

Results for announcement to the market	
Name of issuer	General Capital Limited
Reporting Period	12 months to 31 March 2022
Previous Reporting Period	12 months to 31 March 2021
Currency	New Zealand Dollars (\$)

	Amount (000s)	Percentage change
Revenue from continuing operations	\$8,018	+64%
Total Revenue	\$8,018	+64%
Net profit/(loss) from continuing operations	\$1,341	+1540%
Total net profit/(loss)	\$1,341	+1540%

Interim/Final Dividend	
Amount per Quoted Equity Security	It is not proposed to pay dividends.
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	\$0.0493	\$0.0397
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to Directors' Report	

Authority for this announcement	
Name of person authorised to make this announcement	Victor Pliev Chief Financial Officer
Contact person for this announcement	Brent King Managing Director
Contact phone number	+64 21 632 660
Contact email address	Brent.King@gencap.co.nz
Date of release through MAP	30/05/2022

DIRECTORS' REPORT

BACKGROUND

The Directors of General Capital Limited are pleased to present a very strong result for the year ended 31 March 2022. Despite the challenges faced in the economic environment which was impacted by the Covid-19 pandemic all of the financial items have experienced significant growth. The results mostly reflect the strong growth in the Company's finance segment activities, and future results are likely to be driven by the performance of this sector.

FINANCIAL PERFORMANCE

	Year ended 31 Mar 2022	Year ended 31 Mar 2021	Var	% Change
Revenue	\$8,018,249	\$4,880,304	\$3,137,945	+64%
Net profit / (loss) after tax	\$1,340,663	\$81,766	\$1,258,897	+1540%
Earnings / (loss) per share*	0.78 cps	0.05 cps	0.73 cps	+1460%

* Calculated as Net Profit after income tax expense divided by the weighted average number of ordinary shares

	31 Mar 2022	31 Mar 2021	Var	% Change
Total assets	\$102,904,694	\$68,164,239	\$34,740,455	+51%
Total liabilities	\$89,371,673	\$58,638,946	\$30,732,727	+52%
Total equity	\$13,533,021	\$9,525,293	\$4,007,728	+42%
Net tangible assets (NTA) per share*	4.93 cps	3.97 cps	0.95 cps	+24%
Net assets (NA) per share**	6.36 cps	5.85 cps	0.52 cps	+9%

* Calculated as Net Assets less deferred tax, goodwill and other intangible assets divided by the total shares on issue as at balance date.

** Calculated as Net Assets divided by the total shares on issue as at balance date.

The General Capital Group Net Profit after tax was \$1,340,665 for the year ended 31 March 2022. The segment breakdown is as follows:

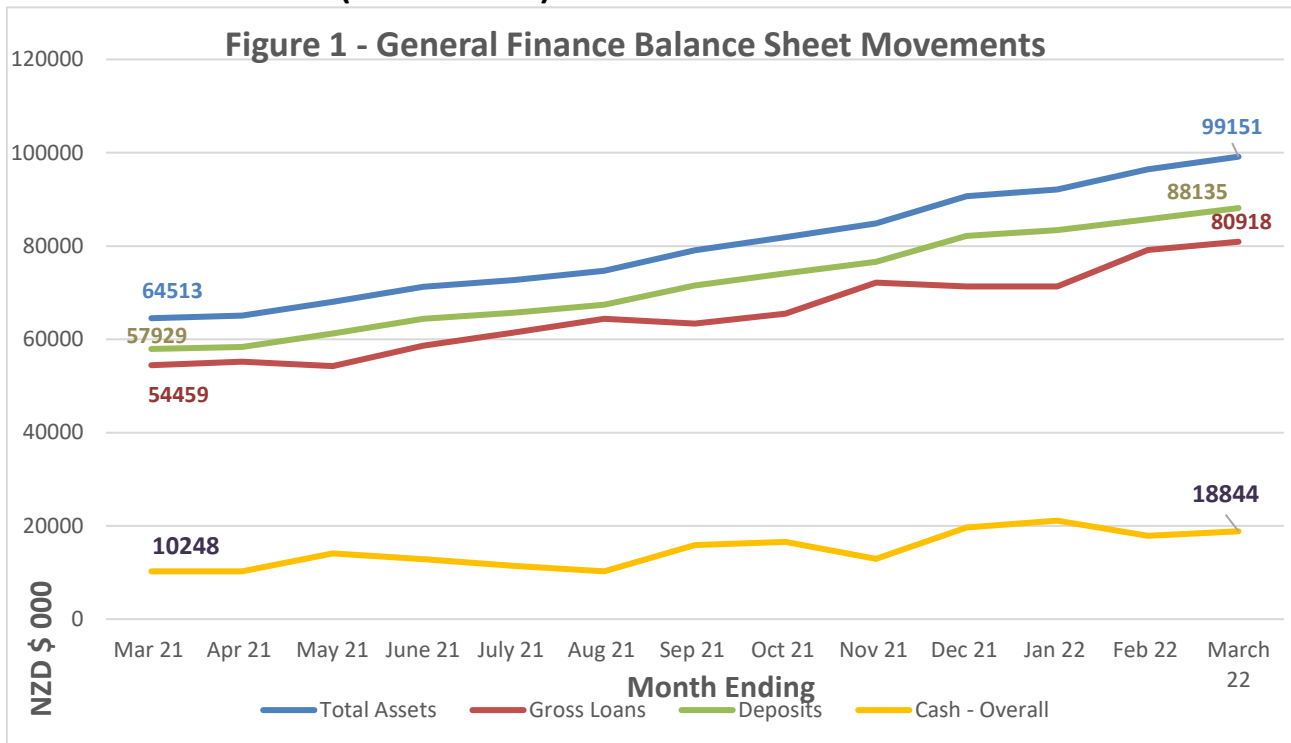
	31 Mar 2022	31 Mar 2021	Var	% Change
Finance Segment	\$1,536,878	\$223,429	\$1,313,450	+588%
Research and Advisory Segment	\$177,643	\$191,879	(\$14,236)	-7%
Corporate and Other Segment	(\$332,806)	(\$284,738)	(\$48,069)	-17%
Group Eliminations	(\$41,050)	(\$48,804)	\$7,754	+16%
Group	\$1,340,665	\$81,766	\$1,258,899	1540%

