HEAD OFFICE
Level 3, 3 Te Kehu Way, Mt Wellington
_P) 0800 800 133 F) 09 573 5380_

Results for announcement to the market		
Name of issuer	Geneva Finance Limited	
Reporting Period	6 months to 30 September 2023	
Previous Reporting Period	6 months to 30 September 2022	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$30,592	29%
Total Revenue	$30,592	29%
Net profit/(loss) from continuing operations	$1,729	-31%
Total net profit/(loss)	$1,729	-31%
Interim / Final Dividend		
Amount per Quoted Equity Security	Not Applicable	
Imputed amount per Quoted Equity Security	Not Applicable	
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$0.49	$0.48
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to attached commentary	
Authority for this announcement		
Name of person authorised to make this announcement	Albert Boy	
Contact person for this announcement	Albert Boy	
Contact phone number	0800 800 132	
Contact email address	investments@genevafinance.co.nz	
Date of release through MAP	29 November 2023	

Unaudited financial statements accompany this announcement.

GENEVA FINANCE GROUP LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Note	Group		
		30 Sep 23 6 months Unaudited	30 Sep 22 6 months Restated and Unaudited	31 Mar 23 12 months Restated and Unaudited
		$000's	$000's	$000's
Interest income		9,946	7,817	16,654
Interest expense		(3,768)	(2,386)	(5,467)
Net interest income		**6,178**	**5,431**	**11,187**
Net premium revenue		18,889	14,552	30,900
Net claims expense		(10,728)	(7,751)	(17,528)
Underwriting Profit		**8,161**	**6,801**	**13,372**
Other revenue		1,757	1,397	2,771
Operating revenue (net of interest expense)		**16,096**	**13,629**	**27,330**
Operating expenses		(12,744)	(10,731)	(22,717)
Operating profit		**3,352**	**2,898**	**4,613**
Impaired asset (expense) / release		(837)	402	(70)
Net profit before taxation		**2,515**	**3,300**	**4,543**
Taxation benefit (charge)		(786)	(802)	(1,219)
Net profit after taxation		**1,729**	**2,498**	**3,324**
Attributable to:				
Group		1,470	2,331	2,903
Non-controlling interest		259	167	421
		1,729	**2,498**	**3,324**
Basic profit per share (cents)	(7)	2.02	3.20	3.98

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Group		
	30 Sep 23 6 months Unaudited	30 Sep 22 6 months Restated and Unaudited	31 Mar 23 12 months Restated and Unaudited
	$000's	$000's	$000's
Net profit after taxation	**1,729**	**2,498**	**3,324**
Other comprehensive income:			
Items may be subsequently reclassified to profit or loss			
Movement in financial assets at FVTOCI	(120)	-	83
Exchange differences on translation of foreign operations	272	488	278
Cash flow hedge, net of tax	220	1,083	93
Income tax relating to cash flow hedge	-	-	-
Other comprehensive income / (loss), net of tax	**372**	**1,571**	**454**
Total comprehensive income	**2,101**	**4,069**	**3,777**
Attributable to:			
Group	1,842	3,902	3,357
Non-controlling interest	259	167	421

GENEVA FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	**Group**			
		30 Sep 23 6 months Unaudited	30 Sep 22 6 months Restated and Unaudited	31 Mar 23 12 months Restated and Unaudited	01 Apr 22 12 months Restated and Unaudited
		$000's	$000's	$000's	$000's
Assets					
Cash and cash equivalents		29,727	39,023	27,844	38,834
Prepayments and other debtors		19,496	15,423	17,804	11,676
Taxation receivable		31	8	31	8
Finance receivables	(5)	111,981	94,088	105,730	93,203
Financial assets at fair value through other comprehensive income	(8)	10,911	33	10,794	33
Derivative financial instruments		815	1,585	595	502
Deferred insurance contract acquisition costs		8,518	6,598	7,568	5,847
Deferred taxation		1,825	2,544	2,367	3,170
Plant and equipment		507	398	241	542
Intangible assets		1,659	1,982	1,699	1,985
Total assets		**185,470**	**161,682**	**174,673**	**155,800**
Liabilities					
Trade payable and accruals		5,507	4,986	5,680	4,995
Outstanding claims liability		5,119	3,988	4,832	3,495
Employee entitlements		640	646	686	720
Unearned premium liability		36,745	29,997	33,499	25,580
Bank facilities	(9)	83,132	68,403	76,864	69,111
Other borrowings	(10)	15,291	14,241	14,841	14,242
Leased liabilities		9	144	12	281
Total liabilities		**146,443**	**122,405**	**136,414**	**118,424**
Equity					
Share capital	(6)	52,779	52,779	52,779	52,779
Treasury Stock		(342)	(342)	(342)	(342)
Reserves		(1,190)	(445)	(1,562)	(2,016)
Retained earnings		(14,717)	(14,692)	(14,903)	(15,101)
Non Controlling Interest		2,497	1,977	2,287	2,056
Total equity		**39,027**	**39,277**	**38,259**	**37,376**
Total equity and liabilities		**185,470**	**161,682**	**174,673**	**155,800**
Net tangible assets per share ($)		0.49	0.48	0.47	0.44

