



NEW ZEALAND'S EXCHANGE

genevaFINANCE

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Results for announcement to the market		
Name of issuer	Geneva Finance Limited	
Reporting Period	6 months to 30 September 2021	
Previous Reporting Period	6 months to 30 September 2020	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$20,458	24%
Total Revenue	\$20,458	24%
Net profit/(loss) from continuing operations	\$2,991	-1%
Total net profit/(loss)	\$2,991	-1%
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	\$0.40	\$0.34
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	
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Date of release through MAP	29 November 2021	

Unaudited financial statements accompany this announcement.

GENEVA FINANCE GROUP LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Note	Group		
		30 Sep 21 6 months Unaudited \$000's	30 Sep 20 6 months Unaudited \$000's	31 Mar 21 12 months Audited \$000's
Interest income		8,008	7,422	15,279
Interest expense		1,964	1,996	3,975
Net interest income		6,044	5,426	11,304
Net premium revenue		10,619	6,409	14,709
Net claims expense		(4,797)	(2,846)	(6,590)
Underwriting Profit		5,822	3,563	8,119
Other revenue		1,831	2,624	4,834
Operating revenue (net of interest expense)		13,697	11,613	24,257
Operating expenses		(9,641)	(7,925)	(16,666)
Operating profit		4,056	3,688	7,591
Impaired asset (expense) / release		(93)	(435)	(825)
Net profit before taxation		3,963	3,253	6,766
Taxation benefit (charge)		(744)	0	(146)
Net profit after taxation		3,219	3,253	6,620
Attributable to:				
Group		2,991	3,030	6,185
Non-controlling interest		228	223	435
		3,219	3,253	6,620
Basic profit per share (cents)	(7)	4.10	4.15	8.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Group		
	30 Sep 21 6 months Unaudited \$000's	30 Sep 20 6 months Unaudited \$000's	31 Mar 21 12 months Audited \$000's
Net profit after taxation	3,219	3,253	6,620
Other comprehensive income:			
<i>Items may be subsequently reclassified to profit or loss</i>			
Movement in financial assets at FVTOCI	44	(867)	(914)
Exchange differences on translation of foreign operations	235	(333)	(530)
Cash flow hedge, net of tax	226	103	303
Income tax relating to cash flow hedge	-	-	-
Other comprehensive income / (loss), net of tax	505	(1,097)	(1,141)
Total comprehensive income	3,724	2,156	5,479
Attributable to:			
Group	3,496	1,933	5,044
Non-controlling interest	228	223	435

GENEVA FINANCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Note	Group		
		30 Sep 21 6 months Unaudited	30 Sep 20 6 months Unaudited	31 Mar 21 12 months Audited
		\$'000's	\$'000's	\$'000's
Assets				
Cash and cash equivalents		35,162	21,275	27,802
Prepayments and other debtors		9,875	10,151	9,139
Taxation receivable		8	10	8
Finance receivables	(5)	94,439	87,046	92,152
Available for sale equity securities	(8)	37	379	203
Deferred insurance contract acquisition costs		5,866	4,521	5,226
Deferred taxation		4,352	4,868	4,910
Other Investments		-	361	-
Plant and equipment		698	1,020	857
Intangible assets		2,087	2,310	2,202
Total assets		152,524	131,941	142,499
Liabilities				
Trade payable and accruals		4,394	5,121	5,295
Outstanding claims liability		2,144	1,406	1,657
Employee entitlements		391	529	563
Unearned premium liability		22,801	14,737	19,008
Derivative financial instruments	(8)	22	448	248
Bank facilities	(9)	72,168	62,514	66,985
Other borrowings	(10)	14,242	14,277	13,942
Leased liabilities		433	703	581
Total liabilities		116,595	99,735	108,279
Equity				
Share capital	(6)	52,779	52,779	52,779
Treasury Stock		(342)	-	(342)
Reserves		(1,812)	(2,273)	(2,317)
Retained earnings		(16,547)	(19,994)	(17,523)
Non Controlling Interest		1,851	1,694	1,623
Total equity		35,929	32,206	34,220
Total equity and liabilities		152,524	131,941	142,499
Net tangible assets per share (\$)				
		0.40	0.34	0.37

