform their duties.

RECOMMENDATION 2.7

The board should have a procedure to regularly assess director, board and committee performance.

Compliance with recommendation during the year ended 31 March 2020:

Director and Board performance is considered crucial to the success of the Company and its subsidiaries. The Board regularly reviews its performance and the performance of its members. This includes an assessment of whether the composition of the board is adequate and whether any training is needed for Directors.

The Company's governance policies and procedures are currently being reviewed and updated. A draft Procedure for Assessing Director, Board and Committee Performance is currently with the Board for consideration. This document is expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

RECOMMENDATION 2.8
A majority of the board should be independent directors.

Compliance with recommendation during the year ended 31 March 2020:
As detailed in the Board Composition section above, 3 of the 5 Directors have been identified as Independent Directors of the Company. Of the 2 remaining directors, 1 is a Non-executive Director.

The Board consider that the current composition of the Board during the year was satisfactory to make decisions in the best interests of the Entity and its shareholders. In addition to this, Non-executive directors periodically confer without executive directors or other senior executives present. Any directors who are conflicted on certain matters are unable to participate in the decisions made in relation to those matters.

RECOMMENDATION 2.9
An issuer should have an independent chair of the board. If the chair is not independent, the chair and CEO should be different people.

Compliance with recommendation during the year ended 31 March 2020:
Rewi Hamid Bugo is the Chair of the Company and Brent Douglas King is the Managing Director (CEO). By virtue of being a significant product holder, Mr Bugo is not an independent director of the Company.

Principle 3 – Board Committees

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

Recommendation 3.1
An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should be an independent director and not the chair of the board.

Compliance with recommendation during the year ended 31 March 2020:
On 1 July 2019, to comply with the NZX Main Board Listing Rules, an Audit Committee was formalised as a sub-committee of the Board with the following members:

Simon John McArley	(Chair of Audit Committee, Independent Director)
Huei Min Lim	(Independent Director)
Graeme Iain Brown	(Independent Director)
Rewi Hamid Bugo	(Non-executive Director)

Prior to the Company moving to the main board of the NZX on 1 July 2019, the Audit committee responsibilities were dealt with by the full Board as General Capital Limited was listed on the NZAX during that period.

The audit committee responsibilities include the following:

1. Ensuring that processes are in place and monitoring those processes so that the board is properly and regularly informed and updated on corporate financial matters;
2. Recommending the appointment and removal of the independent auditor;
3. Meeting regularly to monitor and review the independent and internal auditing practices;
4. Having direct communication with and unrestricted access to the independent auditor and any internal auditors or accountants;
5. Reviewing the financial reports and advising all Directors whether they comply with the appropriate laws and regulations; and
6. Ensuring that the Key Audit Partner is changed at least every 5 years.

Corporate Governance Statement (Continued)

The Audit, Finance and Risk Committee now comprises a majority of independent directors and no executive directors. Simon John McArley has a financial background in accordance with the requirements of NZX Listing Rule 2.13.1.

The Company's Audit Committee Charter was updated during the year. The Audit Committee Charter has been published on the Company's website.

Recommendation 3.2
Employees should only attend audit committee meetings at the invitation of the audit committee.

Compliance with recommendation during the year ended 31 March 2020:
Non-committee members including employees only attend audit committee meetings at the invitation of the audit committee.

Recommendation 3.3
An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

Compliance with recommendation during the year ended 31 March 2020:
Remuneration committee responsibilities were dealt with by the full Board during the year ended 31 March 2020. Employees only attended meetings at the invitation of the Board.

The responsibilities included recommending remuneration packages for directors for consideration by shareholders and to approve Managing Director and senior management remuneration. Any directors who were conflicted on certain matters were unable to participate in the decisions made in relation to those matters.

The Company's remuneration policy is currently being updated as part of the Company's governance policies and procedures. A draft Remuneration Policy is currently with the Board for consideration. This document is expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

Recommendation 3.4
An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.

Compliance with recommendation during the year ended 31 March 2020:
Nomination committee responsibilities were dealt with by the full Board during the year ended 31 March 2020.

The Company's governance policies and procedures are currently being reviewed and updated. A draft Procedure for Nomination and Appointment of Directors is currently with the Board for consideration. This document is expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

Recommendation 3.5
An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

Corporate Governance Statement (Continued)

Compliance with recommendation during the year ended 31 March 2020:
The Board has not considered it necessary to have any other board committees during the year.

Recommendation 3.6
The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. It should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

Compliance with recommendation during the year ended 31 March 2020:
In the event of a takeover bid, the Board would have determined the appropriate actions to take including the scope of independent advisory reports to shareholders, and whether an independent takeover committee should be established.

The Company's governance policies and procedures are currently being reviewed and updated. A draft Takeover Response Procedure is currently with the Board for consideration. This document is expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

PRINCIPLE 4 – Reporting & Disclosure

"The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

Recommendation 4.1
An issuer's board should have a written continuous disclosure policy.

Compliance with recommendation during the year ended 31 March 2020:
The Company's Board is committed to keeping investors and the market informed of all material information about the Company and its performance in line with the NZX listing rules and has done so throughout the period.

The Company's governance policies and procedures are currently being reviewed and updated. A draft Continuous Disclosure Policy is currently with the Board for consideration. This document is expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

Recommendation 4.2
An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Compliance with recommendation during the year ended 31 March 2020:
The Company's Code of Ethics, Board Charter and Audit Committee Charter are available on the Company's website. The company's governance policies and procedures are currently being reviewed and updated. Once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

Recommendation 4.3
Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering material exposure to environmental, economic and social sustainability factors and practices. It should how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.

Corporate Governance Statement (Continued)

Compliance with recommendation during the year ended 31 March 2020:

Financial Reporting
The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and for ensuring all relevant financial reporting and accounting standards have been followed.

For the financial year ended 31 March 2020, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and the Group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Managing Director and Chief Financial Officer have confirmed in writing to the Board that the Company's financial reports present a true and fair view in all material aspects.

Non-financial reporting
Due to its current size, the Company is in the early stages of considering how and to what extent it should report on non-financial information such as environmental, social and governance matters (ESG). The Company does not currently have a formal ESG reporting framework, however this is being considered by the Board with the intention that the Company will report on these non-financial matters in the future.

PRINCIPLE 5 – Remuneration

"The remuneration of directors and executives should be transparent, fair and reasonable."

Recommendation 5.1
An issuer should recommend director remuneration packages to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.

Compliance with recommendation during the year ended 31 March 2020:
Shareholders approved a total Directors' remuneration fee pool of $300,000 per annum in the Special Meeting of shareholders on 31 July 2018. Director remuneration is disclosed in the Shareholder and Statutory Information section of the Annual Report.

Recommendation 5.2
An issuer should have a remuneration policy for remuneration of directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria.

Compliance with recommendation during the year ended 31 March 2020:
Remuneration of directors has been determined in line with the process noted under recommendation 3.3 above and with the Company's Corporate Governance Code.

The Company's governance policies and procedures are currently being reviewed and updated. A draft Remuneration Policy and a draft Procedure for Assessing Director, Board and Committee Performance is currently with the Board for consideration. These documents are expected to comply with the recommendation and once the majority of the Company's governance policies and procedures have been updated and finalised, they will be published to the Company's website.

Recommendation 5.3
An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short term incentives and long-term incentives and the performance criteria used to determine performance-based payments.

Corporate Governance Statement (Continued)

Compliance with recommendation during the year ended 31 March 2020:
Information in relation to the remuneration arrangements in place for Brent King (Managing Director) is included in the Shareholder and Statutory Information section of the Annual Report.

PRINCIPLE 6 – Risk Management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Recommendation 6.1
An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

Compliance with recommendation during the year ended 31 March 2020:
The Company and its subsidiaries are committed to proactively managing risk and this has been the responsibility of the entire Board with the assistance of the audit committee during the period. The Board delegates day to day management of risks to the Managing Director. The executive team and senior management are required to regularly identify the major risks affecting the business and develop structures, practices and processes to manage and monitor these risks.

The Board is satisfied that the Group has in place a risk management process to effectively identify, manage and monitor the Group's principal risks. The Group maintains insurance policies that it considers adequate to meet its insurable risks.

The Company's Risk Management and Compliance framework is currently being reviewed and updated.

Recommendation 6.2
An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

Compliance with recommendation during the year ended 31 March 2020:
The Group operates with a small number of employees in a relatively low health and safety risk office environment. Despite this, the Board recognises that effective management of health and safety is essential for the operation of a successful business, and endeavours to prevent harm and promote wellbeing for employees, contractors and customers.

The Board is responsible for ensuring that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved. The Group has a Health and Safety Policy in place. All new incidents, near misses, or hazards identified are reported to the Board.

PRINCIPLE 7 – Auditors

"The board should ensure the quality and independence of the external audit process."

Recommendation 7.1
The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures:
(a) for sustaining communication with the issuer's external auditors;
(b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired or could be reasonably be perceived to be impaired;

Corporate Governance Statement (Continued)

(c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and
(d) to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

Compliance with recommendation during the year ended 31 March 2020:
In accordance with the Company's Board Charter and Audit Committee Charter, the Board in conjunction with the Audit Committee were responsible for oversight of and communication with the external auditor and reviewed the quality and cost of the audit undertaken by the Company's external auditor. The Board in conjunction with the Audit Committee also assesses the auditor's independence on an annual basis.

For the financial year ended 31 March 2020, Baker Tilly Staples Rodway was the external auditor for the Company. Baker Tilly Staples Rodway were automatically re-appointed under the Companies Act 1993 at the Company's 2019 annual meeting. The statutory audit services are fully separated from non-audit services to ensure that appropriate independence is maintained. The amount of fees paid to Baker Tilly Staples Rodway for audit and other services is identified in note 7 in the notes to the consolidated financial statements.

Baker Tilly Staples Rodway has provided the Board with written confirmation that, in their view, they were able to operate independently during the year.

Recommendation 7.2
The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

Compliance with recommendation during the year ended 31 March 2020:
Baker Tilly Staples Rodway is invited to attend the annual meeting, and the lead audit partner is available to answer questions from shareholders at that meeting. Baker Tilly Staples Rodway attended the 2019 annual meeting.

Recommendation 7.3
Internal audit functions should be disclosed.

Compliance with recommendation during the year ended 31 March 2020:
The Company and its subsidiaries have internal controls in place including monitoring and checking that internal controls are operating effectively. The Company did not have a dedicated internal auditor role during the period.

Principle 8 – Shareholder Rights & Relations

"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Recommendation 8.1
An issuer should have a website where investors and interested shareholders can access financial and operational information and key corporate governance information about the issuer.

Compliance with recommendation during the year ended 31 March 2020:
Financial statements, NZX announcements and Directors' profiles are included on the website at www.gencap.co.nz . Governance documents for the Company are under review, and once finalised will be published on the Company's website.

Corporate Governance Statement (Continued)

Recommendation 8.2

An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.

Compliance with recommendation during the year ended 31 March 2020:

All shareholders are given the option to elect to receive electronic communications from the Company.

Recommendation 8.3

Quoted equity security holders should have the right to vote on major decisions which may change the nature of the company in which they are invested in.

Compliance with recommendation during the year ended 31 March 2020:

Shareholders have been given the right to vote on all major decisions in line with the NZX Rules during the year ended 31 March 2020.

Recommendation 8.4

If seeking additional equity capital, issuers of quoted equity securities should offer further equity security holders of the same class on a pro rata basis and on no less favourable terms, before further equity securities are offered to other investors.

Compliance with recommendation during the year ended 31 March 2020:

During the year ended 31 March 2020, the Company:

a. Issued warrants to directors and senior managers in accordance with the shareholder approval obtained at the special meeting dated 29 November 2018.
b. Issued ordinary shares for GENWA warrants and GENWB warrants that were exercised by Shareholders in accordance with the terms of the warrants.

No other capital raising activities were undertaken during the year.

Recommendation 8.5

The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Compliance with recommendation during the year ended 31 March 2020:

Due to time constraints, the notice of the 2019 Annual Meeting was released just short of the 20-working day recommendation.

The Board encourages shareholder participation in meetings and understands that shareholders need sufficient time to consider information prior to meetings. Future notices of Shareholder meetings are expected to be provided at least 20 workings days prior to meeting dates.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of General Capital Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of General Capital Limited and its subsidiaries ('the Group') on pages 27 to 73, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Our report is made solely to the Shareholders of the Group. Our audit work has been undertaken so that we might state to the Shareholders of the Group those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders of the Group as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Qualified Opinion

The Group's goodwill and other indefinite life intangible assets allocated to its research and advisory cash-generating unit ('the research and advisory CGU'), as disclosed in Note 13 of these consolidated financial statements, is carried at $1.06m on the Group's consolidated statement of financial position as at 31 March 2020. We were unable to obtain sufficient appropriate audit evidence to support critical assumptions and estimates used to determine the recoverable amount of the goodwill and other indefinite life intangible assets allocated to the research and advisory CGU, specifically the achievability of forecast future revenue growth, the associated cash flows and the discount rate applied. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor, our firm carries out other assignments for General Capital Limited and its subsidiaries in the area of taxation compliance services. The provision of these other services has not impaired our independence.

Emphasis of Matter – Increased level of inherent uncertainty in the significant accounting estimates and judgments applied by Management in the preparation of these financial statements, arising from the ongoing global pandemic of coronavirus disease 2019

We draw attention to note 4.1 of the financial statements, which describes the impact of the ongoing global pandemic of the novel coronavirus disease 2019 ('COVID-19') and Management's assessment of and responses to, this pandemic on the Group. Since March 2020 the COVID-19 pandemic has lowered overall economic activity and confidence, resulting in significant volatility and instability in financial markets and economic uncertainty. Consequently, there has been an increase in the level of inherent uncertainty in the critical accounting estimates and judgements applied by Management in the preparation of these financial statements, described in notes 4.2, 4.3, 4.4 and 4.5 of the financial statements. As at the date of the signing of these financial statements, all reasonably known and available information with respect to the COVID-19 pandemic has been taken into consideration in the critical accounting estimates and judgements applied by Management, and all reasonably determinable adjustments have been made in preparing these financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Emphasis of Matter* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Applicability of the going concern basis of accounting As disclosed in Note 2 and 4.2 of the Group's financial statements, these financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. As described in our *Emphasis of Matter* paragraph and Note 4.1 of the Group's financial statements, the ongoing COVID-19 pandemic, and the public health and social measures and economic responses implemented by governments, regulators and industry sectors, have lowered economic activity and confidence. The application of the going concern basis of accounting was significant to our audit due to the subjectivity, complexity and uncertainty inherent in assessing the impact the COVID-19 pandemic will have of the Group's forecast earnings, cash flow and financial position. Management has prepared forecast earnings, cash flows and financial position models as part of its assessment of whether the Group's application of the going concern basis of accounting was appropriate for the 31 March 2020 financial statements. This assessment involves complex and subjective estimation and judgement by Management on the future performance, cashflows and position of the Group. Management have also performed sensitivity analysis for reasonably possible changes in key forecast assumptions.	Our audit procedures among others included: ▪ Evaluating Management's assessment as to whether potential impacts as a result of the implications of the COVID-19 pandemic could be material; ▪ Evaluating Management's response plan to the potential impacts identified as a result of the implications of COVID-19 pandemic; ▪ Evaluating Management's assessment of the direct and indirect financial impacts of the COVID-19 pandemic on the carrying value of the Group's reported assets and liabilities, and reported amounts of revenues and expenses; ▪ Evaluating Management's assessment of the Group's ability to continue to apply the going concern basis of accounting, and the appropriateness of this considering present economic conditions; Procedures included: o Evaluating Management's process regarding the preparation and review of forecast financial statements (balance sheet, income statement, and cash flow statement); o Comparing Management's forecasts to Board approved forecasts; o Evaluating the cash flow requirements of the Group for twelve months from the date of signing the financial statements based on Management's forecasts; o Evaluating the liquidity of existing financial assets on the Group's Statement of Financial Position; o Evaluating the actual term deposit reinvestment and new term deposit investment rates since March 2020 and comparing them to Management's forecasts; o Challenging Management's assumptions, estimates and judgements used; and o Evaluating Management's sensitivity analysis for reasonably possible changes in key assumptions, with an emphasis on the potential downside scenarios and the resultant impact on available funds. ▪ Evaluating the disclosures related to the Group's application of the going concern basis of accounting and the impact of the COVID-19 pandemic on the Group which are included in the Group's consolidated financial statements.
Valuation of loan receivables As disclosed in Note 11 of the Group's financial statements, the Group has loan receivable assets of $35.2m consisting on short- and long-term loans secured by residential property. Loan receivable assets were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in the timing of the recognition of impairment in respect of loan	Our audit procedures among others included: ▪ Evaluating the design and operating effectiveness of the key controls over loan receivable origination, ongoing administration and impairment model data and calculations; ▪ Selecting a representative sample of loan receivables and agreeing these loan receivables to the loan agreement, client acceptance documents, mortgage documents, and registered valuations performed on acceptance;

Key Audit Matter	How our audit addressed the key audit matter
receivables and the amount of that impairment. Management has prepared impairment models to complete its assessment of impairment for the Group's loan receivables as at 31 March 2020. This assessment involves complex and subjective estimation and judgement by Management on credit risk and the future cash flows of the loan receivables.	▪ Examining the loan receivables individually assessed for impairment and forming our own judgements as to whether the impairment provision recognised by Management was appropriate (including the consideration of the impact of the COVID-19 pandemic on the impairment provision); ▪ Testing the key inputs and the mathematical accuracy of the calculations of the loan to value ratio analysis used to individually assess the recoverability of loan receivables. We have specifically challenged the valuation of the underlying security and performed sensitivity analyses for reasonably possible changes to the key inputs (including the consideration of the impact of the COVID-19 pandemic on the valuation of the underlying security); ▪ For the 12 months expected credit loss provision, challenging and evaluating the logic within Management's model and key assumptions used with our own experience (including the consideration of the impact of the COVID-19 pandemic on key assumptions used). Also, testing key inputs used in the collective impairment models and the mathematical accuracy of the calculations within the model; and ▪ Evaluating the disclosures related to loan receivables and the risk attached to them which are included in the Group's consolidated financial statements.
Impairment assessment of goodwill and other indefinite life intangible assets As disclosed in Note 13 of the Group's consolidated financial statements, the Group has goodwill of $2.35m and indefinite life intangible assets of $0.3m, allocated across the two cash-generated units ('CGU's'). Goodwill and other indefinite intangible assets were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in the measurement of the recoverable amount of these CGU's for the purpose of the required annual impairment test. The measurement of a CGU's recoverable amount includes the assessment and calculation of its 'value-in-use'. Management has completed the annual impairment test for each of the two CGU's as at 31 March 2020. This annual impairment test involves complex and subjective estimation and judgement by Management on the future performance of the CGU's, discount rates applied to the future cashflow forecasts and future market and economic conditions. In addition, the *Basis for Qualified Opinion* section of our report describes that we were unable to obtain sufficient appropriate audit evidence to support critical assumptions and estimates used to determine the recoverable value of the goodwill and other indefinite life intangible assets allocated to the research and advisory CGU.	Our audit procedures among others included: ▪ Evaluating management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment. We also analysed the internal reporting of the Group to assess how the CGU's are monitored and reported; ▪ Challenging management's assumptions and estimates used to determine the recoverable value of its indefinite life intangible assets, including those relating to forecasted revenue, cost, capital expenditure and discount rates, by adjusting for future events and corroborating the key market related assumptions to external data (including the consideration of the impact of the COVID-19 pandemic). Procedures included: o Evaluating the logic of the value-in-use calculations supporting Management's annual impairment test and testing the mathematical accuracy of these calculations; o Evaluating Management's process regarding the preparation and review of forecast financial statements (balance sheet, income statement, and cash flow statement); o Comparing forecasts to Board approved forecasts; o Evaluating the historical accuracy of the Group's forecasting to actual historical performance; o Evaluating the inputs to the calculation of the discount rates applied; o Engaging our own internal valuation experts to evaluate the logic of the value-in-use calculation and the inputs to the calculation of the discount rates applied;

Key Audit Matter	How our audit addressed the key audit matter
	o Evaluating Management's sensitivity analysis for reasonably possible changes in key assumptions; and o Performing our own sensitivity analyses for reasonably possible changes in key assumptions, the two main assumptions being: the discount rate and forecast growth assumptions. ▪ Evaluating the related disclosures about goodwill and other indefinite life intangible assets which are included in the Group's consolidated financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2020 (but does not include the consolidated financial statements and our auditor's report thereon).