Refer to the attached financial information for detailed segmental results.

Finance Segment

The Finance Segment has performed very well this year. All financial indicators improved. Total Assets and Deposit Liability up 52%. Cash & Bank Deposits up 84%, revenue up 65% and Net Profit After Tax up 588%. The growth has allowed the Finance segment to spread its fixed costs over a larger asset base, this bodes well for the future. Figure 1 below illustrates the movements in significant items on General Finance Balance Sheet during the year.

DIRECTORS' REPORT (CONTINUED)



Research and Advisory Segment

Investment Research Group ("IRG") completed the listing of Greenfern Industries Limited in October 2021. This was a significant step for IRG. The cannabis sector is a fast-growing industry around the world. As a result of the listing IRG has gained a number of potential project opportunities. Resources available to IRG are currently limited, however we are planning to have more availability of resource later in FY 23.

Corporate and Other Segment

The corporate and other segment comprises the overheads of running the listed parent company. An additional management fee has been introduced in the financial period to recover the greater corporate overheads caused by the growth of the finance segment.

DIVIDEND POLICY

The Company's policy is currently not to pay dividends and accordingly no dividends have been declared for the period.

AUDIT

The attached financial information is in the process of being audited by Baker Tilly Staples Rodway. They have reviewed this release. They advise that as per last year they are unable to obtain sufficient evidence to support the forecasted cash flows and the other assumptions that underly the impairment testing undertaken by the Group for the Research and Advisory Cash Generation Unit ("CGU"). As such their current view is that they will qualify the audit on this point alone. The carrying value of the goodwill and other indefinite life intangible assets allocated to the Research and Advisory CGU totalled \$1.1 million as at 31 March 2022. The Group's Annual Report for the year ended 31 March 2022 is in the process of being completed and audited.

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	\$	\$
Interest income	5,574,439	3,533,401
Interest expense	(2,976,011)	(2,246,097)
Net interest income	2,598,428	1,287,304
Fee and commission income	1,894,291	933,176
Fee and commission expense	(500,302)	(247,997)
Net fee and commission income	1,393,989	685,179
Revenue from contracts with customers	512,588	279,045
Cost of sales	(57,290)	(37,696)
Gross profit from contracts with customers	455,298	241,349
Modification gain on loan receivables	-	86,489
Other income	36,931	48,193
Net revenue	4,484,646	2,348,514
Increase in allowance for expected credit losses	(66,266)	(27,372)
Personnel expenses	(1,010,670)	(781,919)
Occupancy expenses	1,041	(89,485)
Depreciation	(150,996)	(17,085)
Amortisation of intangible assets	(5,230)	(23,431)
Realised losses on bonds sold	-	(190,085)
Other operating expenses	(1,363,910)	(1,098,404)
	(2,596,031)	(2,227,781)
Profit before income tax expense	1,888,615	120,733
Income tax (expense) / benefit	(547,952)	(38,967)
Net profit after income tax expense	1,340,663	81,766
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	(144,144)	(11,487)
Income tax on these items	-	-
Other comprehensive income / (loss) for the year, net of tax	(144,144)	(11,487)
Total comprehensive income	1,196,519	70,279
Earnings per share (cents per share)*	0.78	0.05
Diluted earnings per share (cents per share)*	0.78	0.05