GENEVA FINANCE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Group						
	Share Capital	Treasury Stock	Reserves	Retained earnings	Attributable to owners of the parent	Non Controlling Interest	**Total equity**
	$000's	$000's	$000's	$000's		$000's	**$000's**
Balance at 31 March 2022 (Audited)	52,779	(342)	(2,016)	(14,717)	**35,705**	2,056	**37,760**
Adjustments on initial application of NZ IFRS 17, net of tax	-	-	-	(384)	**(384)**	**-**	**(384)**
Restated & unaudited balance at 1 April 2022	**52,779**	**(342)**	**(2,016)**	**(15,101)**	**35,321**	**2,056**	**37,376**
Net profit for the period	-	-	-	2,331	2,331	167	**2,498**
Other comprehensive income							
Increase in available for sale equity reserve	-	-	-	-	-	-	**-**
Exchange differences on translation of foreign operations	-	-	488	-	488	-	**488**
Change in cash flow hedge, net of tax	-	-	1,083	-	1,083	-	**1,083**
Total other comprehensive income	**-**	**-**	**1,571**	**-**	**1,571**	**-**	**1,571**
Total comprehensive income	-		**1,571**	**2,331**	**3,902**	**167**	**4,069**
Transaction with owners							
Dividends paid	-	-	-	(1,922)	**(1,922)**	(246)	**(2,168)**
Total transactions with owners	**-**	**-**	**-**	**(1,922)**	**(1,922)**	**(246)**	**(2,168)**
Balance at 30 September 2022 (restated & unaudited)	**52,779**	**(342)**	**(445)**	**(14,692)**	**37,300**	**1,977**	**39,277**
Net profit for the period	-	-	-	572	572	254	**826**
Other comprehensive income							
Increase in available for sale equity reserve	-	-	83	-	**83**	-	**83**
Exchange differences on translation of foreign operations	-	-	(210)	-	**(210)**	-	**(210)**
Change in cash flow hedge, net of tax	-	-	(990)	-	**(990)**	-	**(990)**
Total other comprehensive income	**-**	**-**	**(1,117)**	**-**	**(1,117)**	**-**	**(1,117)**
Total comprehensive income	**-**	**-**	**(1,117)**	**572**	**(545)**	**254**	**(291)**
Transaction with owners							
Dividends paid	-	-	-	(783)	**(783)**	56	**(727)**
Total transactions with owners	**-**	**-**	**-**	**(783)**	**(783)**	**56**	**(727)**
Balance at 31 March 2023 (restated & unaudited)	**52,779**	**(342)**	**(1,562)**	**(14,903)**	**35,972**	**2,287**	**38,259**
Net profit for the period	-	-	-	1,470	**1,470**	259	**1,729**
Other comprehensive income							
Increase in available for sale equity reserve	-	-	(120)	-	(120)	-	(120)
Exchange differences on translation of foreign operations	-	-	272	-	272	-	272
Change in cash flow hedge, net of tax	-	-	220	-	220	-	220
Total other comprehensive income	**-**	**-**	**372**	**-**	**372**	**-**	**372**
Total comprehensive income	**-**	**-**	**372**	**1,470**	**1,842**	**259**	**2,101**
Transaction with owners							
Dividends paid	-	-	-	(1,284)	**(1,284)**	(49)	**(1,333)**
Total transactions with owners	**-**	**-**	**-**	**(1,284)**	**(1,284)**	**(49)**	**(1,333)**
Balance at 30 September 2023 (Unaudited)	**52,779**	**(342)**	**(1,190)**	**(14,717)**	**36,530**	**2,497**	**39,027**