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

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:
https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-3/

Matters Relating to the Electronic Presentation of the Audited Consolidated Financial Statements

This audit report relates to the consolidated financial statements of General Capital Limited and its subsidiaries for the year ended 31 March 2020 included on General Capital Limited's website. The Directors of General Capital Limited are responsible for the maintenance and integrity of General Capital Limited's website. We have not been engaged to report on the integrity of General Capital Limited's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 16 July 2020 to confirm the information included in the audited consolidated financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of consolidated financial statements may differ from legislation in other jurisdictions.

The engagement partner on the audit resulting in this independent auditor's report is G K Raniga.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

16 July 2020

GENERAL CAPITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 $	2019 $
Interest income	5	2,846,439	1,479,226
Interest expense	5	(1,441,213)	(640,270)
Net interest income		1,405,226	838,956
Fee and commission income	5	553,686	281,176
Fee and commission expense	5	(128,699)	(92,332)
Net fee and commission income		424,987	188,844
Revenue from contracts with customers	5	227,715	347,702
Cost of sales	5	(32,545)	(24,368)
Gross profit from contracts with customers		195,170	323,334
Other income		12,761	28,163
Net revenue		2,038,144	1,379,297
Release / (increase) in allowance for expected credit losses	11	(54,999)	19,456
Personnel expenses		(746,680)	(603,011)
Occupancy expenses		(117,373)	(90,176)
Depreciation		(4,444)	(3,493)
Amortisation of intangible assets	13	(22,793)	(18,201)
Other expenses	7	(901,392)	(603,152)
Acquisition expenses		-	(103,927)
Loss on acquiring listed shell	21	-	(405,280)
		(1,847,681)	(1,807,784)
Profit / (loss) before income tax expense		190,463	(428,487)
Income tax (expense) / benefit	8	(60,907)	(29,601)
Net profit / (loss) after income tax expense		129,556	(458,088)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income	14, 17(e)	(153,094)	(14,862)
Income tax on these items	8, 17(e)	43,273	-
Other comprehensive income / (loss) for the year, net of tax		(109,821)	(14,862)
Total comprehensive income / (loss)		19,735	(472,950)
Earnings per share (cents per share)	9	0.08	(0.46)
Diluted earnings per share (cents per share)	9	0.08	(0.36)

The accompanying notes are an integral part of these financial statements.

GENERAL CAPITAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 $	2019 $
Equity			
Share capital	17(a)	10,176,204	9,573,495
Accumulated losses		(676,417)	(805,973)
Reserves	17(e)	(117,780)	(14,862)
Total equity		9,382,007	8,752,660
Assets			
Cash and cash equivalents	10	12,562,241	2,949,317
Accounts receivables		10,859	19,246
Related party receivables	18	79,823	-
Loan receivables	11	34,855,849	17,277,204
Other current assets		266,523	114,844
Income tax receivable		-	45,450
Deferred tax asset	8.2	96,004	38,408
Property, plant and equipment		8,008	6,176
Investments	14	237,389	190,483
Intangible assets and goodwill	13	3,046,811	3,266,556
Total assets		51,163,507	23,907,684
Liabilities			
Accounts payable and other payables		319,381	246,624
Related party payables	18	2,925	7,942
Income tax payable		8,697	-
Term deposits	15	41,450,497	14,900,458
Total liabilities		41,781,500	15,155,024
Net assets		9,382,007	8,752,660

The accompanying notes are an integral part of these financial statements.

	2020	2019
Net tangible assets (NTA) per share (cents per share)	3.86	3.54
Net assets (NA) per share (cents per share)	5.80	5.69

The financial statements are signed on behalf of the Board.

Rewi Bugo
Chairman

Brent King
Managing Director

Authorised for issue on: 16 July 2020

GENERAL CAPITAL

GENERAL CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Note	Share capital	Redeemable Preference Shares	Reserves	Accumulated losses	Total equity
		$	$	$	$	$
Balance at 31 March 2018 as originally presented		1,448,503	4,747,418	-	(280,728)	5,915,193
- Change in accounting policy		-	-	-	(19,119)	(19,119)
- Impact of finalisation of acquisition accounting		-	(1,167,314)	-	(48,038)	(1,215,352)
Restated total equity as at 1 April 2018		**1,448,503**	**3,580,104**	**-**	**(347,885)**	**4,680,722**
Loss for the year		-	-	-	(458,088)	(458,088)
Other comprehensive income for the year		-	-	(14,862)	-	(14,862)
Total comprehensive income for the year		-	-	(14,862)	(458,088)	(472,950)
Transactions with owners in their capacity as owners:						
Conversion of redeemable preference shares	17(a)	5,080,104	(3,580,104)	-	-	1,500,000
Issue of shares on acquisition of subsidiary	17(a)	1,121,259	-	-	-	1,121,259
Contributions of equity net of transaction costs	17(a)	1,923,629	-	-	-	1,923,629
Total transactions with owners in their capacity as owners		8,124,992	(3,580,104)	-	-	4,544,888
Balance at 31 March 2019		9,573,495	-	(14,862)	(805,973)	8,752,660
Profit for the year		-	-	-	129,556	129,556
Other comprehensive income for the year	14, 17(e)	-	-	(109,821)	-	(109,821)
Total comprehensive income for the year		-	-	(109,821)	129,556	19,735
Transactions with owners in their capacity as owners:						
Contributions of equity net of transaction costs	17(a)	602,709	-	-	-	602,709
Issue of warrants to directors and senior managers	17(d), 19	-	-	6,903	-	6,903
Total transactions with owners in their capacity as owners		602,709	-	6,903	-	609,612
Balance at 31 March 2020		10,176,204	-	(117,780)	(676,417)	9,382,007

The accompanying notes are an integral part of these financial statements.

GENERAL CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 $	2019 $
Cash flow from operating activities			
Interest received		2,520,543	1,376,467
Receipts from customers		491,332	393,838
Other income		12,761	27,783
Payments to suppliers and employees		(2,041,737)	(1,587,300)
Interest paid		(1,242,655)	(585,614)
Income tax paid		(21,083)	(142,421)
Finance receivables (net advances)		(17,091,608)	(8,516,032)
Net cash (used in) / provided by operating activities	20	(17,372,447)	(9,033,279)
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		-	85,736
Purchase of property, plant and equipment		(6,276)	(2,629)
Purchase of software		(4,444)	(32,742)
Net cash provided by / (used in) investing activities		(10,720)	50,365
Cash flow from financing activities			
Issue of ordinary shares		602,709	1,923,628
Term deposits (net receipts)		26,393,382	5,058,474
Net cash provided by financing activities		26,996,091	6,982,102
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the reporting period		2,949,317	4,950,129
Net (decrease) / increase in cash and cash equivalents held during the reporting period		9,612,924	(2,000,812)
Cash and cash equivalents at end of the reporting period	10	12,562,241	2,949,317

The accompanying notes are an integral part of these financial statements.

NOTE 1: REPORTING ENTITY

General Capital Limited ("the Company") is incorporated and domiciled in New Zealand. General Capital Limited is registered under the Companies Act 1993.

General Capital Limited is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013.

The consolidated financial statements of General Capital Limited and its subsidiaries (together "the Group") have been prepared in accordance with the Companies Act 1993 and the Financial Markets Conduct Act 2013.

The Group is a for profit entity.

The Group's principal activities are:
- Finance (deposit taking and lending);
- Research and advisory (investment advisory and research provider).

The consolidated financial statements were authorised for issue by the directors on 16 July 2020.

NOTE 2: BASIS OF PREPARATION

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. These consolidated financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements are presented in New Zealand dollars which is the Group's currency. Unless otherwise indicated, amounts in the financial statements these amounts have been rounded to the nearest dollar.

The financial report has been prepared under the historical cost convention, as modified by revaluations for certain classes of assets and liabilities to fair value as described in the accounting policies below.

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business, in accordance with historical cost concepts, as modified by the revaluation of certain assets and liabilities as identified in the accounting policies below.

A significant event arose in March 2020, prior to reporting date, namely the global pandemic of coronavirus disease 2019, that has had and is expected to continue to have an impact on the Group's earnings, cash flows and financial position. Refer to notes 4.1 and 24 for further information. The Directors and Management have determined that the Group's application of the going concern basis of accounting remains appropriate in light of this event, refer to note 4.2.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1 New and amended standards adopted by the Group

(a) NZ IFRS 16 *Leases*

NZ IFRS 16, 'Leases', replaces NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Lessors will also be affected by the new standard.

The Group has no lease agreements in place as at 1 April 2019 and up to the date of signing these financial statements. Since June 2018, the Group has been paying a share of office lease costs to Moneyonline Limited, a related company, based on an allocation of office space utilised by the Group.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If the Group were to formalise a lease agreement with Moneyonline Limited, it would likely mirror the term and other conditions of Moneyonline Limited's lease agreement with an external party. As at 31 March 2020, the total remaining term of that of that lease was 14 months, and the current monthly allocation of the lease costs paid by the Group is $8,828, implying total undiscounted remaining payments of $123,592 as at 31 March 2020.

Should an agreement be formalised with Moneyonline Limited, a lease liability and a right-of-use asset would need to be recognised on that date, represented by the present value of future lease payments. Depreciation expense would be recorded on a straight-line basis over the lease term, and interest will be recognised on the lease liability using the amortised cost method. This will result in higher expenses being recorded at the start of the lease term than at the end (due to the liability being 'wound down' over the lease term).

(b) NZ IFRIC 23 *Uncertainty over Income Tax Treatments*
This Interpretation sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group (depending on which approach gives a better prediction of the resolution of the uncertainty), and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

If it is probable a tax authority will accept the treatment, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. Otherwise, the entity should reflect the effect of uncertainty in determining its accounting tax position by estimating the tax payable (or receivable), using either the most likely amount or the expected value method.

There are no new disclosure requirements, however there is a general requirement to provide information about judgements and estimates made in preparing the financial statements.

The Group has no materially uncertain tax positions that have warranted such adjustments to its accounting tax position.

(c) Other
Other standards and amendments adopted include Amendments to NZ IFRS 9 *Prepayment Features with Negative Compensation*; the Annual Improvements to NZ IFRS Standards 2015–2017 Cycle, which include amendments to four Standards, NZ IAS 12 *Income Taxes*, NZ IAS 23 *Borrowing Costs*, NZ IFRS 3 *Business Combinations*, and NZ IFRS 11 *Joint Arrangements*. These amendments while adopted, either had no material impact or relate to standards not currently applied by the Group.

3.2 Basis of consolidation
Reverse acquisition of Corporate Holdings Limited
As described in Note 21, as the Company's acquisition of Corporate Holdings Limited on 3 August 2018 is deemed to be a reverse acquisition for accounting purposes, these financial statements represent a continuation of the consolidated financial statements of Corporate Holdings Limited.

The financial information presented up to 3 August 2018 comprises Corporate Holdings Limited and its two subsidiaries. From 3 August 2018, the financial information comprises the consolidated results of the Company, Corporate Holdings Limited, and the two subsidiaries of Corporate Holdings Limited.

Business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the aquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When an excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss or other comprehensive income as appropriate.

Subsidiaries
Subsidiaries are all entities controlled by the Group. The financial statements of subsidiaries are included in consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control
On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on loss of control is recognised in profit or loss. If the Group retains an interest in the previous subsidiary, the interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available for sale asset depending on the influence retained.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.4 Revenue and expense recognition
(a) Interest income and expense
Interest income and interest expense
Interest income and interest expense is recognised in profit or loss using the effective interest method. The effective interest method calculates the amortised cost of a financial asset or liability and allocates the interest income and directly related fees (including loan origination fees) and transaction costs (including commission expenses) that are an integral component of the effective interest rate over the expected life of the financial asset or liability.

Loan fees and commissions
Lending fee income (such as loan establishment fees) that is integral to the effective yield of a loan held at amortised cost is capitalised as part of the amortised cost and deferred over the life of the loan using the effective interest method. Lending fees not directly related to the origination of a loan (account maintenance fee) are recognised over the period of service. Incremental and directly attributable costs (such as commissions) associated with the origination of a financial asset (such as loans) and financial liabilities (such as term deposits) are capitalised as part of the amortised cost and deferred over the life of the financial instrument using the effective interest method.

(b) Revenue from contracts with customers:
Advisory fee revenue
Advisory contracts generally span a period of three months to one and a half years. Management determine the performance obligation(s) inherent in the contract at contract inception and recognise revenue upon completion of each of the performance obligations. Performance obligations include advice provided to the entity and sometimes include the success of a project. There are specific billing milestones built into each contract and payment is generally due within 30 to 60 days of the milestone.

Yearbook and research sales
This includes revenue related to the sale of publications and fees for advertisements in the publications. The performance obligation for the advertising fees is satisfied when the publications are published and available to be purchased by customers, and include the contracted advertisements. Payment is generally due within 30 to 60 days from production. The performance obligation relating to the sale of publications is satisfied upon delivery of the publications. Payment is generally due within 30 to 60 days from delivery.

Other fee income
Fees charged by General Finance Limited that do not relate to the origination of finance receivables (for instance loan holding fees). These fees are charged and recognised upon satisfaction of the conditions stipulated in the contract.

Assets and liabilities arising from revenue from contracts with customers
Accounts receivables are non-interest bearing and are generally on terms of 30 to 60 days. Contract assets are recognised for any performance obligations which have been satisfied in advance of billing to clients. The amounts are transferred to accounts receivable when billed to customers. Contract costs are capitalised in respect of directly attributable contract costs (such as directly related allocations of personnel costs) which relate to revenue which has not been recognised. Costs are only recognised if the amounts are expected to be recovered from customers, are amortised when the associated revenue is billed to the customer, and are subject to impairment testing. Contract liabilities are recognised in respect of any amounts billed to customers in advance of satisfaction of the associated performance obligations.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Other
Other expense recognition
All other expenses are recognised in profit or loss as incurred.

3.5 Financial instruments

Initial recognition
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Financial assets that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:
- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial asset on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost . For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Financial assets measured at amortised cost include cash and cash equivalents, loan receivables and trade receivables.

(ii) Financial assets at FVTOCI

Equity Instruments at FVTOCI
On initial recognition, the Group may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
-on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short term profit taking; or
-it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Fair value is determined in the manner described in note 14.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9 (see note 14).

Impairment of Financial Assets
The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Group recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.
For loan receivables, the Group applies a three-stage approach to measuring ECLs. Loans may migrate through the following stages based on their change in credit quality.

Stage 1 12-month ECL (past due 30 days or less)
Where there has been no evidence of an increase in credit risk since initial recognition, ECLs that result from possible default events within 12 months are recognised.

Stage 2 Lifetime ECL not credit impaired (between 30 and 90 days past due)
Where there has been a significant increase in credit risk, ECLs that result from all possible default events over the life of the loan are recognised.

Stage 3 Lifetime ECL credit impaired (greater than 90 days past due)
Where loans are in default or otherwise credit impaired, ECLs that result from all possible default events over the life of the loan are recognised.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information.

The nature of the Group's finance receivables is short-term residential property lending with a predominant focus on the underlying security value of the finance receivable (i.e. the residential property value) in the credit assessment. Credit risk information is updated and monitored regularly. Loan receivables are subject to regular scrutiny, as a key component of credit risk management. This includes a review of the borrower's repayment history and any interest arrears; any changes in the borrowers circumstances which could impact on their ability to repay either interest or principal amounts on their due date; and any movement in the security value.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
a) an increase in loan to valuation ratio caused by either declining property security values or increases in the loan balance;
b) significant financial difficulty of the borrower; and
c) a breach of contract, such as a default or past due event (see (ii) above).

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the borrower is in severe financial difficulty and there is no realistic prospect of recovery, for example an unsecured financial asset whereby the borrower has no realistic ability to meet their financial obligations to the Group. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted for forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. In instances where the probability of default has increased significantly (a significant increase in credit risk), or where the loan is in default, the expected credit loss (or loss given default) may not increase significantly due to the Group's lending criteria which prohibits lending when the loan to valuation ratio (LVR) exceeds 75%. This means in general that the Group expects that the present value of expected cash flows from a loan in default to approximate the carrying value of the loan prior to the default event, except in cases where the LVR has increased considerably due to a reduction in the security property valuation or a significant increase in the loan balance.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial Liabilities
Financial liabilities are classified into one of the following measurement categories:
- those to be measured subsequently at fair value through profit or loss ('FVTPL'); and
- those to be measured at amortised cost.

At initial recognition financial liabilities are measured at fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group's financial liabilities measured at amortised cost include trade and other payables and term deposits.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.6 Cash and cash equivalents

Cash includes demand deposits with an original term of less than 183 days[1] and other highly liquid investments readily convertible into cash used by the Group as part of day-to-day cash management.

[1] Increased from 150 days in the prior year policy. There is no prior year impact resulting from this change in policy.

3.7 Property, plant and equipment

Property, plant and equipment are recognised in the statement of financial position at cost less accumulated depreciation and impairment losses. Depreciation is calculated on property, plant and equipment on a straight-line basis to allocate the costs, net of any residual amounts, over their useful lives. Office equipment is depreciated on a straight line basis using depreciation rates of 30% - 40% per annum.

3.8 Intangible assets

Intangible assets comprise goodwill, acquired licences, bartercard trade dollars and computer software.