GENEVA FINANCE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Group					
	Share Capital	Treasury Stock	Reserves	Retained earnings	Attributable to owners of the parent	Non Controlling Interest
	\$000's	\$000's	\$000's	\$000's		\$000's
Balance at 31 March 2020 (Audited)	52,779	-	(1,176)	(21,725)	29,878	1,471
Net profit for the period	-	-	-	3,030	3,030	223
Other comprehensive income						
Movement in financial assets at FVTOCI	-	-	(867)	-	(867)	-
Exchange differences on translation of foreign operations	-	-	(333)	-	(333)	-
Change in cash flow hedge, net of tax	-	-	103	-	103	-
Total other comprehensive income	-	-	(1,097)	-	(1,097)	-
Total comprehensive income	-	-	(1,097)	3,030	1,933	223
Transaction with owners						
Dividends paid	-	-	-	(1,299)	(1,299)	-
Total transactions with owners	-	-	-	(1,299)	(1,299)	-
Balance at 30 September 2020 (Unaudited)	52,779	-	(2,273)	(19,994)	30,512	1,694
Net profit for the period	-	-	-	3,155	3,155	212
Other comprehensive income						
Movement in financial assets at FVTOCI	-	-	(47)	-	(47)	-
Exchange differences on translation of foreign operations	-	-	(197)	-	(197)	-
Change in cash flow hedge, net of tax	-	-	200	-	200	-
Total other comprehensive income	-	-	(44)	-	(44)	-
Total comprehensive income	-	-	(44)	3,155	3,111	212
Transaction with owners						
Shares held by Geneva	-	(342)	-	-	(342)	-
Dividends paid	-	-	-	(684)	(684)	(283)
Total transactions with owners	-	(342)	-	(684)	(1,026)	(283)
Balance at 31 March 2021 (Audited)	52,779	(342)	(2,317)	(17,523)	32,597	1,623
Net profit for the period	-	-	-	2,991	2,991	228
Other comprehensive income						
Movement in financial assets at FVTOCI	-	-	44	-	44	-
Exchange differences on translation of foreign operations	-	-	235	-	235	-
Change in cash flow hedge, net of tax	-	-	226	-	226	-
Total other comprehensive income	-	-	505	-	505	-
Total comprehensive income	-	-	505	2,991	3,496	228
Transaction with owners						
Dividends paid	-	-	-	(2,015)	(2,015)	-
Total transactions with owners	-	-	-	(2,015)	(2,015)	-
Balance at 30 September 2021 (Unaudited)	52,779	(342)	(1,812)	(16,547)	34,078	1,851