GENEVA FINANCE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Group		
	30 Sep 23 6 months Unaudited	30 Sep 22 6 months Restated and Unaudited	31 Mar 23 12 months Restated and Unaudited
	$000's	$000's	$000's
Cash flow from operating activities:			
Cash was provided from:			
Interest received	8,496	7,144	15,072
Dividends received	-	9	-
Receipts from insurance policy sales, collections activities and other sources	24,365	20,674	42,256
Covid-19 wages subsidy	-	-	-
	32,861	27,827	57,328
Cash was applied to:			
Net movement in finance receivables	(5,937)	222	(10,875)
Interest paid	(3,768)	(2,386)	(5,467)
Payments to suppliers and employees	(26,226)	(22,253)	(46,230)
	(35,931)	(24,417)	(62,572)
Net cash inflow from operating activities	**(3,070)**	**3,410**	**(5,244)**
Cash flows from investing activities:			
Cash was provided from:			
AMPL Settlement	-	-	33
Sale of plant and equipment	-	-	-
	-	-	33
Cash was applied to:			
Purchase of plant and equipment	(352)	(28)	(44)
Purchase of corporate bonds	-	(162)	(10,678)
Purchase of intangible assets	(77)	-	(229)
Purchase of third-party debt ledger	-	-	-
Purchase of investments	-	-	-
	(429)	(190)	(10,951)
Net cash outflow from investing activities	**(429)**	**(190)**	**(10,918)**
Cash flows from financing activities:			
Cash was provided from:			
Net movement of term facilities: Westpac	6,543	(708)	7,753
Net movement of bank facilities: Kiwi Bank	(275)	-	-
Net movement of other borrowings	450	(1)	599
	6,718	(709)	8,352
Cash was applied to:			
Share buyback	-	-	0
Principle elements of lease payments	(3)	(154)	(285)
Dividends paid to company shareholders	(1,284)	(1,922)	(2,705)
Dividends paid to NCI	(49)	(246)	(190)
	(1,336)	(2,322)	(3,180)
Net cash outflow from financing activities	**5,382**	**(3,031)**	**5,172**
Net increase / (decrease) in cash and cash equivalents held	1,883	189	(10,990)
Add: Opening cash and cash equivalents balance	27,844	38,834	38,834
Cash and cash equivalents at the end of the period	**29,727**	**39,023**	**27,844**
Represented by:			
Cash at bank	29,727	39,023	27,844
Cash and cash equivalents at the end of the period	**29,727**	**39,023**	**27,844**

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed interim financial statements of Geneva Finance Limited (the Company) and its subsidiaries (the Group) for the six months ended 30 September 2023 have been prepared in accordance with NZ IAS 34: *Interim Financial Reporting* .

The Company is incorporated and domiciled in New Zealand. The Company is registered under the Companies Act 1993, listed on the New Zealand Stock Exchange (NZX Main Board) and is a FMC reporting entity in terms of the Financial Markets Conduct Act 2013.

The Group is a for-profit entity.

The unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2023 should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023, which were prepared in accordance with New Zealand equivalents to International Financial Reporting Standards.

The accounting policies applied in these unaudited consolidated interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2023, except for the adoption of NZ IFRS 17 Insurance Contracts, as set out in Notes 2 and 13. The same significant judgements, estimates and assumptions included in the notes to the Group's annual financial statements for the year ended 31 March 2023 have been used in these unaudited consolidated interim financial statements.

The unaudited consolidated interim financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities, the realisation of assets, and the settlement of liabilities in the ordinary course of business.

2. STANDARDS AND INTERPRETATIONS

The Group has adopted NZ IFRS 17 Insurance Contracts as set out in note 13.

3. SEGMENT REPORTING

The Group's reportable operating segments are as follows:

- Corporate: The operations of this segment include the raising of debt and the advancing loans to other operating segments within the Group.
- GFSL (previously known as "New Business"): The operations of this segment include the lending of money to individuals, companies and other entities and have a wholesale funding arrangement with Westpac New Zealand Limited (Westpac) under which it securitised loan receivables.
- Quest (previously known as "Insurance"): The operations of this segment include the issuing of temporary insurance contracts covering death, disablement and redundancy risks and short term motor vehicle contracts covering comprehensive, third party, mechanical breakdown risk and guaranteed asset protection.
- SCL (previously known as "Old Business"): The operations of this segment include the collection and management of money lent to individuals, companies and other entities originally originated by the Group and external debt collection.
- GCL (previously known as "Invoice Factoring"): This segment was purchased on 1 April 2018. The operations of this segments include providing debtor finance to companies and collection and management of trade receivables factored.
- Tonga (previously known as "Overseas"): This segment was 60% acquired on 1 April 2018. The operations of this segments include lending, collection and management of money to individuals, companies and other entities originally originated in Tonga.

Each Group operating segment is operated as a discrete business unit and transactions between segments are on normal commercial terms and conditions. The eliminations arise from transactions between the Group segments and are predominantly interest, commission/brokerage, marketing subsidy and debt collection charges.

None of the Group's operating segments place any reliance on a single major customer amounting to 10% or more of the applicable segments revenue.

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

3. SEGMENT REPORTING (continued)

Group summary revenues and results for the period ended 30 September 2023 (Unaudited)

$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
External revenues	-	8,475	17,058	3,339	569	1,152	-	30,593
Revenue - other segments	4,294	622	44	26	-	-	(4,987)	(1)
Total	4,294	9,097	17,102	3,365	569	1,152	(4,987)	30,592
Segment profit/(loss)	791	1,355	3,177	(211)	148	892	(3,637)	2,515
Taxation benefit/(expense)	415	-	(956)	-	-	(245)	-	(786)
Non controlling interest	-	-	-	-	-	(259)	-	(259)
Net profit/(loss) after taxation	1,206	1,355	2,221	(211)	148	388	(3,637)	1,470

Group Tax Subvention Charge

Group summary revenues and results for the period ended 30 September 2023 (Unaudited)