Goodwill and acquired licences are indefinite life intangibles subject to annual impairment testing. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to the respective operating segment. Refer to note 4.4 and note 13.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Licences acquired as part of business combinations are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

Bartercard Trade Dollars are units of electronic currency held by the Group which can be used to pay for products and services from other Bartercard members instead of paying in cash. They are non-monetary assets which are classified as indefinite life intangible assets. The assets are recognised at cost less accumulated impairment losses. The trade dollars are acquired as earned and consumed as utilised and are tested at least annually for impairment or when indication of an impairment exist. An impairment loss is recognised whenever the carrying amount of a bartercard exceeds its recoverable amount. The estimated recoverable amount of intangible assets - Bartercard Trade Dollars are the greater of their fair value less costs to sell or value in use. Trade debits arising from sales to customers and trade credits from purchases of services are recognised in the statement of comprehensive income in the period in which the transaction occurs. Where trade credits are used to purchase an asset, the asset is capitalised and recognised in the statement of financial position.

Computer software is recognised in the statement of financial position at cost less accumulated amortisation and impairment losses. Direct costs associated with the purchase and installation of software licences and the development of software for internal use are capitalised where project success is probable and the capitalisation criteria is met. Cost associated with planning and evaluating computer software and maintaining a system after implementation are expensed. Computer software costs are amortised on a straight-line basis (three years).

3.9 Taxation

Income tax for the period comprises current and deferred tax. Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at balance date after taking advantage of all allowable deductions under current taxation legislation and any adjustment to tax liabilities in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the amount of assets and liabilities, using tax rates enacted or substantively enacted as at balance date.

Deferred taxation assets arising from temporary differences or income tax losses, are recognised only to the extent that it is probable that a future taxable profit will be available against which the asset can be utilised.

Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax asset will be realised. Any reduction is recognised in profit or loss.

3.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. Intangible assets not yet available for use are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored for indicators of impairment. If any indication of impairment exists, an estimate of the asset’s recoverable amount is calculated.

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. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses directly reduce the carrying amount of assets and are recognised in profit or loss.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Employee benefits

Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Superannuation plans

The Group pays contributions to superannuation plans, such as Kiwisaver. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.12 Statement of cash flows

The statement of cash flows has been prepared using the direct approach modified by netting certain cash flows in order to provide more meaningful disclosure. These include reverse loan receivables and term deposit liabilities. The advances to and repayments received from borrowers in relation to loan receivables are considered operating activities and are reported on a net basis in the Statement of Cash Flows. Proceeds from deposits issued and repayments to deposit investors are considered financing activities and are also reported on a net basis in the Statement of Cash Flows.

3.13 Comparatives

Where necessary, comparative information has been reclassified and represented for consistency with current year.

NOTE 4: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There are a number of significant accounting treatments which include complex or subjective judgments and estimates that may affect the reported amounts of assets in these financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

An explanation of the judgments and estimates made by the Group in the process of applying its accounting policies, that have the most significant effect on the amounts recognised in the financial statements, are set out below.

4.1 Increased level of inherent uncertainty in the significant accounting estimates and judgments arising from the ongoing global pandemic of coronavirus disease 2019

On 11 March 2020 the World Health Organization declared an ongoing global outbreak of a novel coronavirus, known as ‘coronavirus disease 2019’ (‘COVID-19’), a pandemic.

In response the New Zealand Government has implemented a range of:
- public health and social measures to prevent and contain the transmission of COVID-19; and
- economic responses to provide financial stimulus and welfare support to mitigate the economic impacts of the pandemic.

The public health and social measures implemented included restrictions on travel / non-essential movement, entry bans/closure of borders, quarantines, temporary closure of non-essential businesses and schools, and the cancellation of gatherings and events.

These public health and social measures have lowered overall economic activity and confidence, due to a reduced ability for many businesses to operate, reduced demand for many goods and services, and resulted in significant volatility and instability in financial markets.

The New Zealand Government implemented a four-level COVID-19 alert system which specifies public health and social measures to be taken in response to the pandemic. With Alert Level 1 being the least restrictive and onerous and Alert Level 4 being the most. Under these measures, the Group was classified as a provider of essential services and was able to undertake its normal business activities in the ordinary course of business.

The economic responses implemented by the New Zealand Government have mitigated some of the economic impacts. These responses range from quantitative easing and reductions in official interest rates by the central banks to the release of significant government financial stimulus and welfare support packages.

As a result of the pandemic, the Group anticipates that the lowered levels of economic activity and confidence will continue for at least the short to medium term and will likely result in increased business failures and unemployment levels in New Zealand. Consequently, the Group has concluded there been an increase in the level of inherent uncertainty in the significant accounting estimates and judgements applied by Management in the preparation of these financial statements (refer note 4.2 and 4.3).

NOTE 4: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

These financial statements have been prepared based upon conditions existing as at 31 March 2020 and consider those events occurring subsequent to that date that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of the COVID-19 pandemic occurred before 31 March 2020 its impacts are considered an event that is indicative of conditions that arose prior to reporting period. Accordingly, as at the date of signing these financial statements, all reasonably known and available information with respect to the COVID-19 pandemic has been taken into consideration in the critical accounting estimates and judgements applied by Management (refer note 4.2 and 4.3 below) and all reasonably determinable adjustments have been made in preparing these financial statements.

4.2 Applicability of the going concern basis of accounting

Whilst the COVID-19 pandemic and measures implemented have lowered overall economic activity and confidence (described above), Management have assessed and determined that the Group's application of the going concern basis of accounting remains appropriate.

The Group has responded to the pandemic in the following ways:
- Undertook an analysis of its forecast cashflows to evaluate of the appropriateness of the Group's continued application of the going concern basis of accounting. This forecast cashflows took into consideration the Group's expectation of the impact of the pandemic on its earnings, cash flow and financial position.
- Assessed the direct and indirect financial impacts of the pandemic on the carrying value of reported amounts of assets, liabilities, revenues and expenses.
- Implemented and enacted appropriate Health and Safety responses.
- Implemented cost saving measures and actively seeking further cost saving measures where possible.

Cashflow forecast and going concern

Whilst the COVID-19 pandemic and measures implemented have lowered overall economic activity and confidence (described above), the Group's earnings, cash flow and financial position have not been significantly adversely impacted since the outbreak began up to the date of the signing of these financial statements.

The Group has determined that the main potential downside impacts of the pandemic on the Group's earnings, cash flows, financial position and application of the going concern basis of accounting as at 31 March 2020 to be the following:
1) A reduction in term deposit reinvestment rates.
2) A reduction in new term deposit investments.
3) The inability for borrowers to make loan payments on their contractual repayment dates.
4) A reduction in loan security values (residential property values).
5) Reduced net cash flows from the research and advisory cash generating unit.

At the end of March 2020, the Group prepared revised forecast cashflows taking into consideration the Group's expectation of the impact of the pandemic for the period 1 April 2020 to 30 June 2020 (12 months after the expected signing date) which incorporate highly stressed scenarios of reduced reinvestment rates, reduced new term deposit investments and extensions of loan settlement dates.

Under the most stressed scenario the Group assumed:
1) A reduction in term deposit reinvestment rates from 79% actual for the 2020 financial year to 25%.
2) A reduction in new term deposit investments from an average of $2.4 million actual per month for the 2020 financial year to $Nil.
3) An assumption that 50% of loans that mature are not repaid on their expected repayment date. The expected repayment dates already factored in expected delays due to the Covid-19 government restrictions.
4) A reduction in loan security values (residential property values) by 25%.
5) No cash inflows from the research and advisory cash generating unit.

Due to the Group's significant levels of cash and cash equivalents at 31 March 2020 ($12.6 million), and its well secured loan book (refer note 4.3 below), under the revised cashflow forecasts and the stressed scenarios, show that the Group will be able to continue its normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

NOTE 4: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Since 31 March 2020 and up to the date of the signing of these financial statements, the Group has performed better than its base revised forecast cashflows. The Group initially saw a reduction in term deposit reinvestment rates, new term deposit investments and an increase in loan arrears, in line with expectations. There has not yet been any notable adverse impact on residential property prices, however it is anticipated to occur in the next 12 months by various New Zealand economists. Performance since Alert level 2 has been significantly better than expected with cash and cash equivalents further increasing (to $20.4 million on 6 July 2020) as a result of loan repayments and new term deposit investments.

Accordingly, Management have assessed and determined that the Group's application of the going concern basis of accounting remains appropriate.

Direct and indirect financial impacts of the pandemic on the carrying value of reported amounts of assets and liabilities

Assets and Liabilities	**Reported amount $**	**Direct and indirect financial impacts**
Assets		
Cash and cash equivalents	12,562,241	No impact
Accounts receivables	10,859	No impact
Related party receivables	79,823	No impact
Loan receivables	34,855,849	No material impact - refer note 4.3.
Other current assets	266,523	No impact
Deferred tax asset	96,004	No impact
Property, plant and equipment	8,008	No impact
Investments	237,389	No material impact - refer note 4.5.
Intangible assets and goodwill	3,046,811	No material impact - refer note 4.4.
Total assets	**51,163,507**	
Liabilities		
Accounts payable and other payables	319,381	No impact
Related party payables	2,925	No impact
Income tax payable	8,697	No impact
Term deposits	41,450,497	No impact
Total liabilities	**41,781,500**	

Health and safety responses

Despite the Group being an essential services provider (Non-bank Deposit Taker) during Alert level 4 (and after year end, Alert level 3) restrictions, the Group implemented strict working from home measures in line with the New Zealand Government guidelines. This was not a significant issue as the Group already had remote working capability in place.

Other health and safety measures have been put into place including social distancing, contact tracing and cleaning.

Personal protective equipment (PPE) including masks, gloves and hand sanitiser was made available to employees from early March 2020.

Cost saving measures

1. Term deposit interest rates were further reduced in May 2020 in line with the global interest rate trends.
2. Employee costs were reduced where necessary as a result of COVID-19.
3. Other cost savings initiatives have been implemented where possible.

4.3 Allowance for expected credit losses

Significant increase in credit risk
Expected credit losses ('ECL') are measured as an allowance equal to 12 month ECL, or lifetime ECL for assets with a significant increase in credit risk or in default or otherwise credit impaired. An asset moves to doubtful when its credit risk has increased significantly since initial recognition. NZ IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

NOTE 4: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Calculation of loss allowance
When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The ECL is calculated on an individual loan basis by applying an expected loss factor to the loan balance. The expected loss factor is determined from the Group historical loss experience data.

Historical loss experience data is reviewed by management and adjustments made to reflect current and forward looking economic and credit conditions. In addition, management recognise that a certain level of imprecision exists in any model used to generate risk grading and provisioning levels. As such an adjustment is applied for model risk.

In instances where the probability of default has increased significantly (a significant increase in credit risk), or where the loan is in default, the expected credit loss (or loss given default) may not increase significantly due to the Group's lending criteria which prohibits lending when the loan to valuation ratio (LVR) exceeds 75%. This means in general that the Group expects that the present value of expected cash flows from a loan in default to approximate the carrying value of the loan prior to the default event, except in cases where the LVR has increased considerably due to a reduction in the security property valuation or a significant increase in the loan balance.

Management regularly reviews and adjusts its ECL estimates, judgements, assumptions, and methodologies as data becomes available. Changes in these estimates, judgements, assumptions, and methodologies could have a direct impact on the level of credit provision and credit impairment charge recorded in the financial statements (refer Note 11 Loan Receivables).

If the 12-month ECL rate for loans without a significant increase in credit risk increased/(decreased) by 0.2% higher/(lower) as at 31 March 2020, the loss allowance on finance receivables would have been $67,347 higher/(lower).

If the lifetime ECL rate for loans with a significant increase in credit risk and credit impaired loans increased/(decreased) by 1.0% higher/(lower) as at 31 March 2020, the loss allowance on finance receivables would have been $15,163 higher/(lower).

Impact of COVID-19 on loan receivables / expected credit losses
The COVID-19 Alert Level 4 restrictions impacted negatively on borrowers' ability to pay monthly interest and/or to repay their loans by the due date because of the following:
1) Delays by banks in processing refinancing applications from our borrowers.
2) Borrowers were unable to effectively market their properties for sale.
3) In some cases, borrower income had reduced and impacted on their ability to service their loans.

These factors have improved since COVID-19 restrictions reduced to Alert Level 2 and 1 and are expected to continue to improve as restrictions are further relaxed.

The income of several borrowers and their ability to pay interest may continue to be adversely affected. However only a small number of loans are likely to be affected and no significant impact of cash flows is expected.

Repayment may be delayed for some borrowers; however, the delays are not expected to exceed 1-3 months. These delays were further stressed in the going concern cash flow forecast described above.

The highest loan to valuation ratio (LVR) of the Group's loan book as at 31 March 2020 was 77.0% (2019: 74.1%) and the weighted average LVR of the loan book was 58.5% (2019: 55.2%), based on loan security valuations on origination of the loan. As at 31 March 2020, approximately 90% of the Group's loans receivables (both in number and dollar value terms) had security valuations with valuation dates being less than 12 months old. The remaining loans receivable security valuations were individually assessed and determined as materially in line with current property values.

There has been no measurable effect on LVRs so far. Now that the property market is able to function normally again the effect on property values and LVRs will be able to be assessed in coming months. It is possible that there will be a softening in property values but the Group does not expect it to exceed a range of 5-12%.

NOTE 4: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Since 31 March 2020 and up to the date of the signing of these financial statements, there has been no evidence which indicates a softening of the residential property values in New Zealand that would have a material impact on the Group's expected credit losses.

According to sensitivity analysis performed on the residential property security valuations underlying the Group's loan receivables as at 31 March 2020:
1) A 10% drop in property market values would result in no loan losses.
2) A 20% drop in property values would result in a loss in the range of $10,000 – $20,000.
3) A 25% drop in property values would result in a loss in the range of $200,000 – $250,000.

Expected credit losses:

1) Based on the history of the Group loan book over the last 7 years, the average annual write-offs as a percentage of the average loan receivable balance over the same period was 0.15%. This would be an appropriate basis for 12-month expected credit losses in 'normal' economic conditions.
2) The Group recognises that New Zealand's economic forecast for the next 12 months is unfavourable due to the impacts of the COVID-19 pandemic as described above. As a result, the Group has concluded that the probability of default has increased. However due to the Group's well secured loan book (as described above), the loss given default and expected credit losses have increased but not by a material amount. As such, the Group has determined that 0.31% (2019: 0.31%) of the gross loan balance is a more appropriate expectation of losses for the next 12 months.
3) Lifetime ECL's for loans with a significant increase in credit risk and for loans in default have been calculated based on the Group's expectations for discounted net cash flows from the respective loan receivables over the expected remaining life of the loans in light of COVID-19.

4.4 Impairment analysis of goodwill and other indefinite life intangible assets

The carrying value of goodwill and indefinite life intangible assets (including licences and bartercard trade dollars) is assessed at least annually to ensure that it is not impaired.

With regard to Goodwill and Licences, performing this analysis requires management to estimate future cash flows to be generated by the cash-generating unit, which entails making judgements, including the expected rate of growth of revenues and expenditures, assets and liabilities, and the resulting cashflows. Judgements also need to be made about the appropriate discount rate to apply when valuing future cash flows.

A sensitivity analysis performed by Management has highlighted that the carrying value of the Goodwill and other assets in the research and advisory CGU are highly reliant on the achievement of revenue forecasts from advisory projects.

Management have performed a fair value less costs of disposal impairment test in relation to the carrying value of the bartercard trade dollars asset at 31 March 2020.

Impact of COVID-19 on impairment analysis of goodwill and other indefinite life intangible assets
When completing the impairment analysis of goodwill and other indefinite life intagible assets, the Group has taken into consideration all reasonably known and available information with respect to the COVID-19 pandemic (as described in note 4.1).

Expected impact on cash-generating units
1. Finance CGU - The forecasted cash flows used in the impairment analysis factor in the expected impacts of COVID-19. In particular the Growth path that General Finance originally forecasted is now expected to be significantly delayed as a result of the pandemic and the economic impact. Notwithstanding the impacts of the above, the results of the model show that there is still significant headroom in the unit.
2. Research and Advisory CGU - In the forecasted cash flows used in the CGU impairment analysis, the Group has factored in the expected impacts on COVID-19 on the probability of sourcing advisory projects, the project milestones and the impact on timing of cashflows. Notwithstanding the impacts of the above, the results of the impairment testing resulted in no impairment to the CGU.

Further information on the impairment analysis, assumptions and sensitivity analysis can be found in note 13.

NOTE 4: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

4.5 Valuation of equity securities classified as financial assets at FVTOCI

The equity securities held by the Group are required to be carried at fair value. Fair value of the investments has been estimated using inputs for the asset or liability that are not based on observable market data (Level 3 inputs).

Impact of COVID-19 on equity securities classified as financial assets at FVTOCI
When calculating fair value of the three equity securities carried at FVTOCI, the Group has taken into consideration all reasonably known and available information with respect to the COVID-19 pandemic (as described in note 4.1). The impact on each of the investments is as follows:
1. Investment in Barter Investments Limited - The expected impact of COVID-19 did not have a material impact on the Group's fair value estimation.
2. Investment in Sports & Education Corporation Limited (SEC) investment - The lack of information released by SEC and trading halt (described in note 14) combined with the expected impact of Covid-19 on volatility and risk as at 31 March 2020 has increased the risk adjustment applied by management to 100%, resulting in a reduction in the fair value of the investment to $nil as at 31 March 2020.
3. Investment in Cannabis & Bioscience Corporation Limited (CBC) - COVID-19 is expected to have a minor impact on the timing of the underlying investment activity in CBC but this did not have a material impact on the Group's fair value estimation.

Further information on the judgements made, assumptions and estimates are included in note 6.4 and note 14.

4.6 Business combinations

As described in Note 21, as the Company's acquisition of Corporate Holdings Limited on 3 August 2018 is deemed to be a reverse acquisition for accounting purposes, these financial statements represent a continuation of the consolidated financial statements of Corporate Holdings Limited.

With regard to the above transaction, Management have had to make judgements, including the following:

- Determining the entity which is the acquirer and the entity which is the acquiree.
- Whether the entity acquired constitutes a business.
- Determining the fair value of net assets acquired and identifiable net assets
- Determining the fair value of consideration paid in the business combination.

4.7 Classification of Bartercard Trade Dollars

Bartercard uses an electronic currency called a Bartercard Trade Dollar. The Group earns Bartercard Trade Dollars for the goods it sells to customers (trade debits) and uses the Bartercard Trade Dollars to make purchases (trade credits) from other Bartercard holders. The assets have been classified as indefinite life intangible assets.

Management have classified the Bartercard Trade Dollars as having an indefinite useful life based on the analysis of relevant factors including:
- the participants in the Bartercard network;
- the availability of relevant goods and services in the Bartercard network;
- an assessment of the future viability of the Bartercard platform as a means of payment;
- the level of expenditure required to maintain a Bartercard account and the Group's intention to continue paying these maintenance fees.

The useful life of the intangible assets are reviewed each period to determine whether events and circumstances continue to support the indefinite useful life estimate.

NOTE 5: SEGMENT REPORTING

Management has determined the operating segments based on the components of the Group that engage in business activities, which have discrete financial information available and whose operating results are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. The Board of Directors makes decisions about how resources are allocated to the segments and assesses their performance.

Three reportable segments have been identified as follows:

- Finance
Deposit taking and residential mortgage lending (reportable segment commenced on 19 December 2017 following the acquisition of General Finance Limited).
- Research and Advisory
Provides investment advisory services and produces and sells investment research and publications (reportable segment commenced on 19 December 2017 following the acquisition of Investment Research Group Limited).
- Corporate and Other
Corporate function and investment activities (the business of the Company was allocated to this reporting segment following the reverse takeover transaction on 3 August 2018).