* Calculated as Net Profit after income tax expense divided by the weighted average number of ordinary shares

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	2022	2021
	\$	\$
Equity		
Share capital	13,025,575	10,249,211
Accumulated (losses) / earnings	752,916	(594,651)
Reserves	(245,470)	(129,267)
Total equity	13,533,021	9,525,293
Assets		
Cash and cash equivalents	16,661,570	7,292,267
Accounts receivables	17,350	194,727
Related party receivables	-	110,868
Other current assets	229,725	94,215
Bank deposits	2,450,000	3,000,000
Loan receivables	80,027,661	53,710,781
Deferred tax asset	135,049	126,922
Property, plant and equipment	29,431	13,508
Right of use assets	146,750	293,500
Investments	288,442	401,086
Intangible assets and goodwill	2,918,716	2,926,365
Total assets	102,904,694	68,164,239
Liabilities		
Accounts payable and other payables	613,442	402,750
Related party payables	13,191	10,229
Income tax payable	523,457	55,576
Lease liability	174,364	307,207
Term deposits	88,047,219	57,863,184
Total liabilities	89,371,673	58,638,946
Net assets	13,533,021	9,525,293
Net tangible assets (NTA) per share (cents per share)*	4.93	3.97
Net assets (NA) per share (cents per share)**	6.36	5.85

*Calculated as Net Assets less Intangible assets and goodwill less Deferred tax asset divided by the total shares on issue as at balance date.

** Calculated as Net Assets divided by the total shares on issue as at balance date.

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Reserves	Accumulated (losses) / earnings	Total equity
	\$	\$	\$	\$
Balance at 1 April 2020	10,176,204	(117,780)	(676,417)	9,382,007
Profit for the year	-	-	81,766	81,766
Other comprehensive income for the year	-	(11,487)	-	(11,487)
Total comprehensive income for the year	-	(11,487)	81,766	70,279
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity net of transaction costs	73,007	-	-	73,007
Issue of warrants to directors and senior managers	-	-	-	-
Total transactions with owners in their capacity as owners	73,007	-	-	73,007
Balance at 31 March 2021	10,249,211	(129,267)	(594,651)	9,525,293
Profit for the year	-	-	1,340,663	1,340,663
Other comprehensive income for the year	-	(144,144)	-	(144,144)
Total comprehensive income for the year	-	(144,144)	1,340,663	1,196,519
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity net of transaction costs	2,776,364	-	-	2,776,364
Share based payments	-	(6,903)	6,903	0
Issue of warrants to directors and senior managers	-	34,844	-	34,844
Total transactions with owners in their capacity as owners	2,776,364	27,941	6,903	2,811,208
Balance at 31 March 2022	13,025,575	(245,470)	752,916	13,533,021

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	\$	\$
Cash flow from operating activities		
Interest received	5,629,044	3,329,027
Receipts from customers	2,049,602	1,055,068
Other income	5,690	7,961
Payments to suppliers and employees	(2,924,416)	(2,046,491)
Interest paid	(2,710,853)	(2,155,363)
Income tax paid	(88,198)	(23,006)
Finance receivables (net advances)	(25,995,057)	(18,407,676)
Net cash (used in) / provided by operating activities	(24,034,188)	(18,240,480)
Cash flow from investing activities		
Proceeds from the sale of bonds	194,018	4,334,514
Purchase of property, plant and equipment	(20,169)	(10,356)
Purchase of software	-	-
Investment in bank deposits	550,000	(3,000,000)
Investment in bonds	-	(4,718,617)
Investment in equities	96,200	(28,184)
Net cash provided by / (used in) investing activities	820,049	(3,422,643)
Cash flow from financing activities		
Issue of ordinary shares	2,776,364	73,007
Lease Payments	(146,670)	-
Term deposits (net receipts)	29,953,748	16,320,142
Net cash provided by financing activities	32,583,442	16,393,149
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at beginning of the reporting period	7,292,267	12,562,241
Net (decrease) / increase in cash and cash equivalents held during the reporting period	9,369,303	(5,269,974)
Cash and cash equivalents at end of the reporting period	16,661,570	7,292,267

GENERAL CAPITAL LIMITED

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 short term property mortgage lending.

- Research and Advisory

Provides investment advisory services and produces and sells investment research and publications.

- Corporate and Other

Corporate function and investment activities.