$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Interest income	657	8,236	907	163	463	869	(1,350)	9,945
Interest expense	1,300	3,508	-	131	180	-	(1,350)	3,769
Depreciation	49	16	8	4	2	9	-	88
Amortisation	-	64	3	50	-	-	-	117
Other material non-cash items:	-	-	-	-	-	-	-	
Impaired asset (release)/expense	(1,889)	736	-	(50)	154	(3)	1,888	836

Group summary assets and liabilities as at 30 September 2023 (Unaudited)

$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Segment assets								
Total assets	35,376	126,692	64,401	8,804	5,283	7,068	(62,153)	185,471
Additions to non current assets	366	51	(13)	16	-	-	9	429
Segment liabilities								
Total liabilities	37,417	95,348	45,382	3,557	3,444	378	(39,082)	146,444

Group summary revenues and results for the year 31 March 2023 (Restated and Unaudited)

$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
External revenues	-	14,132	31,474	1,060	1,627	2,031	-	50,324
Revenue - other segments	1,342	1,008	89	53	-	-	(2,491)	1
Total	1,342	15,140	31,563	1,113	1,627	2,031	(2,491)	50,325
Segment profit/(loss)	(3,860)	2,838	4,222	(108)	(9)	1,468	(8)	4,543
Taxation benefit/(expense)	337	-	(1,143)	-	-	(413)	-	(1,219)
Non controlling interest profit	-	-	-	-	-	(421)	-	(421)
Net profit/(loss) after taxation	(3,523)	2,838	3,079	(108)	(9)	634	(8)	2,903
Interest income	1,334	13,726	671	181	1,148	2,077	(2,483)	16,654
Interest expense	2,288	4,725	-	241	694	2	(2,483)	5,467
Depreciation	270	31	22	9	11	17	-	360
Amortisation	-	177	35	100	3	-	-	315
Other material non-cash items:								
Impaired assets expense	992	423	-	(595)	173	69	(992)	70

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

3. SEGMENT REPORTING (continued)

$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Segment assets								
Total assets	36,022	115,211	62,190	7,212	7,804	6,445	(60,211)	174,673
Additions to non current assets	(22)	182	(9)	107	-	-	15	273
Segment liabilities								
Total liabilities	34,383	85,443	41,491	3,788	6,113	553	(35,357)	136,414

Group summary revenues and results for the period ended 30 September 2022 (Restated and Unaudited)

$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
External revenues	-	6,783	14,760	470	865	888	-	23,766
Revenue - other segments	753	469	44	33	-	-	(1,299)	-
Total	753	7,253	14,804	502	865	888	(1,299)	23,766
Segment profit/(loss)	(1,631)	1,909	2,419	(11)	103	556	(45)	3,300
Taxation benefit/(expense)	6	-	(670)	-	-	(138)	-	(802)
Non controlling interest	-	-	-	-	-	(167)	-	(167)
Net profit/(loss) after taxation	(1,625)	1,909	1,749	(11)	103	251	(45)	2,331
Interest income	708	6,596	245	56	585	881	(1,254)	7,817
Interest expense	1,109	2,061	-	115	355	-	(1,254)	2,386
Depreciation	139	16	11	5	7	9	-	187
Amortisation	-	91	20	50	3	-	-	164
Other material non-cash items:	-	-	-	-	-	-	-	-
Impaired asset (release)/expense	(45)	(73)	-	(374)	(77)	122	45	(402)

Group summary assets and liabilities as at 30 September 2022 (Restated and Unaudited)

$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Segment assets								
Total assets	39,420	101,661	55,631	8,298	11,840	6,047	(61,215)	161,682
Additions to non current assets	(183)	122	(9)	91	-	-	7	28
Segment liabilities								
Total liabilities	34,695	71,831	36,646	3,777	10,038	351	(34,933)	122,405

By geographical segment
The Group operated predominantly in New Zealand. Revenues are derived from New Zealand with the exception of Federal Pacific Finance Ltd (Tonga) which operates in Tonga.

4. SIGNIFICANT EVENTS AND TRANSACTIONS

There were no significate events and transactions during the period.

5. FINANCE RECEIVABLES

	30 Sep 23 6 months Unaudited $000's	30 Sep 22 6 months Restated and Unaudited $000's	31 Mar 23 12 months Restated and Unaudited $000's
Gross finance receivables	31,275	25,278	28,588
Gross finance receivables (Invoice Factoring)	3,037	6,643	5,064
Gross finance receivables (The Geneva Warehouse A Trust)	95,559	78,467	88,753
Gross finance receivables (Prime Asset Trust Limited)	255	272	262
Total gross finance receivables	130,126	110,660	122,667
Less: Unearned Interest	20	1	15
Deferred fee revenue and expenses	(2,434)	(2,824)	(2,733)
Less: Provision for credit impairment	20,559	19,395	19,655
Net finance receivables	111,981	94,088	105,730

The Company's securitisation facility was established on 1 August 2013. Refer to note 11 for further information.