Year ended 31 Mar 2020	Finance $	Research and Advisory $	Corporate and Other $	Total Segments $	Eliminations $	Consolidated $
Revenue - interest income	2,842,352	4,025	62	2,846,439	-	2,846,439
Revenue - fee income (finance receivables)	552,225	1,461	-	553,686	-	553,686
Revenue from contracts with customers						
- Advisory fee revenue	-	91,151	-	91,151	-	91,151
- Yearbook and research sales	-	50,633	-	50,633	-	50,633
- Other fee income	85,931	15,579	-	101,510	(15,579)	85,931
Other income	12,761	2,249	111,091	126,101	(113,340)	12,761
Total revenue	3,493,269	165,098	111,153	3,769,520	(128,919)	3,640,601
Interest expense	(1,440,704)	(491)	(18)	(1,441,213)	-	(1,441,213)
Fee and commission expense	(128,699)	-	-	(128,699)	-	(128,699)
Cost of sales	-	(32,545)	-	(32,545)	-	(32,545)
Net revenue	1,923,866	132,062	111,135	2,167,063	(128,919)	2,038,144
Release / (increase) in allowance for expected credit	(54,999)	-	-	(54,999)	-	(54,999)
Personnel expenses	(603,058)	(71,444)	(72,178)	(746,680)	-	(746,680)
Depreciation and amortisation	(26,303)	-	(934)	(27,237)	-	(27,237)
Income tax (expense) /	(60,892)	2,372	(2,387)	(60,907)	-	(60,907)
Net Profit After Tax	441,716	(15,903)	(296,257)	129,556	-	129,556
Total Assets	49,138,302	1,301,131	989,136	51,428,569	(265,062)	51,163,507
Total Liabilities	41,734,879	199,152	112,531	42,046,562	(265,062)	41,781,500

Acquisition of property, plant and equipment, intangible assets, and other non-current assets (excluding non-current finance receivables):

Year ended 31 Mar 2020	Finance $	Research and Advisory $	Corporate and Other $	Total Segments $	Eliminations $	Consolidated $
Acquired through settlement of transactions / balances	-	13,108	-	13,108	-	13,108
Other	4,444	-	206,276	210,720	-	210,720
Transfers / reallocations between segments	-	(13,108)	13,108	-	-	-
	4,444	-	219,384	223,828	-	223,828

NOTE 5: SEGMENT REPORTING (CONTINUED)

Year ended 31 Mar 2019	Finance $	Research and Advisory $	Corporate and Other $	Total Segments $	Eliminations $	Consolidated $
Revenue - interest income	1,475,752	936	2,538	1,479,226	-	1,479,226
Revenue - fee income (finance receivables)	281,176	-	-	281,176	-	281,176
Revenue from contracts with customers						
- Advisory fee revenue	-	280,320	-	280,320	-	280,320
- Yearbook and research sales	-	43,967	-	43,967	-	43,967
- Other fee income	23,415	-	-	23,415	-	23,415
Other income	28,163	11,781	-	39,944	(11,781)	28,163
Total revenue	1,808,506	337,004	2,538	2,148,048	(11,781)	2,136,267
Interest expense	(592,791)	-	(47,479)	(640,270)	-	(640,270)
Fee and commission expense	(92,332)	-	-	(92,332)	-	(92,332)
Cost of sales	-	(24,368)	-	(24,368)	-	(24,368)
Net revenue	1,123,383	312,636	(44,941)	1,391,078	(11,781)	1,379,297
Release / (increase) in allowance for expected credit	19,456	-	-	19,456	-	19,456
Personnel expenses	(486,670)	(97,207)	(19,133)	(603,010)	-	(603,010)
Depreciation and amortisation	(21,419)	(275)	-	(21,694)	-	(21,694)
Acquisition expenses	-	-	(103,927)	(103,927)	-	(103,927)
Cost of acquiring listed shell	-	-	(405,280)	(405,280)	-	(405,280)
Income tax (expense) /	(34,705)	-	5,103	(29,602)	-	(29,602)
Net Profit After Tax	124,765	93,971	(676,824)	(458,088)	-	(458,088)
Total Assets	21,808,422	1,154,633	997,919	23,960,974	(53,290)	23,907,684
Total Liabilities	15,065,715	104,822	37,777	15,208,314	(53,290)	15,155,024

Acquisition of property, plant and equipment, intangible assets, and other non-current assets (excluding non-current finance receivables):

Year ended 31 Mar 2019	Finance $	Research and Advisory $	Corporate and Other $	Total Segments $	Eliminations $	Consolidated $
Business combinations	-	-	696,928	696,928	-	696,928
Acquired through settlement of transactions / balances	-	255,875	-	255,875	-	255,875
Other	35,212	-	-	35,212	-	35,212
Transfers / reallocations between segments	6,924	(262,799)	255,875	-	-	-
	42,136	(6,924)	952,803	988,015	-	988,015

NOTE 6: RISK MANAGEMENT

The Group is exposed to a variety of financial risks comprising credit risk, liquidity risk, market risk (interest rate risk) and fair value risk.

6.1 Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loan receivables, cash and cash equivalents and accounts receivable.

The maximum credit exposure of the Group, assuming a zero value for collateral is $48,565,201 (March 2019: 20,602,360). This includes loans receivable of $35,189,866 (2019: $17,460,269), undrawn loan commitments of $742,412 (March 2019: $173,528), bank deposits of $12,542,241 (2019: $2,949,317), accounts receivable of $10,859 (2019: $19,246) and related party receivables of $79,823 (2019: $nil). Of this exposure, 74.0% is covered by collateral over properties as disclosed in note 11 (2019: 85.6%) and 25.8% is deposited with registered New Zealand banks (2019: 14.3%).

To manage credit on finance receivables the Group performs credit evaluations on all customers requiring advances. The approval process considers a number of factors including the value of the security compared to the value of the amount to be borrowed ("loan to valuation ratio" or "LVR"), the creditworthiness of the borrower and their ability to repay.

The Group operates a credit risk (lending) policy which stipulates the Group's requirements regarding the security and LVR of the borrowing, the credit worthiness of borrowers, geographical spread, maximum loan exposure size and credit approval authority levels. Decisions on whether to approve or decline loans are made by the credit committee in line with the Group's credit risk policy. Loan receivables are subject to regular scrutiny, as a key component of credit risk management. This includes a review of the borrower's repayment history and any interest arrears; any changes in the borrowers circumstances which could impact on their ability to repay either interest or principal amounts on their due date and any movement in the security value.

As at 31 March 2020 the Group's loan advances are secured as follows: first mortgages 96.1% (March 2019: 86.8%), second mortgages 1.0% (March 2019: 7.5%) and combined first and second mortgages 2.9% (March 2019: 5.8%).

Loan receivables credit exposures are concentrated in the residential property sector, particularly in the North Island and the Auckland Market. As at 31 March 2020, advances by the Group in the North Island residential property sector represented 94.9% (March 2019: 96.0%) of its total exposure, with 51.2% (March 2019: 40.9%) being in the Auckland market. The geographical profile of loan receivables is analysed further as follows:

	2020 $	2019 $
Northland	2,068,544	2,429,642
Auckland	18,012,270	7,140,043
Waikato	4,189,996	1,197,481
Tauranga	2,037,576	931,246
Wellington	4,398,852	2,785,633
Other North Island	2,672,401	2,279,399
Canterbury	1,810,227	696,825
Total	35,189,866	17,460,269

The concentration of the credit exposure to the six largest exposures is 22.2% (March 2019: 30.7%) of the total loan portfolio. The Group has elected to disclose the largest six exposures as this is considered to provide a meaningful indication of concentration of credit risk. An exposure is calculated as the total of all loan exposures to a single borrower or group of linked borrowers. The size of loan exposures is analysed further as follows:

	2020 Number of Exposures	2019 Number of Exposures
Less than $100,000	1	7
Between $100,000 and $250,000	17	19
Between $250,000 and $500,000	25	11
Between $500,000 and $1,000,000	17	12
Between $1,000,000 and $1,500,000	8	2
Between $1,500,000 and $2,000,000	1	-
Total No. of Exposures	69	51

NOTE 6: RISK MANAGEMENT (CONTINUED)

The provision for expected credit losses for performing and under-performing loans is detailed and explained in note 11. Gross past due loan receivables total $5,422,214 (March 2019: $627,706) which equates to 15.4% (March 2019: 3.6%) of total loan receivables.

As shown in the aging analysis of past-due loans below, the balance comprises:

Stage 1 *12-month ECL*
Gross loans receivable totalling $3,905,889 (March 2019: $627,706) were past due and the Group has concluded there has not been a significant increase in credit risk. Of this balance, $nil (March 2019: 177,808) loans were past due by greater than 30 days.

Stage 2 *Lifetime ECL not credit impaired*
Gross loans receivable totalling $610,369 (March 2019: $nil) were past due by between 30 and 90 days and the Group has concluded there has been a significant increase in credit risk.

Stage 3 *Lifetime ECL credit impaired*
Gross loans receivable totalling $905,956 (March 2019: $nil) were past due by greater than 90 days and the Group has concluded there has been a significant increase in credit risk.

Aging analysis – past due but not considered under-performing loans:

	2020 $	2019 $
Up to 30 Days	3,905,889	449,898
31 - 60 Days	610,369	177,808
61 - 90 Days	-	-
91 - 120 Days	546,788	-
120+ Days	359,168	-
Total	5,422,214	627,706

The Group is also exposed to credit risk from deposits held with banks. As at balance date, the Group's cash and cash equivalents is held in New Zealand Registered Banks including 99.3% with Bank of New Zealand (2019: 95.4%), 0.2% with ASB Bank (2019: 2.8%), 0.5% with ANZ Bank New Zealand (2019: 0.2%) and 0.0% with Heartland Bank (2019: 1.5%).

6.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations associated with financial liabilities as they fall due.

The Group operates a liquidity risk policy and endeavours to maintain sufficient funds to meet its commitments based on forecasted cash flow requirements. Management has internal control processes and contingency plans to actively manage the lending and borrowing portfolios to ensure the net exposure to liquidity risk is minimised. The exposure is reviewed on an on-going basis from daily procedures to monthly reporting as part of the Group's liquidity management policies and processes.

NOTE 6: RISK MANAGEMENT (CONTINUED)

The following tables set out the undiscounted contractual cash flows, and the undiscounted expected cash flows, of the Group's financial assets and liabilities. Refer to notes 10, 11 and 15 for respective interest rates. No other monetary assets and liabilities are interest bearing.

2020	Weighted Average Interest Rate	Total $	Contractual Cash Flows 0 - 6 Months $	7 - 12 Months $	13 - 24 Months $	24+ Months $
Financial assets						
Bank deposits	1.26%	12,586,940	12,586,940	-	-	-
Other financial assets	0.00%	83,221	83,221	-	-	-
Loan receivables	9.31%	36,794,218	20,544,067	12,085,213	2,720,171	1,444,767
Totals		49,464,379	33,214,228	12,085,213	2,720,171	1,444,767
Financial liabilities						
Term deposits	5.15%	43,666,922	13,544,847	14,189,421	11,776,984	4,155,670
Other payables	0.00%	76,217	76,217	-	-	-
Totals		43,743,139	13,621,064	14,189,421	11,776,984	4,155,670
Net cashflow		5,721,240	19,593,164	(2,104,208)	(9,056,813)	(2,710,903)

2019	Weighted Average Interest Rate	Total $	Contractual Cash Flows 0 - 6 Months $	7 - 12 Months $	13 - 24 Months $	24+ Months $
Financial assets						
Bank deposits	2.34%	2,975,929	2,975,929	-	-	-
Other financial assets	0.00%	19,246	19,246	-	-	-
Loan receivables	10.84%	18,328,573	11,026,087	6,219,791	743,271	339,424
Totals		21,323,748	14,021,262	6,219,791	743,271	339,424
Financial liabilities						
Term deposits	5.53%	15,985,335	4,486,666	3,388,915	5,554,788	2,554,966
Other payables	0.00%	71,672	71,672	-	-	-
Totals		16,057,007	4,558,338	3,388,915	5,554,788	2,554,966
Net cashflow		5,266,741	9,462,924	2,830,876	(4,811,517)	(2,215,542)

NOTE 6: RISK MANAGEMENT (CONTINUED)

2020	Total	Expected Cash Flows 0 - 6 Months	7 - 12 Months	13 - 24 Months	24+ Months
	$	$	$	$	$
Financial assets					
Bank deposits	12,620,950	12,620,950	-	-	-
Other financial assets	83,221	83,221	-	-	-
Loan receivables	38,437,399	10,990,318	6,819,638	17,822,591	2,804,852
Totals	51,141,570	23,694,489	6,819,638	17,822,591	2,804,852
Financial liabilities					
Term deposits	44,968,870	11,235,268	7,439,464	7,856,748	18,437,390
Other payables	76,217	76,217	-	-	-
Totals	45,045,087	11,311,485	7,439,464	7,856,748	18,437,390
Net cashflow	6,096,483	12,383,004	(619,826)	9,965,843	(15,632,538)

2019	Total	Expected Cash Flows 0 - 6 Months	7 - 12 Months	13 - 24 Months	24+ Months
	$	$	$	$	$
Financial assets					
Bank deposits	2,983,814	2,983,814	-	-	-
Other financial assets	19,246	19,246	-	-	-
Loan receivables	19,253,822	6,027,147	3,576,872	8,946,765	703,038
Totals	22,256,882	9,030,207	3,576,872	8,946,765	703,038
Financial liabilities					
Term deposits	17,051,439	1,959,505	1,567,915	2,700,283	10,823,736
Other payables	71,672	71,672	-	-	-
Totals	17,123,111	2,031,177	1,567,915	2,700,283	10,823,736
Net cashflow	5,133,771	6,999,030	2,008,957	6,246,482	(10,120,698)

The table above shows management's expected maturities of existing financial assets and liabilities. In determining the expected cash flow, the following assumptions have been made based on management's best estimate having regard to current market conditions and past experience:

- Term deposit reinvestment rates assumptions:
  - 25% for maturities up to 30 September 2020;
  - 50% for maturities up to 31 March 2021; and
  - 60% for maturities after 31 March 2021.
  - For March 2019 expected cash flows a 60% reinvestment rate was assumed.
- Term deposit reinvestments are made for a weighted average 18-month term (March 2019: 24 months)
- 50% of loans (March 2019: 50%) not past due repay on existing contractual maturity date, with the balance rolled over at their existing interest rates and repaid after a further 12 months.

NOTE 6: RISK MANAGEMENT (CONTINUED)

6.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk is the risk of loss to the Group arising from adverse changes in interest rates. The Group's financing activities are exposed to interest rate risk in respect of its interest earning assets and interest bearing liabilities. Changes to interest rates can impact the Group's financial results by affecting the interest spread earned on these assets and liabilities. Interest rates for finance receivables, term deposits, and bank deposits (other than those on call) are fixed for the term of their respective contracts. Interest rates are repriced on contractual maturity dates of the financial instruments. There is a risk that different financial instruments (such as finance receivables and term deposits) are repriced on different dates, i.e. a repricing risk (refer to contractual cash flows under liquidity risk for repricing dates).

The table below summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk.

2020	Carrying Amount	-1% Profit	-1% Equity	+1% Profit	+1% Equity
Financial Assets	$	$	$	$	$
Cash and cash equivalents	12,562,241	(125,622)	(90,448)	125,622	90,448
Finance Receivables	35,189,866	(351,899)	(253,367)	351,899	253,367
Financial Liabilities					
Term Deposits	41,520,102	415,201	298,945	(415,201)	(298,945)
Total increase / (decrease)		(62,320)	(44,870)	62,320	44,870

2019	Carrying Amount	-1% Profit	-1% Equity	+1% Profit	+1% Equity
Financial Assets	$	$	$	$	$
Cash and cash equivalents	2,949,317	(29,493)	(21,235)	29,493	21,235
Finance Receivables	17,460,269	(174,603)	(125,714)	174,603	125,714
Financial Liabilities					
Term Deposits	14,928,161	149,282	107,483	(149,282)	(107,483)
Total increase / (decrease)		(54,814)	(39,466)	54,814	39,466

6.4 Assets carried at fair value

Level 1	Fair value is calculated using quoted prices in active markets.
Level 2	Fair value is estimated using inputs other than quoted prices in level 1 that are observable for the assets or liability, either directly (as prices) or indirectly (derived from prices).
Level 3	Fair value is estimated using inputs for the asset or liability that are not based on observable market data.

2020	Note	Level 1	Level 2	Level 3	Total
Fair value assets		$	$	$	$
Financial assets at fair value through other comprehensive income - investment in equities	14	-	-	237,389	237,389

2019		Level 1	Level 2	Level 3	Total
Fair value assets		$	$	$	$
Financial assets at fair value through other comprehensive income - investment in equities	14	-	-	190,483	190,483

Refer to the note annotated for more detail on the valuation methodology.

NOTE 7: OTHER EXPENSES

Included in other expenses are the following amounts:	2020	2019
	$	$
Directors fees	152,808	118,783
Auditors Remuneration		
- Audit and other assurance services		
- Audit of financial statements	121,800	123,288
- Audit of quarterly trustee certificates	3,623	3,605
- Other Services		
-Taxation compliance	9,592	12,813
Total remuneration paid to auditors	135,015	139,706

NOTE 8: TAXATION

8.1 Income tax

	2020	2019
	$	$
Net operating profit / (loss) before taxation	190,463	(428,487)
Income tax (expense) / benefit at prevailing rates	(53,330)	119,976
Tax impact of expenses not deductible for tax purposes	(7,577)	(160,961)
Recognition of previously unrecognised deferred tax in respect of timing differences[1]	-	10,027
Over provision in prior year	-	1,357
Taxation expense per the statement of comprehensive income	(60,907)	(29,601)
Comprising:		
- Current tax	(75,230)	(27,636)
- Deferred tax	14,323	(1,965)
	(60,907)	(29,601)

[1]Recognition of previously unrecognised deferred tax related to deferred tax not previously recognised by the Company (General Capital Limited) in respect of accrued expenses. Deferred tax was recognised in the prior period on the basis that taxable losses incurred in the Company can be offset with taxable income of other entities within the Group.

8.2 Deferred tax asset

	2020	2019
	$	$
Balance at beginning of year	38,408	40,373
(Charged) / credited to profit or loss		
Increase / (decrease) in impairment loss provision	15,400	(8,917)
Increase / (decrease) in accrued expenses	(1,077)	(3,075)
Recognition of previously unrecognised deferred tax	-	10,027
	14,323	(1,965)
(Charged) / credited to other comprehensive income		
Changes in the fair value of equity investments at fair value through other comprehensive income	43,273	-
	96,004	38,408
Deferred tax attributed to:		
Impairment loss provision	30,424	15,024
Accrued expenses	22,307	23,384
Fair value of equity investments at fair value through other comprehensive income	43,273	-
	96,004	38,408

NOTE 8: TAXATION (CONTINUED)

8.3 Imputation credit account

	2020	2019
	$	$
Balance at beginning of year	73,232	35,037
Tax Paid	19,988	142,451
Credits attached to dividends received	-	142
Imputation credits written off due to change in shareholder continuity[1]	-	(104,398)
	93,220	73,232

[1]Shareholder continuity breached by greater than 66% on conversion of redeemable preference shares in Corporate Holdings Limited (refer to note 18).

