GENERAL CAPITAL

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2019

General Capital Limited (previously Mykco Limited)
Annual Report
For the year ended 31 March 2019

Contents

Directors' Profiles

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

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

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

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

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

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

Huei Min Lim (also known as Lyn Lim) is a Non-Executive Director of General Capital Limited (formerly Mykco Limited) and has been since 21 December 2011. She is a director of NZX Listed Restaurant Brands New Zealand Limited and is on the Boards of the AUT University (as a Council Member), the Auckland Regional Amenities Funding Board and various private companies. She was formerly on the board of ASB Community Trust Limited and Foundation North.

Lyn is a founding partner of Forest Harrison, a legal firm that she started in 2006 after being a partner of a national legal firm for 9 years. Lyn specialises in corporate and governance issues, particularly in dispute resolution areas.

Directors' Profiles (Continued)

GRAEME IAIN BROWN BCom
Non-executive Independent Director

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

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

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

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

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

Simon is a Chartered member of the Institute of Directors and a member of the New Zealand Law Society,

Simon is also a keen sailor and has extensive coastal and blue water experience.

Directors' Report

The Year to 31 March 2019 was a very active year for General Capital Limited (formerly Mykco Limited).

We have had an extremely busy last 18 months. It has been very positive for shareholders and prospects for the future look exciting.

We deal with the position in three separate areas.

1.0 Recent History: the strategic decisions taken including the structural achievements;
2.0 The Accounts to 31 March 2019; and
3.0 The Outlook: including plans and expectations.

1.0 Recent History

We had advised shareholders that we were searching for a new investment and that we had found one that met our objectives of a business that was cash flow positive, profitable and had strong prospects.

At the time of the last Annual Report, Mykco Limited held a conditional agreement to purchase all of the shares in Corporate Holdings Limited that we did not already own.

The steps completed since that time are as follows:

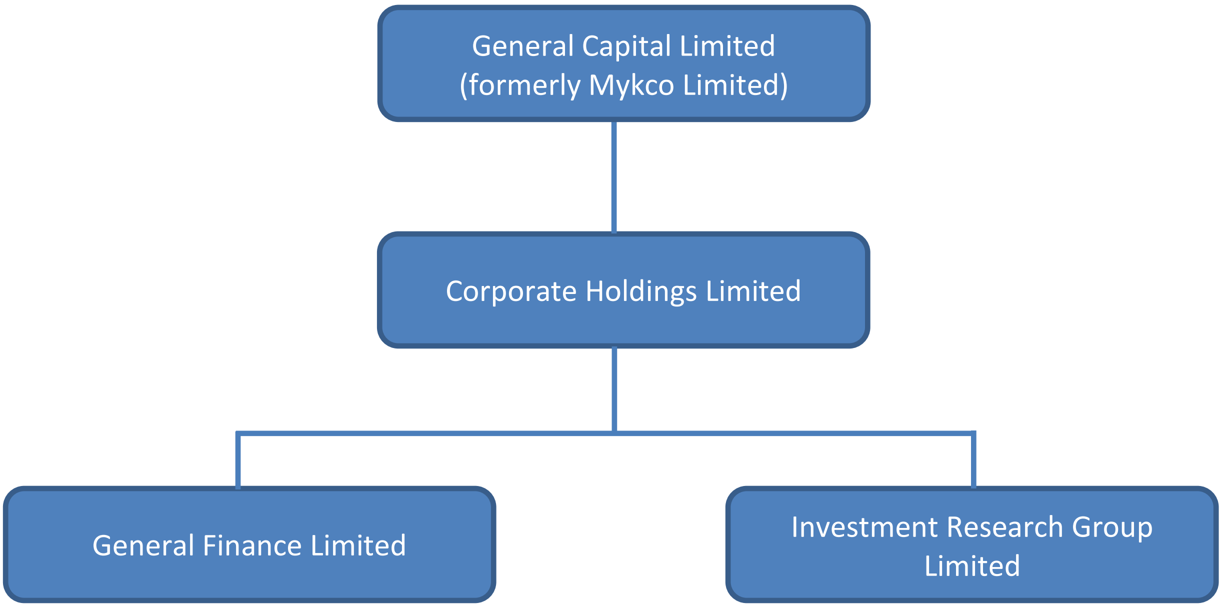
- 3 August 2018 - Mykco Limited settled the purchase of Corporate Holdings Limited the parent company of General Finance Limited and Investment Research Group Limited.
- 3 August 2018 - Mykco Limited changed its name to General Capital Limited ("GCL" or "General Capital").
- 12 October 2018 - Mr. Rewi Bugo was appointed as Chairman of the Board of Directors of General Capital.
- 15 October 2018 – General Capital Announced capital raising plan including:
  - Placement of 26.0m shares at 6.75cps (NB: actual placements were 27.5m shares in Dec 19);
  - A Share Purchase Plan for shareholders of up to $15,000 per shareholder; and
  - Issuance of two classes of warrants to eligible shareholders.
- 29 October 2018 - General Capital announced that its wholly owned subsidiary General Finance Ltd had uploaded the 30 September 2018 quarterly report to the Disclose Register.
- 30 October 2018 - Amendments to the Director and staff warrants announced.
- 9 November 2018 - General Capital announces the details of the Share Purchase Plan.
- 29 November 2018 - General Capital Special Meeting held to consider resolutions for the approval of warrant issues and placements. Results: all resolutions passed.
- 3 December 2018 - Warrant issues announced.
- 5 December 2018 - Warrants quoted on the NZAX, with a commencement of trading date of 11 December 2018.
- 17 December 2018 - Interim Report released
- 27 December 2018 - Update released showing $1,856,400 of additional capital has been raised in placements, and $162,200 in the share purchase plan.
- 30 January 2019 - General Capital announced that its wholly owned subsidiary General Finance Ltd had uploaded the 31 December 2018 quarterly report to the Disclose Register.
- 1 May 2019 - General Capital announced that its wholly owned subsidiary General Finance Ltd had uploaded the 31 March 2019 quarterly report to the Disclose Register.
- 14 June 2019 - General Capital releases a very strong first Annual result.