GENEVA FINANCE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Group		
	30 Sep 21 6 months Unaudited	30 Sep 20 6 months Unaudited	31 Mar 21 12 months Audited
	\$000's	\$000's	\$000's
Cash flow from operating activities:			
Cash was provided from:			
Interest received	7,403	5,599	14,175
Dividends received	-	-	-
Receipts from insurance policy sales, collections activities and other sources	16,477	10,287	25,185
Covid-19 wages subsidy	-	-	351
	<u>23,880</u>	<u>15,886</u>	<u>39,711</u>
Cash was applied to:			
Net movement in finance receivables	(1,612)	(1,810)	(7,487)
Interest paid	(1,964)	(1,995)	(3,975)
Payments to suppliers and employees	<u>(16,363)</u>	<u>(12,012)</u>	<u>(28,130)</u>
	<u>(19,939)</u>	<u>(15,817)</u>	<u>(39,592)</u>
Net cash inflow from operating activities	<u>3,941</u>	<u>69</u>	<u>119</u>
Cash flows from investing activities:			
Cash was provided from:			
AMPL Settlement	211	5	3,499
Sale of plant and equipment	-	-	7
	<u>211</u>	<u>5</u>	<u>3,506</u>
Cash was applied to:			
Purchase of plant and equipment	(33)	-	-
Purchase of intangible assets	(81)	(140)	(209)
Purchase of third-party debt ledger	-	-	-
Purchase of investments	-	(361)	-
	<u>(114)</u>	<u>(501)</u>	<u>(209)</u>
Net cash outflow from investing activities	<u>97</u>	<u>(496)</u>	<u>3,297</u>
Cash flows from financing activities:			
Cash was provided from:			
Net movement of term facilities: Westpac	5,184	1,917	6,387
Net movement of other borrowings	300	594	258
	<u>5,484</u>	<u>2,511</u>	<u>6,645</u>
Cash was applied to:			
Share buyback	-	-	(342)
Principle elements of lease payments	-	-	(276)
Dividends paid to company shareholders	(147)	(135)	(1,983)
Dividends paid to NCI	<u>(2,015)</u>	<u>(1,299)</u>	<u>(283)</u>
	<u>(2,162)</u>	<u>(1,434)</u>	<u>(2,884)</u>
Net cash outflow from financing activities	<u>3,322</u>	<u>1,077</u>	<u>3,761</u>
Net increase / (decrease) in cash and cash equivalents held	<u>7,360</u>	<u>650</u>	<u>7,177</u>
Add: Opening cash and cash equivalents balance	27,802	20,625	20,625
Cash and cash equivalents at the end of the period	<u><u>35,162</u></u>	<u><u>21,275</u></u>	<u><u>27,802</u></u>
Represented by:			
Cash at bank	35,162	21,275	27,802
Cash and cash equivalents at the end of the period	<u><u>35,162</u></u>	<u><u>21,275</u></u>	<u><u>27,802</u></u>

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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 2021 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 2021 should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2021, 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 2021, except for the adoption of any new standards effective as of 1 April 2021, and the early adoption of any other standard, interpretation or amendment that has been issued but is not yet effective. The same significant judgements, estimates and assumptions included in the notes to the Group's annual financial statements for the year ended 31 March 2021 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.

Covid-19

As disclosed in the 31 March 2021 full year financial statements, during March 2020 the World Health Organization declared an ongoing global outbreak of a novel coronavirus, known as 'coronavirus disease 2019' ('COVID-19'), a pandemic.

The COVID-19 pandemic and responses continue to effect general activity and confidence levels in the economy. While the scale and duration of these effects remain uncertain, the Group continues to monitor developments and initiate plans to mitigate adverse impacts and maximise opportunities.

These unaudited consolidated interim financial statements have been prepared based upon conditions existing as at 30 September 2021 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 30 September 2021, 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 unaudited consolidated interim 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 unaudited consolidated interim financial statements.

2. STANDARDS AND INTERPRETATIONS

The Group has not early adopted any new standards, amendments and interpretations that have been issued but are not yet effective.

The new standards, amendments and interpretations that will have an impact on the Group are discussed below and the Group intends to adopt these new standards, amendments and interpretations when they become mandatory.

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

2. STANDARDS AND INTERPRETATIONS (continued)

NZ IFRS 17 Insurance Contracts

NZ IFRS 17, 'Insurance Contracts', will replace NZ IFRS 4, 'Insurance Contracts'. Under the NZ IFRS 17, insurance contract liabilities will be calculated at the present value of future insurance cash flows with a provision for risk. The discount rate applied will reflect current interest rates. If the present value of future cash flows would produce a gain at the time an insurance contract is issued, the model would also require a "contractual service margin" to offset the day 1 gain. The contractual service margin would be amortized over the life of the insurance contract. There would also be a new income statement presentation for insurance contracts, including a revised definition of revenue and additional disclosure requirements. NZ IFRS 17 will also have accommodations for certain specific types of insurance contracts. Short-duration insurance contracts will be permitted to use a simplified unearned premium liability model until a claim is incurred. For some contracts, in which the cash flows are linked to underlying items, the liability value will reflect that linkage.