NOTE 9: EARNINGS PER SHARE

	2020	2019
	Cents	Cents
Basic earnings per share attributable to the ordinary equity holders	0.08	(0.46)
Diluted earnings per share attributable to the ordinary equity holders	0.08	(0.36)

	2020	2019
Basic earnings per share	$	$
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:	129,556	(458,088)
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share:	129,556	(458,088)

	2020	2019
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	159,603,804	98,942,264
Adjustments for calculation of diluted earnings per share:		
- Redeemable preference shares	-	27,619,996
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	159,603,804	126,562,260

The weighted average number of shares up to the date of the reverse acquisition on 3 August 2018 (refer note 21), is represented by the weighted average number of Corporate Holdings Limited shares on issue during this period, multiplied by the conversion ratio of 16.27. The conversion ratio is the number of ordinary shares that were issued by the Company for each Corporate Holdings Limited share acquired on the acquisition date. Diluted earnings per share up to the date of the reverse acquisition reflects the dilutive impact of the Corporate Holdings Limited redeemable preferences shares that were issued during the year ended 31 March 2018. The redeemable preference shares converted to ordinary shares in Corporate Holdings Limited on 3 Aug 2018 before being acquired by the Company.

NOTE 10: CASH AND CASH EQUIVALENTS

	2020	2019
	$	$
Cash	20,000	-
Bank deposit and current accounts	6,842,241	799,317
Short term bank deposit (original maturity of less than 183 days)	5,700,000	2,150,000
	12,562,241	2,949,317

Interest Rates: On Call: Between 0.00% and 1.60% (March 2019: Between 0.00% and 2.50%).
Short term bank deposits: Between 2.40% and 2.75% (March 2019: Between 2.94% and 3.23%).

GENERAL CAPITAL

NOTE 11: LOAN RECEIVABLES

	2020 $	2019 $
First mortgage advances	33,806,493	15,152,307
Second mortgage advances	349,917	1,301,526
Combined first and second mortgage advances[1]	1,033,456	1,006,436
	35,189,866	17,460,269
Less deferred fee income and expenditure	(225,360)	(129,407)
Less impairment allowance	(108,657)	(53,658)
Net carrying value	34,855,849	17,277,204
Current portion	31,009,328	16,298,686
Non-current portion	3,846,521	978,518
	34,855,849	17,277,204

[1]Loan advance secured by first mortgage over one property and second mortgage over another property. Classified as a second mortgage for the purposes of calculating General Finance Limited's (subsidiary entity) capital ratio in accordance with the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010.

Loan receivables represent loans at commercial interest rates. Current loan receivables are contractually repayable within 12 months. Non-current loan receivables are contractually repayable within 12 months to 3 years of balance date.

At year end there was $742,412 in outstanding loan commitments including future capitalised interest (March 2019: $173,528).

Interest rate: Between 7.05% and 16.50% (2019: Between 8.95% and 16.50%).
Effective interest rate: Between 7.85% and 19.71% (2019: Between 10.04% and 20.34%).
For loans that are in default, additional interest of up to 10% is charged.

The core lending activity of the Group is providing, through a broker network, short term and bridging finance secured by mortgage over residential property. The majority of loans are entered into with a maturity date within 12 months, with a proposal that repayment will be funded by the sale of the secured property or through refinancing by the borrower. The Group's lending policy allows for a maximum "loan to security value" of 75% (excluding fees and charges) on advances.

At balance date, 37.1% (March 2019: 40.7%) of loans by number and 31.6% (March 2019: 31.4%) by value represent loans that have been rolled over and are into their second or subsequent credit periods.

Where loans have been rolled over, their classification in these consolidated financial statements as current or non-current, or as past due, is based on payment due dates as per the terms of the extended contract, and not as per the original or preceding contract.

Borrower payment terms are profiled as follows:

	2020 $	2019 $
Interest only paid monthly	29,098,627	15,300,772
Interest capitalised	6,091,239	2,159,497
Total loan receivables	35,189,866	17,460,269

Loan fees (for all loans) and interest (for capitalised interest loans) are capitalised to the loan balances when charged and recognised over the life of the loans using the effective interest method. The associated cash is received when the loans are repaid (or partially repaid). Income recognised during the financial year from amounts capitalised to loan receivables were as follows:

	2020 $	2019 $
Interest only paid monthly	282,068	137,944
Interest capitalised	427,987	281,176
Total loan receivables	710,055	419,120

NOTE 11: LOAN RECEIVABLES (CONTINUED)

Reconciliation of gross loan receivable balance movements through ECL stages:

	12 month ECL $	Lifetime ECL not credit impaired $	Lifetime ECL credit impaired $	Total $
Balance as at 31 March 2018	8,599,716	-	124,700	8,724,416
New loan advances	13,364,314	-	-	13,364,314
Repayments	(4,503,761)	-	(112,312)	(4,616,073)
Loan balances written off	-	-	(12,388)	(12,388)
Balance as at 31 March 2019	17,460,269	-	-	17,460,269
New loan advances	30,848,719	-	-	30,848,719
Repayments	(13,119,122)	-	-	(13,119,122)
Transfer to lifetime not credit impaired	(610,369)	610,369	-	-
Transfer to lifetime credit impaired	(905,956)	-	905,956	-
Balance as at 31 March 2020	33,673,541	610,369	905,956	35,189,866

Reconciliation of movements in impairment allowance by stage:

	12 month ECL $	Lifetime ECL not credit impaired $	Lifetime ECL credit impaired $	Total $
Balance as at 31 March 2018	26,554	-	58,949	85,503
New loan advances	41,010	-	-	41,010
Repayments	(13,906)	-	(46,561)	(60,467)
Loan balances written off	-	-	(12,388)	(12,388)
Balance as at 31 March 2019	53,658	-	-	53,658
New loan advances	95,252	-	-	95,252
Repayments	(40,253)	-	-	(40,253)
Transfer to lifetime not credit impaired	(1,885)	1,885	-	-
Transfer to lifetime credit impaired	(2,797)	-	2,797	-
Balance as at 31 March 2020	103,975	1,885	2,797	108,657

In instances where the probability of default has increased significantly (a significant increase in credit risk), or where the loan is in default, the expected credit loss (or loss given default) may not increase significantly due to the Group's lending criteria which prohibits lending when the loan to valuation ratio (LVR) exceeds 75%. This means in general that the Group expects that the present value of expected cash flows from a loan in default to approximate the carrying value of the loan prior to the default event, except in cases where the LVR has increased considerably due to a reduction in the security property valuation or a significant increase in the loan balance.

The LVR of loans with a significant increase in credit risk or in default was in a range of 44.9% - 64.3% as at 31 March 2020, based on the security property valuation at origination. As at 31 March 2019 there were no loans with a significant increase in credit risk or in default.

NOTE 12: INVESTMENT IN SUBSIDIARIES

		Ownership Interest Held	
Subsidiary		2020	2019
Corporate Holdings Limited (CHL)	Holding company	100.0%	100.0%
General Finance Limited	Finance	100.0%	100.0%
Investment Research Group Limited	Research and advisory	100.0%	100.0%
Commercial and General Finance Limited	Dormant	100.0%	100.0%
General Finance & Investments Limited	Dormant	100.0%	100.0%
General Finance & Leasing Limited	Dormant	100.0%	100.0%
General Leasing Limited	Dormant	100.0%	100.0%
General Loan and Finance Limited	Dormant	100.0%	100.0%
Mykco Limited (previously named General Capital Limited)	Dormant	100.0%	100.0%

All subsidiaries have a 31 March balance date.

NOTE 13: INTANGIBLE ASSETS

	Goodwill	Licences	Bartercard Trade Dollars	Software	Total
	$	$	$	$	$
Year ended 31 March 2019					
Opening net book amount	2,350,730	277,000	2,279	33,107	2,663,116
Additions	-	-	5,795	32,742	38,537
Reverse Acquisition (Note 21)	-	-	693,313	-	693,313
Disposals	-	-	(110,209)	-	(110,209)
Amortisation charge	-	-	-	(18,201)	(18,201)
Closing net book amount	2,350,730	277,000	591,178	47,648	3,266,556
At 31 March 2019					
Cost	2,350,730	277,000	591,178	65,849	3,284,757
Accumulated amortisation and impairment	-	-	-	(18,201)	(18,201)
Net book amount	2,350,730	277,000	591,178	47,648	3,266,556

	Goodwill	Licences	Bartercard Trade Dollars	Software	Total
	$	$	$	$	$
Year ended 31 March 2020					
Opening net book amount	2,350,730	277,000	591,178	47,648	3,266,556
Additions	-	-	13,988	4,444	18,432
Disposals	-	-	(215,384)	-	(215,384)
Amortisation charge	-	-	-	(22,793)	(22,793)
Closing net book amount	2,350,730	277,000	389,782	29,299	3,046,811
At 31 March 2020					
Cost	2,350,730	277,000	389,782	52,092	3,069,604
Accumulated amortisation and impairment	-	-	-	(22,793)	(22,793)
Net book amount	2,350,730	277,000	389,782	29,299	3,046,811

NOTE 13: INTANGIBLE ASSETS (CONTINUED)

Impairment testing for cash-generating units (CGU) containing brands and licences

Goodwill		
Allocated to the finance CGU	1,323,729	1,323,729
Allocated to the research and advisory CGU	1,027,001	1,027,001
	2,350,730	2,350,730
Licences with an indefinite useful life		
Allocated to the finance CGU	247,000	247,000
Allocated to the research and advisory CGU	30,000	30,000
	277,000	277,000

The aggregate carrying amounts of goodwill and indefinite life licences are outlined above. Goodwill primarily relates to growth expectations, expected future profitability and the workforce of the CGU's. Management have assessed that there is no foreseeable limit to the period of time over which the goodwill and licences are expected to generate net cash inflows for the Group and as such they have been assessed as having an indefinite useful life.

The recoverable amount of the CGUs has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated long term growth rates stated below. The growth rate does not exceed the long term average for the products, industries or country in which the CGUs operate. For each of the CGU's with goodwill and indefinite life licences, the key assumptions, long term growth rate and discount rate used in the value in use calculations are as follows.

Finance CGU
Pre-tax free cash flows to equity holders (FCFE) have been forecasted based on growth in the non-bank deposit taking / residential lending business within the current constraints of the licence / trust deed. The forecasted growth in net cash flows is driven primarily by the net interest and fee margin from forecasted growth in deposit funding and the loan book. For reference purposes, pre-tax FCFE was $613,698 (2019: 173,925). Significant expenditure has been incurred since the business was purchased by the Group to ensure that the business has the capacity and resources to allow for the growth.

31 March 2020 Assumptions	Total Assets	Total Liabilities	Revenue	Expenditure	FCFE
Year one growth assumptions	-6.5%	-7.8%	18.1%	27.1%	-24.0%
Year two growth assumptions	55.5%	63.4%	24.0%	21.3%	45.6%
Year three growth assumptions	41.3%	43.9%	49.1%	35.6%	137.2%
Year four growth assumptions	6.3%	5.0%	19.7%	15.1%	37.1%
Year five growth assumptions	6.1%	4.8%	5.9%	4.4%	10.6%
Terminal growth beyond year 5		2.0%			
Pre-tax discount rate		13.0%			

31 March 2019 Assumptions	Total Assets	Total Liabilities	Revenue	Expenditure	FCFE
Year one growth assumptions	62.5%	80.4%	81.0%	58.2%	283.7%
Year two growth assumptions	18.0%	18.6%	35.0%	22.5%	84.9%
Year three growth assumptions	7.9%	6.3%	11.5%	8.3%	19.8%
Year four growth assumptions	7.6%	5.9%	6.3%	4.9%	9.5%
Year five growth assumptions	5.0%	2.8%	4.7%	3.8%	6.6%
Terminal growth beyond year 5		2.0%			
Pre-tax discount rate		14.2%			

NOTE 13: INTANGIBLE ASSETS (CONTINUED)

In assessing the impairment of the goodwill and licences in the finance CGU, a sensitivity analysis for reasonable possible changes in assumptions was performed. This included decreasing and increasing the years 1-5 forecasted cash flows (based on the above growth assumptions) by 25%, decreasing and increasing the terminal growth rate by 0.5%, and decreasing and increasing the discount rate by 1%. These reasonably possible changes in assumptions did not result in an impairment to the CGU (2019: the same sensitivity analysis did not result in an impairment to the CGU).

Growth assumptions in the 2020 financial year impairment analysis have factored in the Group's expectations of the impact of COVID-19, further details can be found in note 4.4.

Research and advisory CGU

Pre-tax free cash flows to the firm (FCFF) has been forecasted based on expected revenue and expenditure growth in the research and advisory business.

31 March 2020 Assumptions	Net Revenue	Expenditure	Working Capital Movements[1]	Pre-tax FCFF
Actual 31 March 2020 year	132,062	(152,586)	(116,022)	(136,546)
Forecast 2021	337,834	(175,935)	91,151	253,050
Forecast 2022	342,901	(178,574)	-	164,327
Forecast 2023	348,045	(181,252)	-	166,793
Forecast 2024	353,265	(183,971)	-	169,294
Forecast 2025	358,564	(186,731)	-	171,833
Terminal growth beyond year five	1.5%			
Pre-tax discount rate	15.5%			

[1]In the March 2020 year, there was an increase in receivables (working capital) due to billings late in the financial year. This is expected to be received in the 2021 financial year, hence the corresponding working capital decrease in the 2021 forecast.

31 March 2019 Assumptions	
Yearly growth in FCFF (years one - five)	5.0%
Terminal growth beyond year five	2.0%
Pre-tax discount rate	16.0%

In the prior year ended 31 March 2019, Management had forecasted pre-tax FCFF of $137,572 for the March 2020 financial year. A mid year review of the forecast, which considered a significant project in progress at that time, confirmed that the forecast was still achievable (as disclosed in the 30 September 2019 half year results announcement). Pre-tax FCFF ultimately achieved in the year ended March 2020 was an outflow of $136,546 (including a working capital increase of $116,022). The impacts of the COVID-19 pandemic delayed efforts on key advisory projects leading up to the financial year end, particularly in relation to capital raising efforts for a key customer contract. This impacted significantly on the revenue that was achieved in the March 2020 Financial Year compared to forecast.

The forecasted cash flows in the March 2020 impairment anlaysis include assumptions around the probability of achieving certain milestones in the two contracts that exist at 31 March 2020 as well as expectations around sourcing future advisory contracts and the expected resulting cashflows.

Assumptions in the 2020 financial year impairment analysis have also factored in the Group's expectations of the future impact of COVID-19. Further details on the impacts of COVID-19 can be found in Note 4.4.

In assessing the impairment of the goodwill and licences in the research and advisory CGU, a sensitivity analysis for reasonable possible changes in assumptions was performed. This included decreasing and increasing the years 1-5 forecast cash flows by 100%, decreasing and increasing the terminal growth rate by 0.5%, and decreasing and increasing the discount rate by 1%. A reduction in forecasted cash flows by 100% would result in an impairment of $1,057,001 (2019: $1,057,001) to the CGU. An increase in the discount rate by 1% would not result in impairment (2019: impairment of $10,226) to the CGU. The other sensitivity movement did not result in an impairment (2019: no impairment) to the CGU.

NOTE 13: INTANGIBLE ASSETS (CONTINUED)

Management have determined that a 100% reduction in forecasted cash flows is a reasonably possible change. This is because the cash flows of the research and advisory group rely most significantly on securing and completing one or more advisory projects per year. Should this not be achieved, then the net cash flows of the CGU may be breakeven or negative (net cash outflow) in the forecast years. The forecast has been developed based on historical performance and current advisory opportunities. As at the date of signing there are no known adverse factors which would impact on the ability of the CGU to achieve the forecasts.

Bartercard trade dollars

Bartercard trade dollars comprise the balance of Bartercard Trade Dollars on hand at period end net of accumulated impairment losses.

For the years ended 31 March 2019 and 31 March 2020 it was determined that the fair value less costs of disposal of the Bartercard trade dollars was equivalent to the carrying value of the assets. Fair value less costs of disposal was determined based on the fact that all market participants (being other Bartercard members) accept the terms and conditions of Bartercard which stipulate that a Bartercard Trade Dollar is equivalent to a New Zealand dollar at the date of exchange in respect of future purchases or goods and services. In addition, as there are no significant disposal costs associated with settling transactions in Bartercard trade dollars, management have determined that the fair value less costs of disposal are equal to the carrying value of bartercard trade dollars.

NOTE 14: INVESTMENTS

	Note	2020 $	2019 $
Investment in Barter Investments Limited	18	37,389	35,938
Investment in Sports & Education Corporation Limited	18	-	154,545
Investment in Cannabis and Bioscience Corporation Limited	18	200,000	-
		237,389	190,483

Investment in Barter Investments Limited

The 3.72% stake in Barter Investments Limited is held by Investment Research Group Limited. The investment in the unlisted investment holdings company is classified as a financial asset at fair value through other comprehensive income. This equity is not quoted in an active market. The fair value of this equity security is based on the Group's share of the entity's net assets at reporting date as reported in the entity's financial statements (valuation technique). The majority of the entity's assets and liabilities are reported in their financial statements at either their fair value or their carrying value which approximates their fair value (the significant unobservable inputs). The inter-relationship between key unobservable inputs and fair value measurement is that an increase / (decrease) in the net assets would increase / (decrease) the fair value of the investment. A gain of $1,451 has been recognised in other comprehensive income during the year in relation to the fair value of the investment (2019: a loss of $14,862).

Investment in Sports & Education Corporation Limited

The 0.96% stake in Sports & Education Corporation Limited (SEC) is held by Investment Research Group Limited and was acquired in late March 2019 as a portion of revenue for the completion of an advisory project. The investment in the Unlisted Securities Exchange (USX) listed company which owns various brands in the international sports and education sectors is classified as a financial asset at fair value through other comprehensive income. The equity securities are quoted on the Unlisted Securities Exchange in New Zealand, however there has not been significant trading activity in the securities since it was listed in December 2018.

Fair value of SEC investment as at 31 March 2019

The fair value of the investment was estimated by Management to be $0.50 per share based on the quoted price (latest traded price) of the security of $0.75 per share at 31 March 2019 (an observable input) and a risk adjustment of -33% per share (a significant unobservable input).

The risk adjustment is estimated by management and represents the expected discount to the quoted price required for the significant measurement uncertainty (the low level of trading in the security compared to other similar quoted securities). Management have estimated the discount with reference to publicly available information including the 31 March 2018 financial statements and the listing profile of the entity. The inter-relationship between the key unobservable input and fair value measurement is that an increase / (decrease) in the risk adjustment (an increase being a higher discount) would (decrease) / increase the fair value of the investment. No amounts were recognised in other comprehensive income during the year ended 31 March 2019 in relation to fair value movements of the investment.