Directors' Report (Continued)

- 17 June 2019 - General Capital Announces migration to the Main Board.
- 18 June 2019 - General Capital Announces the appointment of Jonathan Clark as Group CFO.
- 25 June 2019 - Announces the allocation of Warrants to Directors and Senior Managers.

The Directors and Management have worked hard to get the group into a position where it has a trading business with strong growth potential.

Group Structure



Group Companies

General Capital Limited

- This is the parent company whose share are listed on NZSX from 1 July 2019

Corporate Holdings Limited

- This is the Holding company which was purchased by Mykco in August 2018. It had previously purchased General Finance Ltd and Investment Research Ltd in December 2017.

General Finance Limited

- This is the main operating entity of the Group.
- It is a licensed Non-bank Deposit Taker.
- It receives deposits from the public and lends these funds to borrowers who give Residential property as security.
- General Finance secures it loans by way of registered mortgages.

Directors' Report (Continued)

- The key advantage for General Finance is that it can raise funds directly from the public, rather than relying on funding from banks or other institutions.
- General Finance has a significant opportunity to grow its business.

Investment Research Group Limited (IRG)

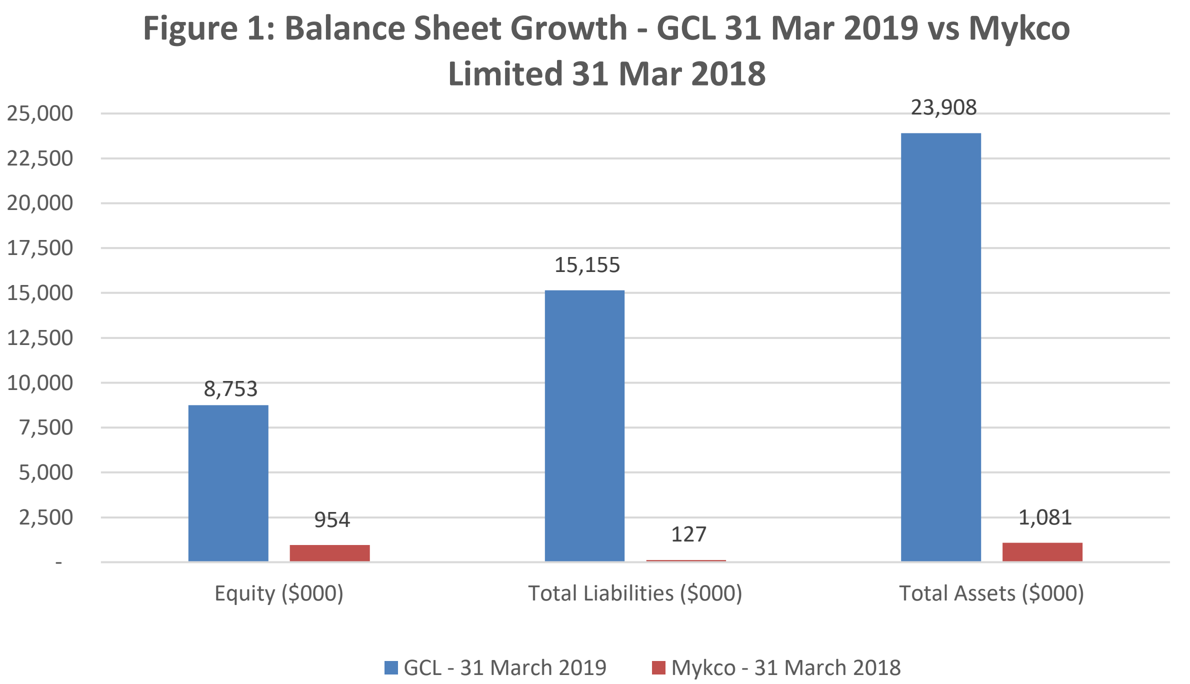
- This company is an advisory business which earns income from advising on Investment Banking Transactions including Listings on NZX and on USX.
- It also owns and publishes the popular IRG Yearbook now in its 44th Edition.
