



Results announcement



Results for announcement to the market	
Name of issuer	General Capital Limited
Reporting Period	12 months to 31 March 2024
Previous Reporting Period	12 months to 31 March 2023
Currency	New Zealand Dollars (\$)

	Amount (000s)	Percentage change
Revenue from continuing operations	\$17,171	+25%
Total Revenue	\$17,171	+25%
Net profit/(loss) from continuing operations	\$2,633	+17%
Total net profit/(loss)	\$2,633	+17%

Interim/Final Dividend	
Amount per Quoted Equity Security	It is not proposed to pay dividends at this point.
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	\$0.0665	\$0.0594

A brief explanation of any of the figures above necessary to enable the figures to be understood	Please refer to Directors' Report and Results Announcement
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Authority for this announcement	
Name of person authorised to make this announcement	Nick Pimenov Chief Financial Officer
Contact person for this announcement	Brent King Managing Director
Contact phone number	+64 21 632 660
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Date of release through MAP	27/05/2024

DIRECTORS' REPORT

BACKGROUND

The Directors of General Capital Limited ("the Company") are pleased to present another record result for the year ended 31 March 2024. The consolidated revenue was 25% higher than the previous year resulting in Net Profit After Tax of \$2,633,161 for the year ended 31 March 2024, marking it the strongest result since the Company was listed in 2018. The Company's total assets increased by a further 20% since March 2023. On 6 December 2023, Equifax reaffirmed the credit rating of General Finance Limited as BB with a Stable Outlook.

FINANCIAL PERFORMANCE

	Year ended 31 Mar 2024	Year ended 31 Mar 2023	Variance	% Change
Revenue	\$17,171,443	\$13,709,253	\$3,462,190	+25%
Net profit / (loss) after tax	\$2,633,161	\$2,258,243	\$374,918	+17%
Earnings / (loss) per share*	0.72 cps	0.98 cps	-0.26 cps	-27%

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

	Year ended 31 Mar 2024	Year ended 31 Mar 2023	Variance	% Change
Total assets	\$163,330,631	\$136,087,859	\$27,242,772	+20%
Total liabilities	\$136,519,214	\$111,835,089	\$24,684,125	+22%
Total equity	\$26,811,417	\$24,252,770	\$2,558,647	+11%
Net tangible assets (NTA) per share*	6.65 cps	5.94 cps	0.71 cps	+12%
Net assets (NA) per share**	7.37 cps	6.67 cps	0.70 cps	+11%

* 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 \$2,633,161 for the year ended 31 March 2024 (2023: \$2,258,243).

The segment breakdown is as follows:

	Year ended 31 Mar 2024	Year ended 31 Mar 2023	Variance	% Change
Finance Segment	\$2,883,091	\$3,245,321	(\$362,230)	-11%
Other Segments	(\$253,739)	\$1,635,888	(\$1,889,627)	-116%
Group Eliminations	\$3,809	(\$2,622,966)	\$2,626,775	+ 100%
Group	\$2,633,161	\$2,258,243	\$374,918	17%

Refer to the attached financial information for detailed segmental results.

DIRECTORS' REPORT (CONTINUED)

Finance Segment

The Finance Segment has performed well this year. Secured term deposits grew by 23% between 31 March 2023 and 31 March 2024. The growth in term deposit funding allowed both an increase in the loan book by 22% and retain strong liquidity and cash available as at 31 March 2024, resulting in a 6% increase in the net revenue for the year.

Other Segments

Other Segments comprise The Research and Advisory Segment, and the overheads of running the listed parent company. Research and Advisory has completed 2 brokerage engagements during the year ended 31 March 2024 in line with the December 2023's forecast. During the fiscal year the workforce was increased by four in order to better support the Group's growth and expansion endeavors.

DIVIDEND POLICY

The Company does not propose to pay dividends at this point.

AUDIT

The attached financial information is in the process of being audited by Grant Thornton New Zealand Audit Limited. The Group's Annual Report for the year ended 31 March 2024 is in the process of being completed and audited.

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	\$	\$
Interest income	13,679,143	10,618,423
Interest expense	(8,096,442)	(5,223,799)
Net interest income	5,582,701	5,394,624
Fee and commission income	3,327,444	2,980,148
Fee and commission expense	(862,307)	(781,120)
Net fee and commission income	2,465,137	2,199,028
Revenue from contracts with customers	138,466	65,626
Cost of sales	(17,426)	(4,006)
Gross profit from contracts with customers	121,040	61,620
Other income	26,390	45,056
Net revenue	8,195,268	7,700,328
Increase in allowance for expected credit losses	(59,087)	(573,970)
Personnel expenses	(1,791,560)	(1,218,362)
Occupancy expenses	(105,378)	-
Depreciation	(11,313)	(125,797)
Amortisation and impairment of intangible assets	(21,334)	(537,779)
Other operating expenses	(2,620,994)	(1,900,329)
	(4,609,666)	(4,356,237)
Profit before income tax expense	3,585,602	3,344,091
Income tax expense	(952,441)	(1,085,848)
Net profit after income tax expense	2,633,161	2,258,243
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	(31,240)	(73,713)
Income tax on these items	(43,273)	-
Other comprehensive loss for the year, net of tax	(74,513)	(73,713)
Total comprehensive income	2,558,648	2,184,530
Earnings per share (cents per share) *	0.72	0.98
Diluted earnings per share (cents per share)	0.72	0.98