NOTE 14: INVESTMENTS (CONTINUED)

Fair value of SEC investment as at 31 March 2020

SEC was put into a trading halt on the USX on 1 August 2019 pending the release of its March 2019 Annual Report which still has not been released up to the date of signing these financial statements. The Group has determined that the uncertainty inherent in the future cash flows of the investment are so significant that it is unlikely that a market participant would pay a material amount for the equity stake held by the Group. The Group has therefore determined that a risk adjustment of -100% per share (a signficant unobservable input) be applied. This results in a fair value of $nil as at 31 March 2020. The inter-relationship between the key unobservable input and fair value measurement is that an increase / (decrease) in the risk adjustment (an increase being a higher discount) would (decrease) / increase the fair value of the investment. A fair value loss of $154,545 before tax has been recognised in other comprehensive income during the year in relation to the fair value of the investment.

Investment in Cannabis and Bioscience Corporation Limited

The 16.3% equity stake in Cannabis and Bioscience Corporation Limited (CBC) was acquired in January 2020 for the payment of $200,000 bartercard trade dollars. CBC is an unlisted investment holdings company and is a related party by virtue of common directorship as described in note 18. The investment has been classified as a financial asset at fair value through other comprehensive income.

The fair value of the investment was estimated by Management to be $0.08 per share as at 31 March 2020 with reference to the subscription price that the Group paid for CBC's shares and with reference to other third party subcriptions at the same price leading up to and subsequent to 31 March 2020. The subscription price was set based on expectation of returns from the underlying early stage investments within CBC. The probability weighted compound annual growth rate of the investments is 14.9%, expected to be realised over a 5 year investment period and discounted back at a risk-adjusted discount rate of 24.5%. No amounts were recognised in other comprehensive income during the year ended 31 March 2020 (2019: $nil) in relation to fair value movements of the investment.

Inter-relationship between the key unobservable inputs and fair value measurement:
- a decrease in the compound annual growth rate (over the 5 year investment period) by 5% combined with an increase in the risk adjusted discount rate by 2% would decrease the fair value by $40,000.
- an increase in the compound annual growth rate (over the 5 year investment period) by 5% combined with a decrease in the risk adjusted discount rate by 2% would increase the fair value by $50,000.

NOTE 15: TERM DEPOSITS

	2020 $	2019 $
Gross term deposit liability	41,520,102	14,928,161
Less deferred commission expenditure	(69,605)	(27,703)
Net carrying value	41,450,497	14,900,458
Contractual repayment terms:		
On call	364,006	74,980
Within 12 months	26,053,028	7,253,613
Greater than 12 months	15,033,463	7,571,865
	41,450,497	14,900,458

Repayment Terms:	On call up to 5 years
Interest Rate:	3.10% - 6.75% and 1.00% on call (March 2019: 3.75% - 6.75% and 2.00% on call)
Effective Interest Rate:	3.10% - 6.75% and 1.00% on call (March 2019: 3.80% - 6.75% and 2.00% on call)
Security:	First ranking security interest over the assets and undertakings of General Finance Limited in favour of the Trustee (subject only to any prior security interests permitted by the Trust Deed and preferential claims given priority by operation of law).

The Group has a total of 471 depositors as at 31 March 2020 (March 2019: 222). As at balance date, the largest deposit the Group has is $1,401,819 (March 2019: $628,149) which represents 3.38% (March 2019: 4.21%) of total deposits. As at balance date the largest aggregate deposits under a single deposit holder totals $4,763,337 (March 2019: $2,633,389) which represents 11.47% (March 2019: 17.64%) of total deposits and have a weighted average maturity date of 3.10 months from balance date (March 2019: 6.43 months from balance date). The largest deposit holder at 31 March 2020 and 31 March 2019 is a director of the Company (refer to note 18).

NOTE 15: TERM DEPOSITS (CONTINUED)

Further analysis of gross deposit funding is as follows:

Concentration of funding	2020 $	2019 $
Northland	1,331,034	309,106
Auckland	17,905,252	5,862,445
Waikato	3,350,350	1,093,667
Bay of Plenty	4,259,303	1,387,313
Wellington	2,696,853	1,312,135
Other North Island	2,892,174	1,430,059
South Island	3,496,951	880,321
Overseas *	5,588,185	2,653,115
Total gross term deposit liability	41,520,102	14,928,161

***The largest deposit holder resides overseas and is a director of the Company (refer to note 18).

Contractual maturity of funding	2020 $	2019 $
Maturing in 0 - 6 months	12,872,122	4,190,400
Maturing in 6 - 12 months	13,561,058	3,141,478
Maturing in 12 - 24 months	11,171,206	5,185,710
Maturing after 24 months	3,915,716	2,410,573
Total gross term deposit liability	41,520,102	14,928,161

Profile of deposit holders	2020	2020 $	2019	2019 $
Deposits over $200,000	38	19,755,073	12	6,165,149
Deposits $100,000 - $200,000	62	8,892,406	18	2,598,273
Deposits $50,000 - $100,000	102	7,040,426	44	3,159,596
Deposits $20,000 - $50,000	135	4,360,750	60	1,913,651
Deposits $10,000 - $20,000	70	1,017,019	48	775,251
Deposits under $10,000	64	454,428	40	316,241
Total gross term deposit liability	471	41,520,102	222	14,928,161

Reconciliation of liabilities arising from financing activities	Opening Balance 1 April $	Financing Cash Flows $	Non-cash Changes[1] $	Opening Balance 31 March $
For the year ended 31 March 2020				
Term deposits	14,928,161	26,393,382	198,559	41,520,102
Total	14,928,161	26,393,382	198,559	41,520,102
For the year ended 31 March 2019				
Term deposits	9,862,540	5,058,474	7,147	14,928,161
Total	9,862,540	5,058,474	7,147	14,928,161

[1]Non-cash changes relate to the movement in unpaid interest in the term deposit balance.

NOTE 16: OTHER FINANCIAL LIABILITIES

Redeemable preference shares - type 2	2020 $	2019 $
Balance at beginning of period	-	1,452,521
Unwind of discount	-	47,479
Conversion to ordinary shares in Corporate Holdings Limited	-	(1,500,000)
	-	-

Refer to note 17 for further details on the terms of the type 2 redeemable preference shares.

NOTE 17: EQUITY

As described in note 21, these consolidated financial statements have been prepared as a continuation of the financial statements of Corporate Holdings Limited (CHL), as such the carrying amount of share capital reflects the value of shares issued by CHL (up to the date of the reverse acquisition transaction described in note 21). However as General Capital Limited (formerly Mykco Limited) is the legal parent of the Group, and the listed entity, the number of ordinary shares shown below represent the number of shares on issue by General Capital Limited.

		2020		2019	
	Note	Number	$	Number	$
Ordinary shares	(a)	161,655,643	10,176,204	153,845,313	9,573,495

(a) Ordinary shares	Ordinary shares Number	$
Balance at 1 April 2018	19,616,874	1,448,503
Conversion of redeemable preference shares to ordinary shares - equity portion (note 17(b))	-	3,580,104
Conversion of redeemable preference shares to ordinary shares - financial liability portion (note 17(b))	-	1,500,000
Ordinary shares issued on reverse acquisition transaction (note 21)[1]	104,323,240	1,121,259
Ordinary shares issued - placements[2]	27,502,221	1,856,400
Ordinary shares issued - share purchase plan[2]	2,402,978	162,200
Transaction costs arising on shares issued	-	(94,971)
Balance at 31 March 2019	153,845,313	9,573,495
Exercise of warrants:		
Ordinary shares issued on 30 September 2019 - exercise of GENWA Warrants[3]	7,083,296	548,955
Ordinary shares issued on 30 September 2019 - exercise of GENWB Warrants[3]	354	32
Ordinary shares issued on 31 March 2020 - exercise of GENWA Warrants[3]	721,292	55,900
Ordinary shares issued on 31 March 2020 - exercise of GENWB Warrants[3]	5,388	485
Transaction costs arising on shares issued	-	(2,663)
	7,810,330	602,709
Balance at 31 March 2020	161,655,643	10,176,204

All ordinary shares rank equally and entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. One vote is attached to each fully-paid ordinary share. Shares have no par value. The Company was listed on the NZAX, the secondary market of the New Zealand Stock Exchange up to 1 July 2019, the date it migrated to the NZX main board.

[1]As detailed in note 21, the acquisition of Corporate Holdings Limited was settled on 3 August 2018 by the issue of 104,323,240 ordinary shares in General Capital Limited at a fair value of $1,121,259.

[2]In the prior year ended 31 March 2019, the Company issued shares at 6.75 cents per share on 7 December 2018 in relation to a share purchase plan and placement of shares. Further details of these transactions is included below:

(i) **Shareholder Purchase Plan**

2,402,978 ordinary shares have been issued to 39 shareholders with an aggregate subscription value of $162,200.

(ii) **Placements**

18,615,073 ordinary shares have been issued to wholesale investors for an aggregate subscription value of $1,256,518.

1,037,037 ordinary shares have been issued to Directors and Senior Managers for an aggregate subscription value of $70,000. (refer to note 18)

7,850,111 ordinary shares have been issued to Borneo Capital Limited (Borneo) for an aggerate subscription value of $529,883 to allow Borneo to maintain its current 26.25% shareholding in the Company. (refer to note 18)

[3]The following warrants were exercised during the 31 March 2020 Financial year (2019: none).

-7,083,296 GENWA Warrants were exercised on 30 September 2019 at $0.0775 per warrant for a total exercise price of $548,955. This included 6,630,780 GENWA warrants exercised by Key Management Personnel for a total exercise price of $513,885 (refer to note 18).

-354 GENWB Warrants were exercised on 30 September at $0.09 per warrant for a total exercise price of $32.

-721,292 GENWA Warrants were exercised on 31 March 2020 at $0.0775 per warrant for a total exercise price of $55,900.

-5,388 GENWB Warrants were exercised on 31 March 2020 at $0.09 per warrant for a total exercise price of $485.

NOTE 17: EQUITY (CONTINUED)

(b) Redeemable preference shares	**Redeemable preference shares - type 1**		**Redeemable preference shares - type 2**	
	Number	**$**	**Number**	**$**
Balance at 1 April 2018	3,457,000	3,474,850	1,500,000	105,254
Conversion to ordinary shares	(3,457,000)	(3,474,850)	(1,500,000)	(105,254)
Balance at 31 March 2019	-	-	-	-
Balance at 31 March 2020	-	-	-	-

(i) Redeemable preference shares - type 1

Corporate Holdings Limited issued 3,100,000 type 1 redeemable preference shares at an issue price of $1.00 per share on 15 December 2017 and a further 357,000 type 1 redeemable preference shares on 26 January 2018 at an issue price of $1.05 per share .

The terms of the subscription agreement entitled Corporate Holdings Limited to convert the preference shares into ordinary Corporate Holdings Limited Shares (on a 1:1 basis) or to repay the holder. The Group did not have a contractual obligation (including contingent) to deliver cash or other financial assets to the holders of these redeemable preference shares, as such they have accordingly been recorded as equity instruments. The shares were converted to ordinary shares in Corporate Holdings Limited on 3 August 2018 prior to the reverse acquisition transaction described in note 21.

(ii) Redeemable preference shares - type 2

Corporate Holdings Limited issued 1,500,000 type 2 redeemable preference shares at an issue price of $1.00 per share on 15 December 2017.

The terms of the subscription agreement allowed entitled Corporate Holdings Limited to convert the preference shares into ordinary shares of Corporate Holdings Limited (on a 1:1 basis) if the acquisition described in note 21 was completed within 180 days from the issue date. There was a contingent obligation to deliver cash to the holder if the Group did not complete its obligation to complete the acquisition within that timeframe (which was later extended). The type 2 redeemable preference shares have accordingly been recognised as a financial liability at amortised cost (refer to note 16) and had a fair value on initial recognition of $1,394,746, with the balance of $105,254 being recognised in equity. The shares were converted to ordinary shares in Corporate Holdings Limited on 3 August 2018 prior to the reverse acquisition transaction described in note 21.

(d) Warrants	**GENWA Warrants**		**GENWB Warrants**	
	Number	**$**	**Number**	**$**
Balance at 1 April 2018	-	-	-	-
Issue of Warrants - 11 December 2018[1]	153,845,313	-	307,690,626	-
Balance at 31 March 2019	153,845,313	-	307,690,626	-
Exercise of GENWA Warrants - 30 September 2019[2]	(7,083,296)	-	-	-
Exercise of GENWB Warrants - 30 September 2019[2]	-	-	(354)	-
Exercise of GENWA Warrants - 31 March 2020[2]	(721,292)	-	-	-
Exercise of GENWB Warrants - 31 March 2020[2]	-	-	(5,388)	-
Warrants lapsed on expiry date[3]	(146,038,725)	-	-	-
Issue of GENWB warrants to directors and senior managers - 25 June 2019 (note 19)	-	-	12,650,000	4,672
Issue of GENWB warrants to directors and senior managers - 17 January 2020 (note 19)	-	-	400,000	2,231
Balance at 31 March 2020[3]	2,000	-	320,734,884	6,903

[1]On 11 December 2018 the Company issued the following warrants:

- 153,845,313 2020 warrants (GENWA) were issued, 146,026,771 to eligible shareholders and 7,818,542 to a Holding Account managed by the Company. All warrants were issued on a basis of one warrant for each share held on record date. The warrants were exercisable on or before 31 March 2020 at 7.75 cents per share for each warrant held. Further details are in the offer document.

- 307,690,626 2021 warrants (GENWB) were issued, 292,053,229 to eligible shareholders and 15,637,084 to a Holding Account managed by the Company. All warrants were issued on a basis of two warrants for each share held on record date. The warrants are exercisable on or before 30 November 2021 at 9.00 cents per share for each warrant held. Further details are in the offer document.

NOTE 17: EQUITY (CONTINUED)

A tender process was settled on 30 September 2019 for 7,778,542 GENWA warrants and 15,557,084 GENWB warrants that had originally been issued to a holding account in relation to the warrant issue on 11 December 2018 described above. The GENWA warrants were sold to tenderers for total proceeds of $4,068 and the GENWB shares were sold for total proceeds of $4,718. As part of this transaction, 7,540,601 GENWA warrants were purchased by Key Management Personnel for total proceeds of $3,013 and 15,357,084 GENWB warrants were purchased by Key Management Personnel for total proceeds of $3,068.

[2]Refer to Note 17(a) for further details on warrants exercised.

[3]The Group allowed a minor parcel of 2,000 GENWA warrants to be exercised after the 31 March 2020 expiry date (on 15 April 2020) as the exercise form was received late due to mail delays.

(e) Reserves

	Notes	Financial Assets at FVOCI $	Share-based payments $	Total Reseves $
Balance at 1 April 2018		-	-	-
Revaluation of financial assets at FVOCI	14	(14,862)	-	(14,862)
Balance at 31 March 2019		(14,862)	-	(14,862)
Revaluation of financial assets at FVOCI	14	(153,094)	-	(153,094)
Income tax arising on revaluation of financial assets at FVOCI	8	43,273	-	43,273
Share-based payment expense	19	-	6,903	6,903
Balance at 31 March 2020		(124,683)	6,903	(117,780)

NOTE 18: RELATED PARTY BALANCES AND TRANSACTIONS

Major shareholders, directors, directors of subsidiaries and closely related persons or entities to them are considered related parties of the Group.

The Group had dealings with the following related parties during the reporting periods:

Related party	Relationship
Directors (Refer to Director Profiles)	Directors
Alistair Ward	Director of Subsidiary (General Finance Limited) - *up to 16 September 2019*
Donald Hattaway	Director of Subsidiary (General Finance Limited)
Garth Ward	Director of Subsidiary (Corporate Holdings Limited) - *up to 14 September 2019*
Gregory Pearce	Director of Subsidiary (General Finance Limited)
Robert Hart	Director of Subsidiary (General Finance Limited)
Almond Draw Limited	Common Director - *up to 14 September 2019*
Barter Investments Limited	Common Director
Borneo Capital Limited	Common Director
Campbell MacPherson Limited	Common Director
Cannabis & Bioscience Corporation Limited	Common Director
Ellice Tanner Hart Limited	Common Director
Equity Investment Advisers Limited	Common Director
Moneyonline Limited	Common Director
Pegasus Golf Limited	Common Director with Sports & Education Corporation Limited[2] (parent company of Pegasus Golf Limited)
Snowdon Peak Limited	Common Director
Sports & Education Corporation Limited[2]	Common Director

NOTE 18: RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Related party receivables:	2020 $	2019 $
Cannabis & Bioscience Corporation Limited	79,823	-
	79,823	-

Related party payables:	2020 $	2019 $
Brent King	442	1,870
Equity Investment Advisers Limited	2,126	-
Moneyonline Limited	357	6,072
	2,925	7,942

As at the prior year ended 31 March 2019, the group also had $2,985 payable to Equity Investment Advisers Limited included in accounts and other payables on the statement of financial position (2020: $nil).

The above amounts payable to related parties are unsecured, interest-free and repayable on demand.

Other related party balances:

	2020 $	2019 $
Term deposits held by directors and subsidiary directors	5,623,275	2,834,450
Loan receivable exposure to Pegasus Golf Limited	-	389,564

Transactions with related parties			2020	2019
Related Party	*Type*	*Transaction*	$	$
Key Management Personnel[1]				
	Expense	Short term Remuneration	645,043	415,467
	Expense	Interest paid or capitalised on term deposits investments held	177,859	55,626
	Expense	Recharge of expenses	107,075	36,035
Almond Draw Limited				
	Expense	Consultant fees	7,500	44,775
Ellice Tanner Hart Limited				
	Expense	Legal Fees	-	-
Equity Investment Advisers Lin	Expense	Recharge of salary costs	57,676	50,156
	Expense	Brokerage paid	79,984	23,638
	Expense	Recharge of expenses	4,830	-
	Revenue	Advertising fees	1,500	-
Moneyonline Limited	Expense	Recharge of expenses	132,576	99,352
Campbell MacPherson Limited	Revenue	Advertising fees	-	2,500
Pegasus Golf Limited[2]	Revenue	Fees and interest capitalised to loan balance	15,506	13,036
Cannabis & Bioscience Corporation Limited	Revenue	Advisory fees	91,151	-
Sports and Education Corporation Limited[2]	Revenue	Advisory fees[2]	-	274,100

[1]Key Management Personnel includes the Company's Directors since 3 August 2018, the date of the reverse acquisition (refer to note 21), subsidiary company directors, and the Chief Financial Officer in the 31 March 2020 financial year.

[2]Since 30 November 2018, the date Sports & Education Corporation Limited became a related party by virtue of common directorship. The related party relationship ceased on 10 October 2019.

NOTE 18: RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Other related party transactions:

All of the shares of Corporate Holdings Limited ("CHL") (other than those already owned by the Company) were ultimately acquired by the Company (by issuing the Company's shares to CHL's shareholders) in the reverse acquisition transaction on 3 August 2018 described in note 21. This included the 100,000 CHL shares that were owned by Garth Ward prior to 1 April 2017 (which had a par value of $0.01 per share at 1 April 2017). Refer to note 17 for further details on share capital and redeemable preference shares.