- There is a consistent demand for companies wishing to list their shares to gain liquidity and to gain access to capital markets.

2.0 The 31 March 2019 Results and Consolidated Financial Statements

It is important to understand the accounting standards used to prepare the consolidated financial statements.

The fundamental is the accounting treatment that applies when a small company (often a shell) issues shares to buy a company significantly larger than the small company (a "reverse listing" or "reverse acquisition" transaction).

In a conventional business acquisition, the net assets of the acquired business would be consolidated with the legal acquirer's consolidated financial statements from the acquisition date. Had this treatment been applied in General Capital Limited's financial statements, the balance sheet growth would have looked similar to the below graph (figure 1).



31 March 2019 figures based on audited financial statements of General Capital Limited (GCL). 31 March 2018 figures based on the 31 March 2018 audited financial statements of Mykco Limited. The 31 March 2018 comparative numbers in the General Capital Limited 31 March 2019 financial statements are the Corporate Holdings Limited group. Refer to the notes to the financial statements for further details.

Directors' Report (Continued)

The accounting standards that apply to reverse acquisitions assume the large company is the reporting entity. The result is that the comparative figures are those of the large company (i.e. the Corporate Holdings Limited Group) for last year not the small company's (i.e. Mykco Limited) numbers.

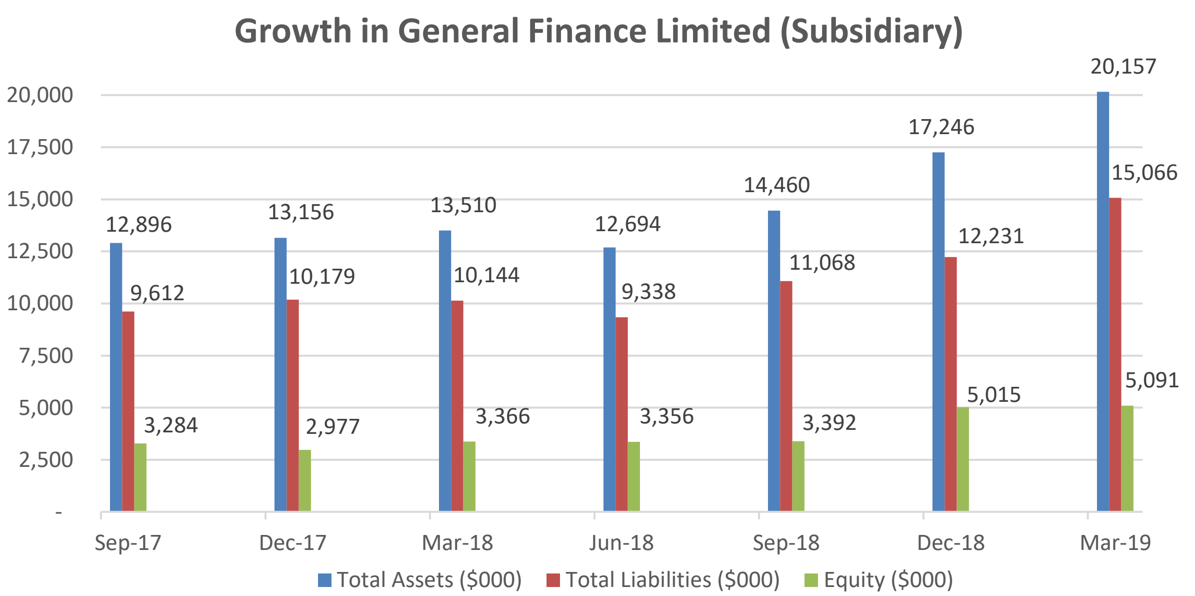
This concept takes time to understand.