The effective date is annual reporting periods beginning on or after 1 January 2023.

The Group is yet to assess the impact of NZ IFRS 17. The Group intends to adopt NZ IFRS 17 no later than the financial year beginning 1 April 2023.

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.

Group summary revenues and results for the period ended 30 September 2021 (Unaudited)

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
External revenues	-	7,254	10,683	528	1,031	962	-	20,458
Revenue - other segments	320	572	34	64	-	-	(990)	-
Total	320	7,827	10,717	591	1,031		(990)	20,458
Segment profit/(loss)	(2,256)	2,742	2,412	151	(305)	757	462	3,963
Taxation benefit/(expense)	117	-	(675)	-	-	(186)	-	(744)
Non controlling interest	-	-	-	-	-	(228)	-	(228)
Net profit/(loss) after taxation	(2,139)	2,742	1,737	151	(305)	343	462	2,991

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

3. SEGMENT REPORTING (continued)

Group summary revenues and results for the period ended 30 September 2021 (Unaudited)

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Interest income	783	7,029	98	116	712	723	(1,453)	8,008
Interest expense	1,256	1,696	-	83	381	1	(1,453)	1,964
Depreciation	145	15	11	5	7	8	-	191
Amortisation	-	109	27	50	10	-	-	196
Other material non-cash items:	-	-	-	-	-	-	-	-
Impaired asset (release)/expense	463	227	(64)	(418)	340	8	(463)	93

Group summary assets and liabilities as at 30 September 2021 (Unaudited)

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Segment assets								
Total assets	39,599	103,312	42,574	8,193	11,680	4,794	(57,628)	152,524
Additions to non current assets	90	1	21	-	-	2	-	114
Segment liabilities								
Total liabilities	20,898	79,618	26,505	3,688	10,107	322	(24,543)	116,595

Group summary revenues and results for the year 31 March 2021 (Audited)

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
External revenues	-	13,912	15,785	1,408	1,813	1,904	-	34,822
Revenue - other segments	14,550	1,306	29	158	-	-	(16,043)	-
Total	1,597	15,056	7,999	2,340	1,368	1,835	(3,165)	34,822
Segment profit/(loss)	9,567	4,778	3,208	339	101	1,432	(12,659)	6,766
Taxation benefit/(expense)	790	-	(591)	-	-	(345)	-	(146)
Non controlling interest profit	-	-	-	-	-	(435)	-	(435)
Net profit/(loss) after taxation	10,357	4,778	2,617	339	101	652	(12,659)	6,185
Interest income	1,892	13,514	173	242	1,280	1,562	(3,384)	15,279
Interest expense	2,713	3,652	-	173	820	1	(3,384)	3,975
Depreciation	287	28	22	10	6	18	-	371
Amortisation	-	180	70	101	27	-	-	378
Other material non-cash items:								
Impaired assets expense	(637)	1,380	-	(709)	59	95	637	825

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Segment assets								
Total assets	34,970	91,932	30,632	9,380	14,300	4,434	(43,149)	142,499
Additions to non current assets	(7)	191	16	7	-	2	-	209
Segment liabilities								
Total liabilities	12,722	71,203	22,343	3,777	12,423	559	(14,748)	108,279

Group summary revenues and results for the period ended 30 September 2020 (Unaudited)

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
External revenues	12	6,806	7,150	757	817	913	-	16,455
Revenue - other segments	1,193	571	14	82	-	-	(1,860)	-
Total	1,205	7,378	7,164	838	817	913	(1,860)	16,455

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

3. SEGMENT REPORTING (continued)

Group summary revenues and results for the period ended 30 September 2020 (Unaudited)