During the year ended 31 March 2018 2,000,000 CHL redeemable preference shares (type 1) were issued to Borneo Capital Limited for consideration of $2,000,000. These redeemable preference shares were converted to ordinary CHL shares on 3 August 2018 and were ultimately purchased by the Company (by issuing the Company's shares to CHL's shareholders) in the reverse acquisition transaction on 3 August 2018 described in note 21. Refer to note 17 for further details on share capital and redeemable preference shares.

On 27 July 2018, an executive director of General Finance Limited contributed $150,000 towards a loan receivable of the Group on equal terms with the Group in respect of the proportion contributed. The loan contribution was repaid by the Group on 11 December 2018. The proportion of interest in relation to the contribution totalled $5,039 and the proportion of fee income in relation to the contribution totalled $2,000.

As detailed in note 17(a), on 7 December 2018 1,037,037 ordinary shares have been issued to Directors and Senior Managers for an aggregate subscription value of $70,000 and 7,850,111 ordinary shares have been issued to Borneo Capital Limited (Borneo) for an aggerate subscription value of $529,883.

Directors and other related parties received warrants issued on 11 December 2018 in the same ratio as all other shareholders in respect of the ordinary shares that they owned at that date (refer to note 17(d)).

As detailed in note 17(a), 6,630,780 GENWA warrants were exercised by Key Management Personnel on 30 September 2019 for a total exercise price of $513,885.

As detailed in note 17(d), 7,540,601 GENWA warrants were purchased by Key Management Personnel for total proceeds of $3,013 and 15,357,084 GENWB warrants were purchased by Key Management Personnel for total proceeds of $3,068 on 30 September 2019.

NOTE 19: SHARE BASED PAYMENTS

(a) Warrants issued to directors and senior managers

An issue of up to 20 million GENWB warrants to directors and senior managers, to be allocated at the Board's discretion, was approved by shareholders at a special meeting dated 29 November 2018.

The issue of warrants provides long-term incentives for directors and senior managers to deliver long-term shareholder value.

The warrants have the same terms as GENWB warrants that were issued to shareholders in December 2018. They are exercisable on or before 30 November 2021 at 9.00 cents per share for each warrant held.

During the year ended 31 March 2020, a total of 13,050,000 warrants were issued to Directors and Senior Managers, 12,650,000 on 25 June 2019 and a further 400,000 on 17 January 2020.

	Directors' and Senior Managers' Warrants[1]	
	Number	**Fair Value $**
Balance at 1 April 2018	-	-
Balance at 31 March 2019	-	-
Issue of GENWB warrants to directors and senior managers - 25 June 2019	12,650,000	4,672
Issue of GENWB warrants to directors and senior managers - 17 January 2020	400,000	2,231
Balance at 31 March 2020	13,050,000	6,903

[1]The above table only includes GENWB warrants issued to Directors and Senior Managers in respect of their services provided to the Group. It excludes any warrants that were issued to Directors and Senior Managers pro rata with other shareholders in respect of their shareholding at 11 December 2018 (refer to note 17). For details of Directors transactions and balances in shares and warrants refer to Shareholder and Statutory Information.

NOTE 19: SHARE BASED PAYMENTS (CONTINUED)

Fair value of warrants issued to directors and senior managers

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

Inputs into model	**Warrants Issued**	
	25-Jun-19	**17-Jan-20**
Warrants issued	12,650,000	400,000
Exercise price per warrant	9.00 cents	9.00 cents
Share price at grant date	6.00 cents	8.00 cents
Expected price volatility of the Company's shares[2]	15.13%	20.00%
Risk free interest rate	0.84%	0.99%
Fair value per warrant	0.0369 cents	0.5576 cents
Total fair value of warrants issued[3]	$ 4,672	$ 2,231

[2]The expected price volatility is based on the historical volatility of the shares and adjusted for any expected changes to future volatlity. Transactions in GENWB Warrants (which are also listed on the NZX) have also been considered when determining the expected price volatility of the Company's shares at grant date.

[3]The fair value of warrants on grant date is recorded as a share-based payments expense included within personnel expenses in the Statement of Comprehensive Income and in reserves (refer note 17(e)).

NOTE 20: RECONCILIATION OF NET SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2020 $	2019 $
Net profit / (loss) after tax		129,556	(458,088)
Adjustment for non-cash and other items			
Bad debts written off - loan receivables		-	12,388
Movement in allowance for expected credit losses		54,999	(31,844)
Deferred tax movement through profit or loss	8	(14,323)	1,965
Depreciation and amortisation		27,237	21,694
Fair value of warrants issued to directors and senior managers	19	6,903	-
Income received in non-cash financial assets		-	(165,600)
Expenses paid in non-cash financial assets		-	11,055
Loss on acquisition of listed shell		-	405,280
Interest on redeemable preference shares		-	47,479
Adjustment for movements in working capital[1]			
(Increase) / decrease in loan receivables (net advances)		(17,091,608)	(8,516,032)
(Increase) / decrease in accrued interest on loans receivable		(112,604)	(9,940)
(Increase) / decrease in capitalised loan fees		(306,999)	(135,185)
(Increase) / decrease in capitalised interest		(213,292)	(82,223)
(Increase) / decrease in accounts receivable		3,292	(5,440)
(Increase) / decrease in related party receivable		(79,823)	-
(Increase) / decrease in prepayments and other current assets		(151,679)	(14,237)
(Increase) / decrease in prepaid commission		(41,901)	(19,286)
(Increase) / decrease in bartercard trade dollars[2]		1,396	104,414
Increase / (decrease) in income tax payable		54,147	(114,786)
Increase / (decrease) in deferred income		95,954	63,849
Increase / (decrease) in interest payable		198,558	7,177
Increase / (decrease) in related party payable		(5,017)	(133,400)
Increase / (decrease) in accounts and other payables		72,757	(22,519)
Net cash (outflow) / inflow from operating activities		(17,372,447)	(9,033,279)

[1]Movements in the 2019 year are net of working capital amounts acquired in business combinations (note 21).

[2]Movement in the 2020 year net of $200,000 bartercard trade dollars used for acquisition of an equity investment (note 14).

NOTE 21: BUSINESS COMBINATIONS (PRIOR YEAR)

Reverse acquisition of Corporate Holdings Limited

On 3 August 2018, General Capital Limited, acquired Corporate Holdings Limited through the issue of 104,323,240 ordinary shares to the vendors of Corporate Holdings Limited.

Under the terms of the Sale and Purchase agreement dated 28 May 2018, that was approved by shareholders at a Special Meeting on 31 July 2018, the acquisition of Corporate Holdings Limited was settled by 104,323,240 ordinary shares in General Capital Limited.

For financial reporting purposes the directors have determined that due to the nature of the transaction and the parties involved that the acquisition should be classified as a "reverse acquisition" where Corporate Holdings Limited is treated as the acquirer of General Capital Limited. The consolidated financial statements prepared following a "reverse acquisition" are issued under the name of the legal parent, General Capital Limited (the accounting acquiree), but are a continuation of the financial statements of Corporate Holdings Limited (the accounting acquirer), a company that was incorporated and domiciled in New Zealand on 16 March 2017.

Under reverse acquisition accounting, the cost of the business combination is deemed to have been the incurred by the legal subsidiary, Corporate Holdings Limited (the accounting acquirer) in the form of equity instruments issued to the owners of the legal parent, General Capital Limited, (the accounting acquiree). The consideration of $1,121,259 is the fair value of the shares that were issued in relation to the transaction. The fair value of shares issued is calculated as the percentage of ownership of Corporate Holdings Limited forgone by its original shareholders divided by the percentage of ownership of General Capital Limited obtained by CHL's shareholders in the transaction multiplied by the fair value of Corporate Holdings Limited on acquisition date. The difference between the deemed value of the shares issued and the fair value of net assets acquired of $405,280 is recorded as a loss in the Statement of Comprehensive Income.

The primary reason for the business combination was to effect the reverse listing of Corporate Holdings Limited and its subsidiaries.

Details of the transaction were:

	$
Fair value of consideration transferred	
Shares issued as consideration	1,121,259
Total Consideration	1,121,259
Identified assets acquired and liabilities assumed	
- Cash and cash equivalents	85,735
- Other current assets	22,809
- Intangible assets - bartercard trade dollars (note 14)	693,313
- Accounts and other payables	(85,878)
Net assets acquired	715,979
Loss on acquiring listed shell	405,280
	1,121,259

Contribution to Group results

Since the acquisition date General Capital Limited has contributed revenue of $nil (2019: $2,538) and a loss after tax of $296,256 (2019: $163,210) which is included within the loss for the Group. Had the combination occurred from the beginning of the year ended 31 March 2019, the operating loss for General Capital Limited included in the Group in that year would have been $421,177 and revenue would have been $3,750.

NOTE 22: COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION

Prospective consolidated financial statements were prepared for the Group within the disclosure document dated 16 July 2018 as part of the special meeting dated 31 July 2018. The prospective financial statements for the year ended 31 March 2020 are compared to the actual results achieved for that year.

Consolidated statement of comprehensive income

	Actual Year ended 31 March 2020 $	Unaudited prospective information* Year ended 31 March 2020 $	Variance $
Interest income	2,846,439	4,363,475	(1,517,036)
Interest expense	(1,441,213)	(1,860,370)	419,157
Net interest income	1,405,226	2,503,105	(1,097,879)
Fee and commission income	553,686	696,772	(143,086)
Fee and commission expense	(128,699)	(50,000)	(78,699)
Net fee and commission income	424,987	646,772	(221,785)
Revenue from contracts with customers	227,715	385,000	(157,285)
Cost of sales	(32,545)	(25,000)	(7,545)
Gross profit from contracts with customers	195,170	360,000	(164,830)
Other income	12,761	25,000	(12,239)
Net revenue	2,038,144	3,534,877	(1,496,733)
Release / (increase) in allowance for expected credit losses	(54,999)	(100,000)	45,001
Personnel expenses	(746,680)	(470,000)	(276,680)
Occupancy expenses	(117,373)	(90,000)	(27,373)
Depreciation	(4,444)	-	(4,444)
Amortisation of intangibles	(22,793)	-	(22,793)
Other expenses	(901,392)	(1,044,000)	142,608
Acquisition expenses	-	-	-
Loss on acquiring listed shell	-	-	-
	(1,847,681)	(1,704,000)	(143,681)
Profit before income tax expense	190,463	1,830,877	(1,640,414)
Income tax (expense) / benefit	(60,907)	(517,765)	456,858
Net profit after income tax expense	129,556	1,313,112	(1,183,556)
Other comprehensive income			
Changes in the fair value of equity investments at fair value	(153,094)	-	(153,094)
Income tax on these items	43,273	-	43,273
Other comprehensive income for the year	(109,821)	-	(109,821)
Total comprehensive income	19,735	1,313,112	(1,293,377)

*Where applicable, amounts have been reclassified for consistency with 31 March 2020 consolidated financial statements.

NOTE 22: COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Consolidated statement of financial position

	Actual as at 31 March 2020 $	Unaudited prospective information* as at 31 March 2020 $	Variance $
Equity			
Share capital	10,176,204	8,282,353	1,893,851
Retained earnings	(676,417)	2,110,133	(2,786,550)
Other reserves	(117,780)	-	(117,780)
Total equity	9,382,007	10,392,486	(1,010,479)
Assets			
Cash and cash equivalents	12,562,241	4,106,490	8,455,751
Accounts receivables	10,859	152,215	(141,356)
Related party receivables	79,823	-	79,823
Finance receivables	34,855,849	50,642,044	(15,786,195)
Other current assets	266,523	25,000	241,523
Income taxation receivable	-	-	-
Property, plant and equipment	8,008	-	8,008
Deferred tax asset	96,004	49,813	46,191
Financial assets at fair value through other	237,389	-	237,389
Intangible assets and goodwill	3,046,811	3,227,077	(180,266)
Total assets	51,163,507	58,202,639	(7,039,132)
Liabilities			
Accounts and other payables	319,381	215,683	103,698
Related party payables	2,925	-	2,925
Income taxation payable	8,697	220,000	(211,303)
Term deposits	41,450,497	47,374,470	(5,923,973)
Total liabilities	41,781,500	47,810,153	(6,028,653)
Net assets	9,382,007	10,392,486	(1,010,479)

Consolidated summarised statement of changes in equity

	Actual Year ended 31 March 2020 $	Unaudited prospective information* Year ended 31 March 2020 $	Variance $
Total equity as at 1 April 2019	8,752,660	9,079,374	(326,714)
Total comprehensive income for the year	19,735	1,313,112	(1,293,377)
Transactions with owners	609,612	-	609,612
Balance at 31 March 2020	9,382,007	10,392,486	(1,010,479)

*Where applicable, amounts have been reclassified for consistency with 31 March 2020 consolidated financial statements.

GENERAL CAPITAL

NOTE 22: COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Consolidated statement of cash flows

	Actual as at 31 March 2020 $	Unaudited prospective information* as at 31 March 2020 $	Variance $
Cash flow from operating activities			
Interest received	2,520,543	4,219,480	(1,698,937)
Receipts from customers	491,332	1,315,258	(823,926)
Other income	12,761	-	12,761
Payments to suppliers and employees	(2,041,737)	(1,593,782)	(447,955)
Interest paid	(1,242,655)	(1,470,591)	227,936
Income tax paid	(21,083)	(355,165)	334,082
Finance receivables (net advances)	(17,091,608)	(27,356,005)	10,264,397
Net cash provided by operating activities	(17,372,447)	(25,240,805)	7,868,358
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)	-	-	-
Purchase of property, plant and equipment	(6,276)	-	(6,276)
Purchase of software	(4,444)	-	(4,444)
Net cash provided by / (used in) investing activities	(10,720)	-	(10,720)
Cash flow from financing activities			
Issue of ordinary shares	602,709	-	602,709
Issue of redeemable preference shares	26,393,382	-	26,393,382
Term deposits (net receipts)	-	25,595,496	(25,595,496)
Net cash provided by financing activities	26,996,091	25,595,496	1,400,595
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the reporting period	2,949,317	3,751,799	(802,482)
Net (decrease) / increase in cash and cash equivalents held during the reporting period	9,612,924	354,691	9,258,233
Cash and cash equivalents at end of the reporting period	12,562,241	4,106,490	8,455,751

*Where applicable, amounts have been reclassified for consistency with 31 March 2020 consolidated financial statements.

Key drivers of variances:

As noted in the Group's 31 March 2019 annual report which compared the 2019 results to the 2019 prospective financial information, the growth in the finance receivables book and term deposit liabilities was not as fast as was originally anticipated. Whilst the balance sheet growth has been significant in the year ended 31 March 2020, due to the delayed growth the loan receivable book is $15.8m behind forecast as at 31 March 2020 and the term deposit liabilities are $5.9m behind forecast as at 31 March 2020. This, combined with a higher proportion of assets held in cash and cash equivalents at 31 March 2020 than forecasted, represents the majority of the variance in total assets and total liabilities.

The slower than anticipated growth and high proportion of cash and cash equivalents in the balance sheet resulted in a lower net interest margin ($1.1 million lower than forecast) and net fee and commission income ($0.2 million lower than forecast).

NOTE 23: COMMITMENTS AND CONTINGENT LIABILITIES

The Group has no material commitments or contingent liabilities at reporting date (2019: none).

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

- Note 4.1 of these financial statements described the impact of the ongoing outbreak of COVID-19 pandemic which occurred before 31 March 2020 and continues as at the date of the signing of these financial statements.

There has been no other matter or circumstance, which has arisen since reporting date that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to reporting date, of the Group, or
- the results of those operations, or
- the state of affairs, in financial years subsequent to reporting date, of the Group.

SHAREHOLDER AND STATUTORY INFORMATION

General Capital Limited ("the Company") is a listed company on the NZX Main Board. Prior to 1 July 2019 the Company was listed on the New Zealand Alternative Market (NZAX).

The Company had three classes of quoted financial products on issue during the year ended 31 March 2020, one of which expired on 31 March 2020:

Ordinary shares

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held.

GENWA Warrants

The warrants were exercisable on or before 31 March 2020 at 7.75 cents per share for each warrant held. The warrants did not have any voting rights attached to them, nor do they have any entitlement to participate in dividends or the proceeds on the winding up of the Company.

GENWB Warrants

Warrants are exercisable on or before 30 November 2021 at 9.00 cents per share for each warrant held. Warrants do not have any voting rights attached to them, nor do they have any entitlement to participate in dividends or the proceeds on the winding up of the Company.