Unfortunately, we do not make the accounting rules. More details are set out in the notes the financial statements.

The key factors for the 31 March 2019 accounts are:

- Total assets grew by 46%
- We wrote off expenses relating to the listing of $509,207
- We completed a listing on USX of Sports & Education Corporation Ltd
- We had a profitable 2nd 6 months
- We hold significant cash.
- We have met all regulatory obligations
- Our shareholders have supported us with significant investment in new capital

We are proud of the growth that has been achieved in our subsidiary, General Finance Limited, since it was purchased in December 2017. The below graph (figure 2) illustrates this further.



General Finance Limited is a Non-bank Deposit Taker that was purchased by Corporate Holdings Limited on 19 December 2017. The 31 March 2019 and 31 March 2018 figures have been extracted from the 31 March 2019 audited financial statements of General Finance Limited. Other quarterly figures have been extracted from General Finance Limited's management accounts.

All aspects of the group have shown significant improvement.

Directors’ Report (Continued)

3.0 The Outlook

Plans and Expectations.

Now that we have established a significant base and infrastructure our focus is on growth.

Plan for the financial year to 31 March 2020:

- Increase total assets for the group to $50m
- Increase total deposits to $38m
- Increase Capital to $12m
- Achieve a NPBT of $300k for the year
- To consider an acquisition in the 2nd 6 months of the financial year.

Summary

This has been a strong year for General Capital Ltd.

Your Board of Directors is very keen to build on this in the current financial year.

Thanks

Shareholders have had a long wait for the company to build to this size. We thank them for their patience.

To the new shareholders who have invested to help us grow, we thank you for your support.

The Directors of General Finance and General Capital and the management and staff of the Group thank you for your determination and contribution.

We look forward to seeing all stake holders at our Annual Meeting.

Rewi Hamid Bugo
Chairman

Brent Douglas King
Managing Director

Corporate Governance Statement

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

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

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

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

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

Principal 1 – Code of Ethical Behaviour

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

RECOMMENDATION 1.1

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

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

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

Compliance with recommendation during the year ended 31 March 2019:
The Board has a strong belief that ethical behaviour is paramount to good corporate governance and underpins the reputation of the Company. As such, the ethical principles that were applied by the board (and required of Management and employees) were in line with the recommendations above.

The Group's code of ethics is currently being reviewed for the Company and its subsidiaries. Once the code has been reviewed and updated it will be published on the Company's website. Employees will be required to read the code of ethics, and training will be provided regularly. The updated code of ethics is expected to comply with the recommendation in full.

Corporate Governance Statement (Continued)

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

Compliance with recommendation during the year ended 31 March 2019:
The Board had a securities trading policy in place for employees and directors during the year. This policy requires prior Board approval of all transactions in General Capital Limited quoted securities and other restricted securities. The securities trading policy is currently under review and once it is finalised it will be published on the Company's website.

PRINCIPLE 2 – Board Composition & Performance

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

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

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

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

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

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

Board Meetings

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

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

Board Members	Meetings Attended
Rewi Hamid Bugo (Chairman)[1]	6
Brent Douglas King[1]	6
Huei Min Lim	8
Graeme Iain Brown	8
Simon John McArley	8

[1]Brent Douglas King and Rewi Hamid Bugo were conflicted and unable to participate in two of the Board meetings held during the year.

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

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

	as at 31 March 2019		as at 31 March 2018	
	Directors	Officers*	Directors	Officers*
Female	1	0	1	0
Male	4	1	4	0
Total	5	1	5	0

*Officers excludes any directors of the Company.