While the sale of the finance receivables to the Geneva Warehouse A Trust (the Trust) constitute a legally enforceable sale and purchase transaction, it does not meet the criteria for the derecognition of financial assets under NZ IFRS 9 ' Financial Instruments: Recognition and Measurement' (NZ IFRS 9) and thus at the time of the sale does not meet the Company's accounting policy for derecognition of a financial asset. NZ IFRS 9 establishes specific guidance for the derecognition of financial assets, such that a financial asset can only de-recognised when substantially all of the risks and rewards of ownership is measured by the change in the variability of the cash flow arising from the financial assets before and after the transfer.

During the six month period ended 30 September 2023, finance receivables totalling approximately $36.8m (31 March 2023: $66.6m; 30 September 2022: $28.6m) were sold to the Trust, of which $2.1m related to Geneva Capital Limited (GCL). As there has been no change in the management of the receivables and because there were no significant change in the cash flows before and after the sale, the sold receivables did not meet the derecognition criteria. Furthermore, as the sales constitute legally enforceable transfer of equitable interest in the transferred receivables, the carrying values of these receivables at reporting date of $96.6m (31 March 2023: $88.6m; 30 September 2022: $78.5m) are subject to limitations on disposal.

6. SHARE CAPITAL

Number of ordinary shares	30 Sep 23 6 months Unaudited 000's	30 Sep 22 6 months Restated and Unaudited 000's	31 Mar 23 12 months Restated and Unaudited 000's
Opening balance	72,935	72,935	72,935
Placement of new shares via consideration for purchase of subsidiary	-	-	-
Total issued shares	**72,935**	**72,935**	**72,935**

Dollar value of ordinary shares	$000's	$000's	$000's
Opening balance	52,779	52,779	52,779
Placement of new shares via consideration for purchase of subsidiary	-	-	-
Total issued shares	**52,779**	**52,779**	**52,779**

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

7. EARNINGS PER SHARE

Basic profit per share
The calculation of basic profit per share at 30 September 2023 was based on the profit attributable to ordinary shareholders of $1,805,000 (31 March 2023: $3,055,000 ; 30 September 2022: $2,389,000) and a weighted average number of shares 72,935,275 (31 March 2023: 72,935,275 ; 30 September 2022: 72,935,275) calculated as follows:

	Group		
	30 Sep 23 6 months Unaudited	30 Sep 22 6 months Restated and Unaudited	31 Mar 23 12 months Restated and Unaudited
Net profit attributable to ordinary shares ($'000)	1,470	2,331	2,903
Weighted number of shares	72,935	72,935	72,935
Basic earnings per share (cents)	2.02	3.20	3.98
Weighted number of shares	000's	000's	000's
Issued shares 1 April	72,935	72,935	72,935
Placement of new shares via execution of executive share options	-	-	-
	72,935	**72,935**	**72,935**

Diluted earnings per share
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had no options outstanding during the reporting periods.

8. FAIR VALUE DISCLOSURES

As at 30 September 2023 the carrying value of cash and cash equivalents, other than receivables or payables approximated their fair values due to the short-term nature of the financial assets or liabilities. As at 30 September 2023 the carrying value of borrowings approximates its fair value as all borrowings are subject to floating or short-term interest rates.

Fair value of financials assets and liabilities carried at fair value are determined as follows:

Level 1	the fair value is calculated using quoted prices in active markets.
Level 2	the fair value is estimated using inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	the fair value is estimated using inputs for the asset or liability that are not based on observable data.

30 September 2023 (Unaudited)	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at FVTOCI	-	-	10,911	10,911
Derivatives	-	(815)	-	(815)
	-	**(815)**	**10,911**	**10,096**

31 March 2023 (Restated & Unaudited)	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at FVTOCI	-	-	10,794	10,794
Derivatives	-	(595)	-	(595)
	-	**(595)**	**10,794**	**10,199**

30 September 2022 (Restated & Unaudited)	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at FVTOCI	-	-	33	33
Derivatives	-	(1,585)	-	(1,585)
	-	**(1,585)**	**33**	**(1,552)**

8. FAIR VALUE DISCLOSURES (continued)

Financial assets at fair value through other comprehensive income (FVTOCI)

The balance as at 31 March 2023 and 30 September 2023 represent bank bonds.

The balance as at 30 September 2022 represents a 10.85% stake in an unlisted medical property investment company that was held by Quest Insurance Group Limited. The investment in the unlisted medical property company was a financial assets at FVTOCI. This investment was denominated in NZ dollars. The fair value of this equity security was 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 entity was a property investment company that was solely in the business of holding and leasing investment property and was involved in the development of investment property. 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 decrease /(increase) the fair value of the investment.