LARGEST HOLDERS OF QUOTED FINANCIAL PRODUCTS (as at 18 June 2020)

Ordinary Shares

Rank	Registered Holder	Ordinary Shares Held	%
1	Borneo Capital Limited	42,249,755	26.14%
2	Brent Douglas King	21,948,650	13.58%
3	CFS NBDT Interest Limited	16,270,000	10.06%
4	Belian Holdings Limited	12,377,869	7.66%
5	Owen Arvind Daji	7,030,463	4.35%
6	Grant Keith Baker & Donna Jean Baker & Lewis Thomas Grant	6,511,945	4.03%
7	Harrigens Trustees Limited	6,511,945	4.03%
8	Stephen John Sinclair & Jacqueline Margaret Sinclair & Roger Frederick Wallis	6,290,524	3.89%
9	John Tomson	6,289,722	3.89%
10	Bruce Gregory Speers & Fiorano Trust Limited	4,169,723	2.58%
11	Syed Hizam Alsagoff	4,000,000	2.47%
12	Barter Investments Limited	3,562,470	2.20%
13	Zhenhua Qian	3,030,303	1.87%
14	Bruce Gregory Speers	2,222,222	1.37%
15	Garth William Ward	1,672,455	1.03%
16	Justin Andrew Cunningham & Andrew Mark Scott	1,637,000	1.01%
17	Sii Yih Ting	1,480,000	0.92%
18	Koon Weng Lee	1,291,325	0.80%
19	Chu Kian Then	1,170,408	0.72%
20	Yada Holdings No 1 Limited	770,000	0.48%
		150,486,779	93.09%

LARGEST HOLDERS OF QUOTED FINANCIAL PRODUCTS (as at 18 June 2020) (continued)

GENWB Warrants

Rank	Registered Holder	GENWB Warrants Held	%
1	Borneo Capital Limited	82,780,222	25.81%
2	Brent Douglas King	53,897,300	16.80%
3	CFS NBDT Interest Limited	32,540,000	10.15%
4	Belian Holdings Limited	18,755,738	5.85%
5	Owen Arvind Daji	14,060,926	4.38%
6	Grant Keith Baker & Donna Jean Baker & Lewis Thomas Grant	13,023,890	4.06%
7	Harrigens Trustees Limited	13,023,890	4.06%
8	Stephen John Sinclair & Jacqueline Margaret Sinclair & Roger Frederick Wallis	12,581,048	3.92%
9	John Tomson	12,579,444	3.92%
10	Bruce Gregory Speers & Fiorano Trust Limited	8,579,446	2.67%
11	Syed Hizam Alsagoff	8,000,000	2.49%
12	Barter Investments Limited	7,124,940	2.22%
13	Jonathan Brian Vijay Clark	6,505,232	2.03%
14	Zhenhua Qian	6,060,606	1.89%
15	Bruce Gregory Speers	4,444,444	1.39%
16	Garth William Ward	3,744,910	1.17%
17	Justin Andrew Cunningham & Andrew Mark Scott	3,274,000	1.02%
18	Robert Garry Hart & Sarah Dawn Wilkinson-Hart & Eth (Wilkinson-Hart) Trustees Limited	2,081,482	0.65%
19	Casrom Trustee Company Limited	1,198,446	0.37%
20	Yada Holdings No 1 Limited	1,140,000	0.36%
		305,395,964	95.22%

SPREAD OF FINANCIAL PRODUCT HOLDERS (as at 18 June 2020)

Ordinary Shares

Size of Holding	Number of Shareholders	%	Number of Ordinary Shares	%
1 - 1,999	515	71.2%	31,407	0.0%
2,000 - 4,999	26	3.6%	72,609	0.0%
5,000 - 9,999	61	8.4%	455,593	0.3%
10,000 - 49,999	53	7.3%	1,153,960	0.7%
50,000 - 99,999	18	2.5%	1,120,275	0.7%
100,000 - 999,999	31	4.3%	9,107,020	5.6%
1,000,000 - 9,999,999	15	2.1%	56,870,505	35.2%
10,000,000 and over	4	0.6%	92,846,274	57.5%
	723	100.0%	161,657,643	100.00%

Geographic Spread				
New Zealand	620	85.7%	154,256,714	95.4%
Malaysia	67	9.3%	6,928,330	4.3%
Rest of World	36	5.0%	472,599	0.3%
	723	100.0%	161,657,643	100.00%

SPREAD OF FINANCIAL PRODUCT HOLDERS (as at 18 June 2020) (continued)

GENWB Warrants

Size of Holding	Number of Product Holders	%	Number of GENWB Warrants	%
1 - 1,999	501	80.5%	34,124	0.0%
2,000 - 4,999	8	1.3%	28,724	0.0%
5,000 - 9,999	6	1.0%	35,172	0.0%
10,000 - 49,999	36	5.8%	686,728	0.2%
50,000 - 99,999	11	1.8%	747,880	0.2%
100,000 - 999,999	39	6.3%	12,806,292	4.0%
1,000,000 - 9,999,999	12	1.9%	53,153,506	16.6%
10,000,000 and over	9	1.4%	253,242,458	79.0%
	622	100.0%	320,734,884	100.00%
Geographic Spread				
New Zealand	618	99.4%	319,732,668	99.7%
Rest of World	4	0.6%	1,002,216	0.3%
	622	100.0%	320,734,884	100.00%

SUBSTANTIAL PRODUCT HOLDERS (at 31 March 2020)

The following information is provided pursuant to section 293 of the Financial Markets Conduct Act 2013.

As at 31 March 2020, the following shareholders are registered by the company as Substantial Product Holders in the Company, having disclosed a relevant interest in quoted voting products under the Financial Markets Conduct Act 2013.

	Ordinary Shares	% of voting (ordinary) shares at balance date	GENWB Warrants
Borneo Capital Limited	42,249,755	26.14%	82,780,222
Brent Douglas King	21,948,650	13.58%	53,897,300
CFS NBDT Interest Limited	16,270,000	10.06%	32,540,000
Belian Holdings Limited	12,377,869	7.66%	18,755,738
	92,846,274		187,973,260

DIRECTORS' REMUNERATION AND OTHER BENEFITS

	Directors Fees	Other Remuneration[1]
	$	$
Rewi Hamid Bugo	25,500	-
Brent Douglas King[1]	17,000	148,887
Huei Min Lim	17,000	-
Graeme Iain Brown	17,000	-
Simon John McArley	19,250	-
	95,750	148,887

[1]Other remuneration paid to Brent King comprises salaries and other benefits paid to Brent King in his capacity as Managing Director of General Capital Limited and its subsidiaries. Brent King's other remuneration is broken down further as follows:

	$
Base salary	127,772
Car allowance	12,000
Commission[2]	9,115
	148,887

DIRECTORS' REMUNERATION AND OTHER BENEFITS (Continued)

Other entitlements of the Managing Director:

[2]Brent King is entitled to a commission payment of 10% of all fee income earned by the Group. For the avoidance of doubt, this excludes any fees earned by General Finance Limited in relation to its lending business.

Brent King is also entitled to a profit share of 8% of any amount by which the Group's net profit after tax exceeds the benchmark for that year. That benchmark is the total equity of the Group at the commencement of the year, multiplied by the Official Cash Rate (set by the Reserve Bank of New Zealand) plus 10% per annum. These amounts are to be paid quarterly based on estimates calculated by the Group Chief Financial Officer. During the year ended 31 March 2020, there were no such payments made to the Managing Director.

DIRECTORS DEALINGS IN QUOTED FINANCIAL PRODUCTS DURING THE YEAR ENDED 31 MARCH 2020

	Date of Transaction	Financial Product	Number of Financial Products Acquired / (disposed)	Consideration (received) / paid $	Relevant Interest
Rewi Hamid Bugo[1]	25/06/2019	GENWB Warrants	2,000,000	Note 7	Note 1
Brent Douglas King[2]	25/06/2019	GENWB Warrants	2,000,000	Note 7	Note 2
Graeme Iain Brown[3]	25/06/2019	GENWB Warrants	600,000	Note 7	Note 3
Huei Min Lim[4]	25/06/2019	GENWB Warrants	600,000	Note 7	Note 4
Simon John McArley[5]	26/06/2019	GENWB Warrants	600,000	Note 7	Note 5
Simon John McArley[6]	25/06/2019 - 26/06/2019	Ordinary Shares	40,000	$2,589	Note 6
Huei Min Lim[4]	17/07/2019	Ordinary Shares	33,590	$2,015	Note 4
Rewi Hamid Bugo[1]	30/09/2019	Ordinary Shares	1,859,644	Note 8	Note 1
Rewi Hamid Bugo[1]	30/09/2019	GENWA Warrants	(1,859,644)	Note 8	Note 1
Brent Douglas King[2]	30/09/2019	Ordinary Shares	1,000,000	Note 8	Note 2
Brent Douglas King[2]	30/09/2019	GENWA Warrants	(1,000,000)	Note 8	Note 2
Graeme Iain Brown[3]	30/09/2019	Ordinary Shares	3,300,000	Note 8	Note 3
Graeme Iain Brown[3]	30/09/2019	GENWA Warrants	(3,300,000)	Note 8	Note 3
Brent Douglas King[2]	30/09/2019	GENWA Warrants	5,000,000	Note 9	Note 2
Brent Douglas King[2]	30/09/2019	GENWB Warrants	10,000,000	Note 10	Note 2

The GENWA Warrants that were not exercised by Directors by their final exercise date of 31 March 2020 lapsed on 31 March 2020.

Relevant Interests

[1]Deemed relevant interest by virtue of Rewi Hamid Bugo owning more than 20% of the voting products of Borneo Capital Limited (the registered holder).

[2]Brent Douglas King as the registered holder and beneficial owner.

[3]Deemed relevant interest by virtue of Graeme Iain Brown owning more than 20% of the voting products of Belian Holdings Limited (the registered holder).

[4]Huei Min Lim as the registered holder and beneficial owner.

[5]Deemed relevant interest by virtue of Simon John McArley owning more than 20% of the voting products of Beaconsfield Nominees Limited (the registered holder).

[6]Deemed relevant interest by virtue of Simon John McArley being a trustee of the Prospect Road Family Trust, the beneficial owner of the shares issued by Prospect Road Investments Limited (the registered holder).

Other notes

[7]Issue of GENWB warrants pursuant to the Warrant Offer Document - Directors and Senior Managers announced to the NZX on 4 December 2018.

[8]GENWA Warrants exercised for ordinary shares at an exercise price of 9.00 cents per GENWA warrant on the transaction date.

[9]5,000,000 GENWA Warrants purchased for total consideration of $2,000 as part of the warrant tender process announced to the NZX on 24 September 2019 that settled on 30 September 2020.

[10]10,000,000 GENWB Warrants purchased for total consideration of $2,000 as part of the warrant tender process announced to the NZX on 24 September 2019 that settled on 30 September 2020.

SHAREHOLDER AND STATUTORY INFORMATION

DIRECTORS QUOTED FINANCIAL PRODUCT HOLDINGS AT 31 MARCH 2020

	Ordinary Shares	GENWB Warrants
Rewi Hamid Bugo[1]	42,249,755	82,780,222
Brent Douglas King[2]	21,948,650	53,897,300
Brent Douglas King[3]	3,562,470	7,124,940
Graeme Iain Brown[4]	12,377,869	18,755,738
Huei Min Lim	33,590	600,000
Simon John McArley[5]	40,000	-
Simon John McArley[6]	-	600,000
	80,212,334	163,758,200

Relevant Interests

[1]Deemed relevant interest by virtue of Rewi Hamid Bugo owning more than 20% of the voting products of Borneo Capital Limited (the registered holder).

[2]Brent Douglas King as the registered holder and beneficial owner.

[3]Deemed relevant interest by virtue of Brent Douglas King being a director of Barter Investments Limited (the registered holder).

[4]Deemed relevant interest by virtue of Graeme Iain Brown owning more than 20% of the voting products of Belian Holdings Limited (the registered holder).

[5]Deemed relevant interest by virtue of Simon John McArley being a trustee of the Prospect Road Family Trust, the beneficial owner of the shares issued by Prospect Road Investments Limited (the registered holder).

[6]Deemed relevant interest by virtue of Simon John McArley owning more than 20% of the voting products of Beaconsfield Nominees Limited (the registered holder).

OTHER DIRECTORSHIPS HELD BY DIRECTORS

Rewi Hamid Bugo

General Capital Limited
Thriven Global Berhad
Aventura Properties Limited
Bay of Islands Property Limited
Borneo Capital Limited
Borneo Investments Limited
Corporate Holdings Limited
Global Dominance Limited
Inlet Contractors Limited
Inlet Estate Limited
Sego Holdings (NZ) Limited
Selwyn Residential Limited
Billion Jasa Sdn Bhd
Delima Pelita Sdn Bhd
Didi Resources Sdn Bhd
Didi Automotive Sdn Bhd
Era Malindo Sdn Bhd
Gading Kapital Sdn Bhd
Ik Chin Travel Services (K) Sdn Bhd
Lamacipta Sdn Bhd
Mesti Perkasa Sdn Bhd
Pacific Unit Sdn Bhd
Parklane Properties Sdn Bhd
Petra Jaya Properties Sdn Bhd
PJP Dua Sdn Bhd
Profile Equity Sdn Bhd
Property Plus Marketing Services Sdn Bhd
Reignvest Corporation Sdn Bhd
Rekaruang Sdn Bhd
Santubong Properties Sdn Bhd
Santubong Suites Sdn Bhd
Sara Gemilang Sdn Bhd
Sarasiana Holdings Sdn Bhd
Sego Holdings Sdn Bhd
Space Craft Sdn Bhd
Strategen Services Sdn Bhd
Telaga Air Resourses Sdn Bhd
Transnational Insurance Brokers (M) Sdn Bhd
Trombol Resort Sdn Bhd
Warble Resources Sdn Bhd

Graeme Iain Brown

Aventura Properties Limited
Belian Holdings Limited
General Capital Limited
Waddell Holding Ltd
Alkaz Sdn Bhd
Asian Acids Pte Ltd
Asian Corn Sdn Bhd
Borneo Plant Technology Sdn Bhd
Earth Energy Renewables LLC
Grand Evermore Sdn Bhd
Keresa Mill Sdn Bhd
Keresa Plantations Sdn Bhd
Keresa Sdn Bhd
Malesiana Tropicals Sdn Bhd
Pascali Sdn Bhd
Pesaka Energy Solutions Sdn Bhd
PFS Energy (Malaysia) Sdn Bhd
Premier Space Sdn Bhd
Pro-Formula Sdn Bhd
Rajang Wood Sdn Bhd
Sarawakiana Holdings Sdn
Sarawakiana Leisure Sdn Bhd
Sarawakiana Management Sdn Bhd
Sarawakiana Realty Sdn Bhd
Tera Management Sdn Bhd
Waddell Holding Sdn Bhd
Waddell Holdings Pte Ltd
Yun Ming Wood Industries Sdn Bhd

OTHER DIRECTORSHIPS HELD BY DIRECTORS (Continued)

Brent Douglas King

A.I.S. Limited
Askridge Holdings Limited
Barter Investments Limited
Cannabis & BioScience Corporation Limited
CBC Manuka Limited
CBC Greenfern Limited
CBC Tetramed Limited
Commercial and General Limited
Corporate Holdings Limited
Equity Investment Advisers Limited
General Capital Limited
General Finance Limited
General Finance & Leasing Limited
General Finance & Investments Limited
General Leasing Limited
General Loan & Finance Limited
Investment Research Group Limited
King Capital & Investment Corporation Limited
Kohaus Limited
Moneyonline Limited
Mykco Limited
Sharechat.co.nz Limited
Snowdon Peak Investments Limited
Red Hot Investments Limited
Transaction Holdings Limited

Huei Min Lim

General Capital Limited
Hartajaya Investments Limited
Kaya Investments Limited
Restaurant Brands New Zealand Limited
Asia New Zealand Foundation
Auckland Regional Amenities Funding Board

Simon John McArley

Beaconsfield Nominees Limited
General Capital Limited
Prospect Road Investments Limited
Prospect Road Services Limited

EMPLOYEE REMUNERATION

During the year ended 31 March 2020, the number of employees or former employees of the Group not being directors of General Capital Limited (but including Executive Directors of Subsidiaries), who received remuneration and other benefits in their capacity as employees, the value of which exceeded $100,000 for the year was as follows:

	Number of Employees	
Remuneration Range	**2020**	**2019**
$120,000 - $129,999	0	1
$130,000 - $139,999	0	1
$140,000 - $149,999	0	0
$150,000 - $159,000	0	0
$160,000 - $169,999	2	0

NZX WAIVERS

Certain class waivers were issued by the NZX for migrating entities from the NZAX to the NZX Main Board. The waivers included:

- A waiver from the requirement to update the Company's constitution for the requirements of the NZX Main Board rules dated 1 January 2019 until the next Annual or Special Meeting, provided the Company complies with the Rules from migration date.

- A waiver from the release dates prescribed in the NZX Main Board Rules dated 1 January 2019 in relation to the Company's 31 March 2019 results announcement and 31 March 2019 Annual Report provided the release dates prescribed in the NZAX listing rules are met.

The above waivers were relied upon by the Company during the financial year. The Company's constitution was updated at the Annual Meeting on 30 August 2019.

As part of relief given to listed entities impacted by the COVID-19 pandemic, a class waiver was issued by the NZX and Financial Markets Authority in relation to periodic reporting requirements. The class waiver included:

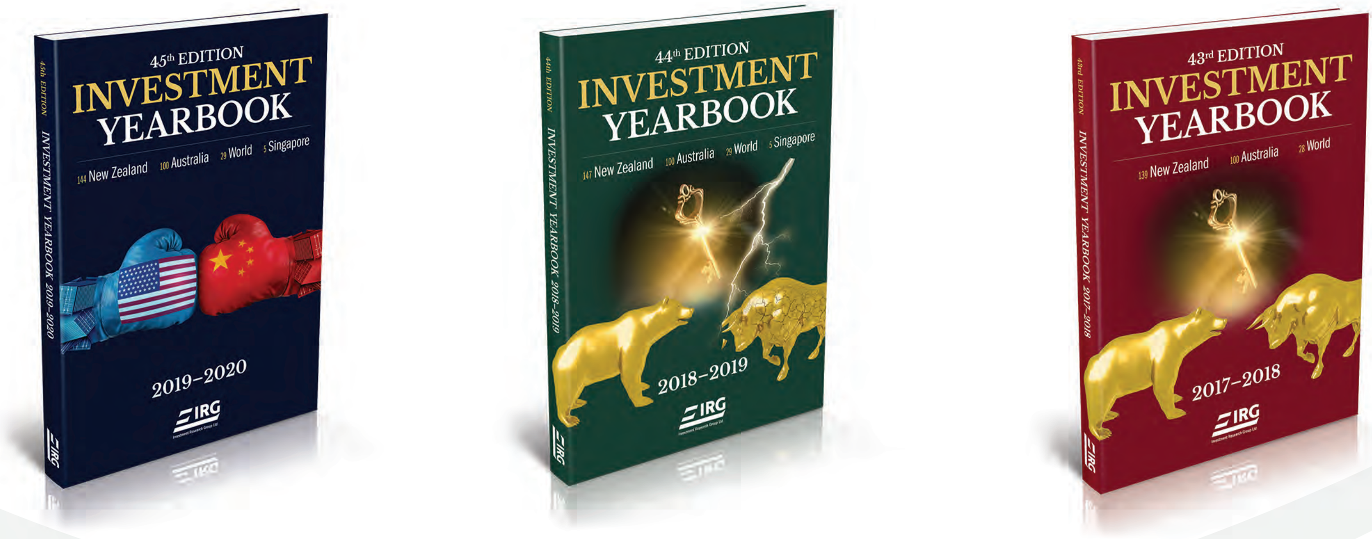
- A waiver from rules 3.5.1 and 3.6.1 in relation to the normal due dates for release of Results Announcements and Annual Reports, provided the results announcement is released within 90 days from the end of the financial year and the Annual Report is released within 5 months of the end of the financial year and other conditions are met.

The above class waiver was relied on by the Company in relation to the release of its 31 March 2020 Results Announcement and Annual Report.

Further details on class waivers issued by the NZX can be found on the NZX website.

GENERAL CAPITAL LIMITED
CORPORATE DIRECTORY

REGISTERED OFFICE:	General Capital Limited Level 7, Swanson House 12-26 Swanson Street Auckland 1010 New Zealand PO Box 1314 Shortland Street Auckland 1010 New Zealand Email: info@gencap.co.nz Web: www.gencap.co.nz Phone: (09) 526 5000
AUDITOR:	Baker Tilly Staples Rodway Level 9, Tower Centre 45 Queen Street Auckland CBD Auckland 1010
SHARE REGISTER:	Computershare Investor Services Limited Level 2, 159 Hurstmere Road Takapuna Auckland 0622
BANKERS:	Bank of New Zealand ANZ Bank New Zealand Limited ASB Bank Limited Westpac New Zealand Limited Heartland Bank Limited



IRG Investment Yearbook

A must have for any level of investor, from beginning to advanced.
IRG completed the 45th Edition of the Yearbook this year.
General Capital Shareholders can buy a copy using the online bookshop website https://www.irgresearch.nz
Shareholders will get a free copy of 2 prior years books for free!
Just email us at order@irg.co.nz stating you have ordered and which years you would like.

Investment Research Group

IRG

IRG is a research house and it is also a firm of Investment Bankers.
IRG is an NZX Sponsor. Management of IRG have listed companies and or been a Director of companies on all Equity Boards of NZX. This includes: NZSX, NZAX, NCM, NXT.

General Capital

General Finance
Inc. 1997

IRG