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Segment profit/(loss)	(1,243)	2,133	1,623	175	(13)	715	(137)	3,253
Taxation benefit/(expense)	333	-	(176)	-	-	(157)	-	-
Non controlling interest	-	-	-	-	-	(223)	-	(223)
Net profit/(loss) after taxation	(910)	2,133	1,447	175	(13)	335	(137)	3,030
Interest income	1,055	6,498	89	128	586	789	(1,723)	7,422
Interest expense	1,284	1,934	-	92	409	-	(1,723)	1,996
Depreciation	142	21	11	5	3	10	-	192
Amortisation	-	99	37	50	14	-	-	200
Other material non-cash items:	-	-	-	-	-	-	-	-
Impaired asset (release)/expense	(137)	758	-	(340)	17	-	137	435

Group summary assets and liabilities as at 30 September 2020 (Unaudited)

\$'000	Corporate	GFSL	Quest	SCL	GCL	Tonga	Eliminations	Group
Segment assets								
Total assets	30,629	94,173	30,847	9,283	7,488	4,172	(44,651)	131,941
Additions to non current assets	127	(2)	-	13	(3)	-	-	135
Segment liabilities								
Total liabilities	19,529	70,287	17,682	3,844	8,726	290	(20,623)	99,735

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 not significant events and transactions during the period.

5. FINANCE RECEIVABLES

	30 Sep 21 6 months Unaudited \$000's	30 Sep 20 6 months Unaudited \$000's	31 Mar 21 12 months Audited \$000's
Gross finance receivables	28,565	29,048	30,772
Gross finance receivables (The Geneva Warehouse A Trust)	82,939	75,182	78,499
Gross finance receivables (Prime Asset Trust Limited)	326	596	403
Total gross finance receivables	111,830	104,826	109,674
Less: Unearned Interest	5	2	7
Deferred fee revenue and expenses	(2,944)	(2,244)	(2,779)
Less: Provision for credit impairment	20,330	20,022	20,294
Net finance receivables	94,439	87,046	92,152

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.

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

5. FINANCE RECEIVABLES (continued)

During the six month period ended 30 September 2021, finance receivables totalling approximately \$40.9m (31 March 2021: \$55.5m; 30 September 2020: \$26.9m) were sold to the Trust, of which \$10.4m 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 \$74.3m (31 March 2021: \$68.6m; 30 September 2020: \$66.6m) are subject to limitations on disposal.

6. SHARE CAPITAL

	30 Sep 21 6 months Unaudited 000's	30 Sep 20 6 months Unaudited 000's	31 Mar 21 12 months Audited 000's
<i>Number of ordinary shares</i>			
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
<i>Dollar value of ordinary shares</i>			
Opening balance	\$000's 52,779	\$000's 52,779	\$000's 52,779
Placement of new shares via consideration for purchase of subsidiary	-	-	-
Total issued shares	52,779	52,779	52,779

7. EARNINGS PER SHARE

Basic profit per share

The calculation of basic profit per share at 30 September 2021 was based on the profit attributable to ordinary shareholders of \$2,991,000 (31 March 2021: \$6,185,000 ; 30 September 2020: \$3,030,000) and a weighted average number of shares 72,935,275 (31 March 2021: 72,935,275 ; 30 September 2020: 72,935,275) calculated as follows:

	Group		
	30 Sep 21 6 months Unaudited	30 Sep 20 6 months Unaudited	31 Mar 21 12 months Audited
Net profit attributable to ordinary shares (\$'000)	2,991	3,030	6,185
Weighted number of shares	72,935	72,935	72,935
Basic earnings per share (cents)	4.10	4.15	8.48
Weighted number of shares	000's 72,935	000's 72,935	000's 72,935
Issued shares 1 April	-	-	-
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 2021 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 2021 the carrying value of borrowings approximates its fair value as all borrowings are subject to floating or short-term interest rates.

Fair value of financial 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.