*The Earnings Per Share (EPS) decreased year-on-year due to the issuance of shares in late January 2023. Despite the number of shares remaining the same at the end of each period, the weighted average number of shares outstanding during the reporting period used for the FY23 EPS calculation was 230,023,343, whereas the actual number of shares at the end of each reporting period was 365,574,975. This resulted in a decrease in EPS for FY24 despite the Group recording higher profits.

If the EPS were recalculated using the actual number of shares at the end of each reporting period, the FY23 adjusted EPS would have been 0.62 cps, indicating a 17% increase between the two reporting periods.

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	2024	2023
	\$	\$
Equity		
Share capital	21,561,120	21,561,120
Accumulated earnings	5,381,065	3,011,160
Reserves	(130,768)	(319,510)
Total equity	26,811,417	24,252,770
 Assets		
Cash and cash equivalents	15,303,073	14,072,194
Accounts receivables	4,850	46,213
Related party receivables	235	725
Other current assets	334,828	347,467
Bank deposits	12,714,591	9,937,974
Loan receivables	132,163,725	108,771,965
Property, plant and equipment	31,907	33,732
Investments	126,624	214,730
Deferred tax asset	182,173	313,454
Intangible assets and goodwill	2,468,625	2,349,405
Total assets	163,330,631	136,087,859
 Liabilities		
Accounts payable and other payables	1,033,694	816,766
Related party payables	6,366	117,410
Term deposits	135,118,547	109,886,032
Income tax payable	360,607	1,014,881
Total liabilities	136,519,214	111,835,089
Net assets	26,811,417	24,252,770
 Net tangible assets (NTA) per share (cents per share)	6.65	5.94
Net assets (NA) per share (cents per share)	7.37	6.67

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Reserves	Accumulated earnings	Total equity
	\$	\$	\$	\$
Balance at 1 April 2022	13,025,575	(245,799)	752,916	13,532,693
Profit for the year	-	-	2,258,243	2,258,243
Other comprehensive income for the year	-	(73,713)	-	(73,713)
Total comprehensive income for the year	-	(73,713)	2,258,243	2,184,530
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity net of transaction costs	8,535,545	-	-	8,535,545
Total transactions with owners in their capacity as owners	8,535,545	-	-	8,535,545
Balance at 31 March 2023	21,561,120	(319,511)	3,011,160	24,252,769
Profit for the year	-	-	2,633,161	2,633,161
Other comprehensive income for the year	-	(74,513)	-	(74,513)
Total comprehensive income for the year	-	(74,513)	2,633,161	2,558,648
Transfer fair value reserve to retained earning for FVTOCI*	-	263,256	(263,256)	-
Balance at 31 March 2024	21,561,120	(130,768)	5,381,065	26,811,417

**Fair Value Through Other Comprehensive Income*

GENERAL CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	\$	\$
Cash flow from operating activities		
Interest received	13,795,341	10,647,402
Receipts from customers	3,312,918	2,457,853
Other income	3,190	4,755
Payments to suppliers and employees	(5,419,578)	(3,753,310)
Interest paid	(7,377,800)	(5,898,226)
Income tax paid	(1,475,434)	(772,829)
Net cash flows from operating activities before changes in operating assets and liabilities	2,838,637	2,685,645
Term deposits (net receipts)	24,485,709	22,534,413
Finance receivables (net advances)	(23,144,390)	(28,665,673)
Net cash provided by / (used in) operating activities	4,179,956	(3,445,615)
Cash flow from investing activities		
Purchase of property, plant and equipment	(9,488)	(11,960)
Purchase of intangibles	(213,346)	-
Investment in bank deposits	(2,776,617)	(7,487,974)
Investment in equities	50,374	-
Net cash used in investing activities	(2,949,077)	(7,499,934)
Cash flow from financing activities		
Issue of ordinary shares	-	8,535,545
Lease payments	-	(179,372)
Net cash provided by financing activities	-	8,356,173
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the beginning of the reporting year	14,072,194	16,661,570
Net increase / (decrease) in cash and cash equivalents held during the reporting year	1,230,879	(2,589,376)
Cash and cash equivalents at the end of the reporting year	15,303,073	14,072,194