Year ended 31 Mar 2022	Finance	Research and Advisory	Corporate and Other	Total Segments	Eliminations	Consolidated
	\$	\$	\$	\$	\$	\$
Revenue - interest income	5,608,931	2	1	5,608,934	(34,495)	5,574,439
Revenue - fee income (finance receivables)	1,894,291	-	-	1,894,291	-	1,894,291
Revenue from contracts with customers						
- Advisory fee revenue	-	394,900	-	394,900	112,769	507,669
- Yearbook and research	-	4,919	-	4,919	-	4,919
- Other fee income	-	-	-	-	-	-
Modification gain on loan receivables	-	-	-	-	-	-
Other income	5,690	2,875	281,854	290,419	(253,488)	36,931
Total revenue	7,508,912	402,696	281,855	8,193,463	(175,214)	8,018,249
Interest expense	(2,970,937)	-	(5,074)	(2,976,011)	-	(2,976,011)
Fee and commission expense	(500,302)	-	-	(500,302)	-	(500,302)
Cost of sales	-	(46,301)	-	(46,301)	(10,989)	(57,290)
Net revenue	4,037,673	356,395	276,781	4,670,849	(186,203)	4,484,646
Increase in allowance for expected credit losses	(66,266)	-	-	(66,266)	-	(66,266)
Realised losses on bonds sold	-	-	-	-	-	-
Personnel expenses	(811,571)	(73,018)	(126,081)	(1,010,670)	-	(1,010,670)
Depreciation and amortisation	(98,435)	-	(57,791)	(156,226)	-	(156,226)
Income tax (expense) / benefit	(525,588)	(2,658)	3,860	(524,386)	(23,566)	(547,952)
Net Profit After Tax	1,536,878	177,643	(332,806)	1,381,715	(41,050)	1,340,663
Total Assets	100,708,611	1,354,605	1,086,776	103,149,992	(245,298)	102,904,694
Total Liabilities	89,394,880	49,493	172,598	89,616,971	(245,298)	89,371,673

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

Year ended 31 Mar 2022	Finance	Research and Advisory	Corporate and Other	Total Segments	Eliminations	Consolidated
	\$	\$	\$	\$	\$	\$
Acquired through settlement of transactions / balances	-	109,426	-	109,426	-	109,426
Recognition of right of use assets on new leases	-	-	-	-	-	-
Other	-	-	46,088	46,088	-	46,088
Transfers / reallocations between segments	-	(109,426)	109,426	-	-	-
	-	-	155,514	155,514	-	155,514

GENERAL CAPITAL LIMITED

SEGMENT REPORTING (CONTINUED)

Year ended 31 Mar 2021	Finance \$	Research and Advisory \$	Corporate and Other \$	Total Segments \$	Eliminations \$	Consolidated \$
Revenue - interest income	3,535,620	3	3	3,535,626	(2,225)	3,533,401
Revenue - fee income (finance receivables)	933,176	-	-	933,176	-	933,176
Revenue from contracts with customers						
- Advisory fee revenue	-	357,642	-	357,642	(119,894)	237,748
- Yearbook and research	-	41,297	-	41,297	-	41,297
- Other fee income	-	-	-	-	-	-
Modification gain on loan receivables	49,770	-	-	49,770	36,719	86,489
Other income	39,996	42,382	107,819	190,197	(142,004)	48,193
Total revenue	4,558,562	441,324	107,822	5,107,708	(227,404)	4,880,304
Interest expense	(2,245,554)	-	(543)	(2,246,097)	-	(2,246,097)
Fee and commission expense	(257,997)	-	-	(257,997)	10,000	(247,997)
Cost of sales	-	(48,686)	-	(48,686)	10,990	(37,696)
Net revenue	2,055,011	392,638	107,279	2,554,928	(206,414)	2,348,514
Increase in allowance for expected credit losses	(27,372)	-	-	(27,372)	-	(27,372)
Realised losses on bonds sold	(190,085)	-	-	(190,085)	-	(190,085)
Personnel expenses	(649,118)	(57,519)	(75,282)	(781,919)	-	(781,919)
Depreciation and amortisation	(33,529)	-	(6,987)	(40,516)	-	(40,516)
Income tax (expense) / benefit	(59,587)	105	4,910	(54,572)	15,605	(38,967)
Net Profit After Tax	223,429	191,879	(284,738)	130,570	(48,804)	81,766
Total Assets	66,073,514	1,318,154	1,030,284	68,421,952	(257,713)	68,164,239
Total Liabilities	58,446,662	132,059	269,134	58,847,855	(208,909)	58,638,946

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

Year ended 31 Mar 2021	Finance \$	Research and Advisory \$	Corporate and Other \$	Total Segments \$	Eliminations \$	Consolidated \$
Acquired through settlement of transactions / balances	-	107,762	-	107,762	-	107,762
Recognition of right of use assets on new leases	193,535	-	112,194	305,729	-	305,729
Other	-	-	85,356	85,356	-	85,356
Transfers / reallocations between segments	-	(107,762)	107,762	-	-	-
	193,535	-	305,312	498,847	-	498,847