The underlying asset in the investment in the unlisted medical property investment was sold during the 31 March 2021 financial year, being an investment property was sod, resulting in Quest receiving circa $3.7m distributions from this investment. The carrying value noted above of $33k is the fair value of Quest's share of the AMPL net assets as at 30 September 2022 (31 March 2022: $33k).

Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair market value at each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

9. BANK FACILITIES

	Group		
	30 Sep 23 6 months Unaudited $000's	30 Sep 22 6 months Restated and Unaudited $000's	31 Mar 23 12 months Restated and Unaudited $000's
Bank facility: Westpac	80,064	65,064	73,564
Bank facility: Kiwi bank	3,125	3,400	3,400
Capitalised transaction costs: Westpac	(56)	(55)	(96)
Capitalised transaction costs: Kiwi bank	(1)	(6)	(4)
	83,132	68,403	76,864

The Westpac facility annual review was completed and executed in March 2023 and was extended to 31 October 2024. The facility limit increased to $100,000,000 on 12 September 2023.

The Stellar Collections Limited Kiwi bank facility was extended to 31 July 2025 and to be repaid in equal monthly repayments commenced 15 July 2023.

10. OTHER BORROWINGS

	Group		
	30 Sep 23 6 months Unaudited $000's	30 Sep 22 6 months Restated and Unaudited $000's	31 Mar 23 12 months Restated and Unaudited $000's
Unsecured	15,291	14,241	14,841
	15,291	14,241	14,841

11. SECURITISATION

Geneva Financial Services Limited (GFSL) a wholly owned subsidiary of the Company has a wholesale funding arrangement with Westpac New Zealand Limited (Westpac) under which it securitised loan receivables through The Geneva Warehouse A Trust (the Trust). Under the facility, Westpac provided funding to the Trust secured by loan receivables transferred to the Trust from GFSL. The facility annual review was completed in March 2023 and was extended to 31 October 2024. The current facility of $75,000,000 was increased to $80,000,000 and a further increase to $100,000,000 during the review. The Trust is a special purpose entity set up solely for the purpose of receiving loans from GFSL with Westpac funding up to 83% of the purchase and the remainder being funded by a subordinated loan from the Company. The NZ Guardian Trust Limited, via NZGT (GF) Trustee Limited, has been appointed as Trustee for the Trust with GFSL as the sole beneficiary.

Under NZ IFRS 9, Financial Instruments: Recognition and Measurement, GFSL retains substantially all of the risks and rewards of ownership of the loan receivables transferred to the Trust. This is on the basis that in substance, the arrangement is simply a funding mechanism and effectively there has been no change in the ownership or risk exposure in relation to the underlying loan receivable portfolio. GFSL is exposed to the residual cash flows arising from the transferred portfolio (by virtue of its status as the beneficiary of the Trust) and the fact that the Company has contributed a subordinated loan (described above) to the Trust that serves as a first loss piece within the cashflow allocation methodology to the Trustee on behalf of Westpac. Consequently, GFSL and the Company, together, retain substantially all of the risks and rewards of ownership of the loan receivables transferred to the Trust and the loan receivables do not qualify for derecognition under NZ IFRS 9. The loan receivables transferred continue to appear in the statement of financial position of GFSL. In addition under, NZ IFRS 10: Consolidated Financial Statements, the GFSL controls the financing and operating activities of the Trust and GFSL continues to administer the loans and collect loan instalments as they fall due, as a result the Trust is controlled by GFSL and is consequently consolidated into the Group financial statements.

During the six months ended 30 September 2023 GFSL transferred $36.8m of loans receivables to the Trust (March 2023: $66.6m; September 2022: $28.6m). As at 30 September 2023 the carrying value of these assets was $96.6m (March 2023: $88.6m; September 2022: $78.5m).

12. RELATED PARTIES

Loans and advances to related parties

	Group		
	30 Sep 23 6 months Unaudited	30 Sep 22 6 months Restated and Unaudited	31 Mar 23 12 months Restated and Unaudited
Finance receivables	$000's	$000's	$000's
Loans receivables	274	274	274
	(274)	(274)	(274)
	-	-	-

The loans carried an interest rate of 8% up to the 30 September 2007, from 1 October 2007 these loans are interest free. The loans were granted for a period of three to five years. The loans were advanced to purchase shares in Financial Investment Holdings Limited. The loans were fully provided for at 30 September 2023, 31 March 2023 and 30 September 2022.

Facilities from related parties
Deposits from related parties

	Group		
	30 Sep 23 6 months Unaudited	30 Sep 22 6 months Restated and Unaudited	31 Mar 23 12 months Restated and Unaudited
	$000's	$000's	$000's
Opening balance as at 1 April	9,100	8,500	8,500
Movement	-	-	600
	9,100	8,500	9,100

The related party deposits carries an interest rate of 6.5%-8.0%, (30 September 2022: 6.5%-9.25%, March 2023: 6.5%-9.5%)

12. RELATED PARTIES (continued)

Others

Loans and advances - Federal Pacific Insurance Ltd

	30 Sep 23 6 months Unaudited $000's	30 Sep 22 6 months Restated and Unaudited $000's	31 Mar 23 12 months Restated and Unaudited $000's
Opening balance	-	1	1
Movement	-	(1)	(1)
	-	-	-

13. CHANGE IN ACCOUNTING POLICY

This note explains the impact of the adoption of NZ IFRS 17 Insurance Contracts on the Group's financial statements and discloses the new accounting policies that have been applied from 1 April 2023.