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 2024	Corporate and			Total Segments	Eliminations	Consolidated
	Finance	Research and Advisory	Other			
	\$	\$	\$	\$	\$	\$
Revenue - interest income	13,399,355	16,118	266,945	13,682,418	(3,276)	13,679,142
Revenue - fee income (finance receivables)	3,327,444	-	-	3,327,444	-	3,327,444
<i>Revenue from contracts with customers</i>						
- Advisory fee revenue	-	135,695	-	135,695	2,361	138,056
- Yearbook and research	-	409	-	409	-	409
Other income	3,190	4,000	681,468	688,658	(662,268)	26,390
Dividend income	-	-	-	-	-	-
Total Revenue	16,729,989	156,222	948,413	17,834,624	(663,183)	17,171,441
Interest Expense	(8,096,442)	-	(3,276)	(8,099,718)	3,276	(8,096,442)
Fee and commission	(862,307)	-	-	(862,307)	-	(862,307)
Cost of sales	-	(20,354)	-	(20,354)	2,929	(17,425)
Net Revenue	7,771,240	135,868	945,137	8,852,245	(656,978)	8,195,267
Increase in allowance for expected credit losses	(59,087)	-	-	(59,087)	-	(59,087)
Personnel expenses	(1,530,721)	(21,956)	(238,883)	(1,791,560)	-	(1,791,560)
Depreciation and Amortisation	(23,825)	-	(8,823)	(32,648)	-	(32,648)
Impairment Expense - intangible assets	-	-	-	-	-	-
Other expenses	(2,336,156)	(54,373)	(998,109)	(3,388,638)	662,268	(2,726,370)
Income Tax Expense	(938,360)	-	(12,600)	(950,960)	(1,481)	(952,441)
Net profit / (loss) after tax	2,883,091	59,539	(313,278)	2,629,352	3,809	2,633,161
Total Assets	156,967,691	955,791	5,940,759	163,864,241	(533,609)	163,330,631
Total Liabilities	136,525,549	3,796	482,404	137,011,749	(492,534)	136,519,214

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

Year ended 31 Mar 2024	Corporate and			Total Segments	Eliminations	Consolidated
	Finance	Research and Advisory	Other			
	\$	\$	\$	\$	\$	\$
Other	219,219	-	3,593	222,812	-	222,812
	219,219	-	3,593	222,812	-	222,812

Year ended 31 Mar 2023	Corporate and					
	Finance \$	Research and Advisory \$	Other \$	Total Segments \$	Eliminations \$	Consolidated \$
Revenue - interest income	10,580,049	6,573	37,757	10,624,379	(5,956)	10,618,423
Revenue - fee income (finance receivables)	2,980,148	-	-	2,980,148	-	2,980,148
<i>Revenue from contracts with customers</i>						
- Advisory fee revenue	-	134,256	-	134,256	(69,266)	64,990
- Yearbook and research	-	636	-	636	-	636
Other income	23,456	-	502,506	525,962	(480,906)	45,056
Dividend income	-	-	2,474,234	2,474,234	(2,474,234)	-
Total revenue	13,583,653	141,465	3,014,497	16,739,615	(3,030,362)	13,709,253
Interest expense	(5,224,192)	-	(5,563)	(5,229,755)	5,956	(5,223,799)
Fee and commission	(781,120)	-	-	(781,120)	-	(781,120)
Cost of sales	-	(10,932)	-	(10,932)	6,926	(4,006)
Net revenue	7,578,341	130,533	3,008,934	10,717,808	(3,017,480)	7,700,328
Increase in allowance for expected credit losses	(573,970)	-	-	(573,970)	-	(573,970)
Personnel expenses	(1,032,028)	-	(186,334)	(1,218,362)	-	(1,218,362)
Depreciation and amortisation	(93,683)	-	(32,752)	(126,435)	-	(126,435)
Impairment Expense - intangible assets	-	(537,141)	-	(537,141)	-	(537,141)
Other expenses	(1,526,579)	(67,019)	(681,626)	(2,275,224)	374,895	(1,900,329)
Income tax (expense) / benefit	(1,106,760)	-	1,293	(1,105,467)	19,619	(1,085,848)
Net profit / (loss) after tax	3,245,321	(473,627)	2,109,515	4,881,209	(2,622,966)	2,258,243
Total Assets	129,256,532	854,324	6,097,813	136,208,669	(120,810)	136,087,859
Total Liabilities	111,697,481	19,105	203,208	111,919,794	(84,705)	111,835,089

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

Year ended 31 Mar 2023	Corporate and					
	Finance \$	Research and Advisory \$	Other \$	Total Segments \$	Eliminations \$	Consolidated \$
Other	-	-	10,476	10,476	-	10,476
	-	-	10,476	10,476	-	10,476