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

8. FAIR VALUE DISCLOSURES (continued)

30 September 2021 (Unaudited)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTOCI	-	-	37	37
Derivatives	-	(22)	-	(22)
	-	(22)	37	15

31 March 2021 (Audited)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTOCI	-	-	203	203
Derivatives	-	(248)	-	(248)
	-	(248)	203	(45)

30 September 2020 (Unaudited)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTOCI	-	-	379	379
Derivatives	-	(448)	-	(448)
	-	(448)	379	(69)

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

The 10.85% stake in this company is held by Quest Insurance Group Limited. The investment in the unlisted medical property company is a financial assets at FVTOCI. This investment is denominated in NZ dollars. 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 entity is a property investment company that is solely in the business of holding and leasing investment property and is 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.

During the 31 March 2021 financial year, an underlying asset in the AMPL investment, being an investment property was sold, resulting in Quest receiving circa \$3.7m distributions from this investment. The carrying value noted above of \$37k is the fair value of Quest's share of the AMPL net assets as at 30 September 2021 (31 March 2021: \$203k).

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 21 6 months Unaudited \$'000's	30 Sep 20 6 months Unaudited \$'000's	31 Mar 21 12 months Audited \$'000's
Bank facility: Westpac	68,814	59,144	63,664
Bank facility: Kiwi bank	3,400	3,400	3,400
Capitalised transaction costs: Westpac	(42)	(21)	(73)
Capitalised transaction costs: Kiwi bank	(4)	(9)	(6)
	72,168	62,514	66,985

The Westpac facility annual review was completed during November 2021 and was extended to 31 October 2023 and the facility limit increased to \$75,000,000.

The Stellar Collections Limited Kiwi bank facility was extended to 31 July 2025 and to be repaid in equal monthly repayments commencing 1 July 2023.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

10. OTHER BORROWINGS

	Group		
	30 Sep 21	30 Sep 20	31 Mar 21
	6 months	6 months	12 months
	Unaudited	Unaudited	Audited
	\$000's	\$000's	\$000's
Unsecured	14,242	14,277	13,942
	14,242	14,277	13,942

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 November 2021 and was extended to 31 October 2023. The current facility of \$70,000,000 was increased to \$75,000,000 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 2021 GFSL transferred \$40.9m of loans receivables to the Trust (March 2021: \$55.5m; September 2020: \$26.9m). As at 30 September 2021 the carrying value of these assets was \$74.3m (March 2021: \$68.6m; September 2020: \$66.6m).

12. RELATED PARTIES

Loans and advances to related parties

	Group		
	30 Sep 21	30 Sep 20	31 Mar 21
	6 months	6 months	12 months
	Unaudited	Unaudited	Audited
	\$000's	\$000's	\$000's
<i>Finance receivables</i>	273	273	274
Loans receivables	(273)	(273)	(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 2021, 31 March 2021 and 30 September 2020.

GENEVA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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12. RELATED PARTIES (continued)

Facilities from related parties

Deposits from related parties

	Group		
	30 Sep 21 6 months Unaudited \$000's	30 Sep 20 6 months Unaudited \$000's	31 Mar 21 12 months Audited \$000's
Opening balance as at 1 April	9,150	8,150	8,150
Movement	50	1,000	1,000
	<u>9,200</u>	<u>9,150</u>	<u>9,150</u>

The related party deposits carries an interest rate of 6.5%-9.25%, (30 September 2020: 6.5%-9.25%, March 2021: 8.2%)

Others

Loans and advances - Federal Pacific Insurance Ltd

	30 Sep 21 6 months Unaudited \$000's	30 Sep 20 6 months Unaudited \$000's	31 Mar 21 12 months Audited \$000's
Opening balance	1	6	6
Movement	0	(6)	(5)
	<u>1</u>	<u>-</u>	<u>1</u>

13. COMMITMENTS AND CONTINGENCIES

30 September 2021 None

31 March 2021 None

30 September 2020 None

14. SUBSEQUENT EVENTS

The Westpac facility annual review was completed in November 2021 and was extended to 31 October 2023. The current facility of \$70,000,000 was increased to \$75,000,000 during the review.