The Group has adopted NZ IFRS 17 retrospectively from 1 April 2023 and has restated certain comparative amounts, the retrospective restatement does not have a material effect on the information in the statement of financial position at the beginning of the preceding period.

Changes in accounting policies resulting from the adoption of NZ IFRS 17 have been applied using the full retrospective approach.

The change in accounting policy only relates to the insurance segment and has affected the following items in the Statement of financial position.

	31 Mar 23	30 Sep 22	01 Apr 22
Increase in insurance liabilities	744,671	614,191	533,371
Decrease in deferred tax	208,508	171,973	149,344
Decrease in retained earnings	536,163	442,217	384,027

A. Identifying contracts in the scope of NZ IFRS 17

NZ IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements. The Group has no contracts that include embedded derivatives or investment components.

B. Level of aggregation

Under NZ IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort is then divided into three groups:

• any contracts that are onerous on initial recognition;
• any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
• any remaining contracts in the annual cohort.

The Group reviews whether each group of contract is onerous, based on the facts and circumstances relating to that group. This assessment is based on:

•the historical and recent profitability of each group, and the portfolio of which each group forms a part;
•the variability of past claims experience; and
•the results of a test of the adequacy of the LRC to meet all future cash-flows arising from that group of contracts, together with an additional allowance for non-financial risk.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract. The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin ('CSM'), against losses on groups of onerous contracts, which are recognised immediately.

The Group does not expect significant changes arising from the application of these requirements and based on the implementation work carried out to date, the Group's assessment is that there are no groups of insurance or reinsurance contracts that are onerous, or are likely to become onerous in future.

C. Contract boundaries

Under NZ IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group.

Insurance contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

•the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
•the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The Group does not expect significant changes arising from the application of these requirements.

D. Measurement – Overview

NZ IFRS 17 introduces two methods for determining policy liabilities:

General Measurement Model (GMM)

GMM is a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin (CSM). The CSM at each reporting date represents the profit in a group of contracts that has not yet been recognised in profit or loss because it relates to future service.

Premium Allocation Approach (PAA)

The PAA is an optional simplified measurement model in NZ IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

The GMM approach is the default valuation method, however the simpler PAA method may be used for:
a)Contracts with a term of 12 months or less, and
b)Contracts with a term of longer than 12 months, if it can be demonstrated that the resulting policy liabilities and emergence of profit are not materially different from applying the GMM method.

The Group's Comprehensive Motor Vehicle Insurance business has a contract boundary of twelve months or less, and is valued using the PAA method.

The Group's Payment Protection, Lifestyle Protection, Mechanical Breakdown, and Guaranteed Asset Protection (GAP) business is all written on the basis of a single up-front premium, and each of these portfolios has a contract boundary of longer than 12 months. The Group has reviewed the reserving and profit emergence pattern of these products and is satisfied that the PAA method leads to reserving and earnings patterns that are not materially different from applying the GMM method. These products are therefore valued using the PAA method.

For groups of contracts that apply the premium allocation approach and have a coverage period of one year or less, NZ IFRS 17 provides an option to recognise any insurance acquisition costs as expenses when incurred. The Group is not exercising this option, and is amortising acquisition costs over the coverage period of the related insurance contracts, consistent with current accounting under NZ IFRS 4. For other groups of contracts with a contract boundary of longer than 12 months, the Group is amortising acquisition costs over the coverage period, consistent with IFRS 17 and IFRS 4.

Under the PAA method:
•The valuation of the unearned portion of the liability (referred to as the liability for remaining coverage (LRC)) can be seen as being similar to the calculation under current accounting of (a) the unearned premium reserve less (b) deferred acquisition costs less (c) premium receivables (plus (d) any additional unexpired risk reserve for unprofitable business).
•The liability for incurred claims (LIC) represents the estimate of amounts due to policyholders for claims incurred from earned portions of the liability, i.e. all liabilities relating to past periods of coverage are captured under the Liability for Incurred Claims.

This provision includes:
•The expected future cost of past claims that have been notified; and
•The expected future cost of past claims that have not yet been notified (IBNR)

Under IFRS 17, this provision should:
•Be based on expected future cash-flows;
•Future cash-flows of longer than 12 months should be discounted;
•Include an allowance for claim management expenses;
•Include a risk adjustment, providing the shareholders with a reward for the risk to which their capital is exposed in supporting a claim provision about which there is some uncertainty.

This approach differs from the calculation of claim provisions under IFRS 4. As a life insurer reporting under Appendix C of IFRS 4, the Company determined its claim provisions with no additional risk adjustment.

E. Measurement – Significant judgements and estimates
Risk adjustment

NZ IFRS 17 requires a risk adjustment to be included in the Value of Fulfilment Cash-flows when applying the GMM method, and in determining the Liability for Incurred Claims (LIC) when applying the PAA method.

Risk adjustments for non-financial risk will be determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion.

Under NZ IFRS 4, the Group was classified as a life insurer and has therefore reported under Appendix C, where no risk margins were required.

Under NZ IFRS 17, the Group has added an allowance for non-financial risk to its Liability for Incurred Claims and has also added an allowance for claim management expenses, which is also required under NZ IFRS 17 but not under Appendix C of NZ IFRS 4.

When applying PAA, no explicit risk adjustment is determined for the Liability for Remaining Coverage (LRC), except when measuring onerous contracts.

Discount rates
NZ IFRS 17 requires the net central estimate of outstanding claims with a term of longer than 12 months to be discounted. Future cash-flows are also to be discounted in assessing the eligibility for applying the PAA method in determining the Liability for Remaining Coverage (LRC) of contracts of longer than 12 months.

The Group is not discounting future claim payments in determining the Liability for Incurred Claims (LIC) under NZ IFRS 17, as the average claim payment term is 3 months or less, and the impact of discounting is not material.

The discount rate adopted for determining the eligibility for PAA for contracts of longer than 12 months is be set using a ‘bottom-up approach’ which requires the use of risk-free rates adjusted to reflect the illiquidity characteristics of the insurance contracts. The illiquidity premium within discount rates is determined based on a review of the impact of liquidity on interest rates, and the level of illiquidity implicit in the Group's insurance contracts.

F. Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to all the Group's insurance contracts.

Under the full retrospective approach, at 1 April 2023, and for prior period comparison purposes as at 1 April 2022, the Group has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always been applied, recognising any resulting net difference in equity.

Insurance contract liabilities
The liability for insurance contracts has been determined in accordance with NZ IFRS 17 Insurance Contracts. The valuation of any general insurance claims is also performed in accordance with PS 30 Valuations of General Insurance Claims issued by the New Zealand Society of Actuaries ('NZSA), and the valuation of any life insurance contract liabilities is performed in accordance with PS 20 Determination of Life Insurance Policy Liabilities issued by the NZSA.

The Liability for Remaining Coverage (LRC) in respect of the Company's insurance contracts has been determined as follows:

Portfolio	**Contract boundary**	**Valuation method**
Payment Protection / Lifestyle Insurance	> 12 Months	PAA
Guaranteed Asset Protection	> 12 Months	PAA
Mechanical Breakdown	> 12 Months	PAA
Comprehensive Motor Vehicle insurance	<= 12 Months	PAA

Premiums, and acquisition costs, are amortised over the period of the insurance contract in proportion to the underlying risk pattern of each class of business.

Contracts issued under the Company's agency agreement with Janssen Insurance are treated as separate portfolios from other contracts issued by the Group.

The Liability for Incurred Claims (LIC) is measured as the central estimate of expected future payments relating to claims incurred at the reporting date, with an additional allowance for non-financial risk, and an allowance for claim management expenses. Future payments are not discounted due to the short-term nature of claim settlements. The LIC includes estimates of future claim payments in respect of claims that have yet to be reported (IBNR). Delays can be experience in the notification and settlement of claims, therefore the ultimate cost of these cannot be known at reporting date and are estimated based on past experience.

The assumptions adopted for the determination of the LIC are as follows:

	1 Apr 2022	1 Sep 2022	1 Apr 2023	1 Sep 2023
Non-financial risk adjustment:	10%	10%	10%	10%
Claim management expenses	7%	7%	7%	7%

The allowance for non-financial risk is estimated to provide a 75% probability of sufficiency.

The calculation of the LIC involves a number of key assumptions and is the most critical accounting estimate. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. however, given the uncertainty in establishing the liability, it is likely that the final outcome will be different from the original liability established. Changes in claims estimates impact profit and loss in the year in which the estimates are changed.

Onerous Contracts (remove Liability Adequacy Test reference)
The Company assesses whether any groups of contracts are Onerous, or could become onerous in future. A group of contracts is Onerous based on the facts and circumstances relating to that group. In particular, the Company considers whether the Liability for Remaining Coverage determined using the PAA method is expected to be sufficient to cover all future claim and expenses directly attributable to that group of contracts, together with an allowance for non-financial risk, for the remaining period of cover. Any shortfall is recognised as a loss at reporting date, and is amortised over the remaining period of cover of that group.

No groups of contract are considered to be onerous at the current reporting date, or were considered onerous at previous reporting dates.

The Directors are confident that the assets held by the Quest Insurance Group Limited are sufficient to meet the estimated insurance contract liabilities as at the reporting date.