Corporate Governance Statement (Continued)

RECOMMENDATION 2.1

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

Compliance with recommendation during the year ended 31 March 2019:

The roles and responsibilities of the Board and Management are clearly defined in the Company's Corporate Governance Code.

The Group's Corporate Governance Code is currently being reviewed for the Company and its subsidiaries. Once the Corporate Governance Code has been reviewed and updated it will be published on the Company's website. The updated Corporate Governance Code is expected to comply with the recommendation.

RECOMMENDATION 2.2

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

Compliance with recommendation during the year ended 31 March 2019:

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

The Company's Governance documents are currently being reviewed and updated. These documents are expected to comply with the recommendation and once they have been finalised, they will be published on the Company's website.

RECOMMENDATION 2.3

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

Compliance with recommendation during the year ended 31 March 2019:

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

The Company's Corporate Governance Code is currently being updated and is expected to include a requirement for written agreements with newly appointed directors in line with the recommendation. Once the Corporate Governance Code has been finalised, it will be published on the Company's website.

RECOMMENDATION 2.4

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

Compliance with recommendation during the year ended 31 March 2019:

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

RECOMMENDATION 2.5

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

Corporate Governance Statement (Continued)

Compliance with recommendation during the year ended 31 March 2019:
Despite not having a formal written diversity policy in place during the year, the Board recognises the wide-ranging benefits that diversity brings to an organisation.

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

The Company's Corporate Governance Code is currently being updated and is expected to include the Company's diversity policy. Once the Corporate Governance Code has been finalised it will be published on the Company's website.

RECOMMENDATION 2.6
Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

Compliance with recommendation during the year ended 31 March 2019:
The Company's Board understand their obligations as Directors of a publicly listed Company and undertake training when necessary to remain current on how to best perform their duties.

RECOMMENDATION 2.7
The board should have a procedure to regularly assess director, board and committee performance.

Compliance with recommendation during the year ended 31 March 2019:
Director and Board performance is considered crucial to the success of the Company and its subsidiaries. The Board regularly reviews its performance and the performance of its members. This includes an assessment of whether the composition of the board is adequate and whether any training is needed for Directors.

The Company's Corporate Governance Code is currently being updated and is expected to include policies and procedures on the assessment of director, board and committee performance. Once the Corporate Governance Code has been finalised it will be published on the Company's website.

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

Compliance with recommendation during the year ended 31 March 2019:
As detailed in the Board Composition section above, 3 of the 5 Directors have been identified as Independent Directors of the Company. Of the 2 remaining directors, 1 is a Non-executive Director.

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

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

Compliance with recommendation during the year ended 31 March 2019:
Rewi Hamid Bugo was appointed as Chairman following Brent Douglas King's appointment as Managing Director of the Group in August 2018. Between 1 April 2018 and that date, Mr King was Chairman and there were no Executive Directors in the Company. By virtue of being a significant product holder, Mr Bugo is not an independent director of the Company.

Principle 3 – Board Committees

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

Corporate Governance Statement (Continued)

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

Compliance with recommendation during the year ended 31 March 2019:
The Audit committee responsibilities have been dealt with by the full Board during the year ended 31 March 2019, as General Capital Limited was listed on the NZAX during that period.

In September 2018, Simon McArley was appointed as Chair of the Audit Committee.

The audit committee responsibilities include the following:

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

Subsequent to year end, to comply with the NZX Main Board Listing Rules an Audit, Finance and Risk Committee was formalised as a sub committee of the Board with the following members:

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

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

The Company's Audit, Finance and Risk Committee Charter is currently being reviewed and updated. Once it has been finalised it will be published on the Company's website.

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

Compliance with recommendation during the year ended 31 March 2019:
As noted above, the Audit committee responsibilities were dealt with by the full Board during the year ended 31 March 2019. Employees only attended meetings at the invitation of the Board. In addition to this, Non-executive Directors met with the Auditors without Executive Directors or employees present.

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

Compliance with recommendation during the year ended 31 March 2019:
Remuneration committee responsibilities were dealt with by the full Board during the year ended 31 March 2019. Employees only attended meetings at the invitation of the Board.

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

The Company's Remuneration, Nomination and Health and Safety Committee Charter is currently being drafted. This Charter is expected to comply with the recommendation and once it has been finalised will be published on the Company's website.

The Board will consider the composition of the Remuneration, Nomination and Health and Safety Committee as part of the finalisation of the Charter.

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

Compliance with recommendation during the year ended 31 March 2019:
Nomination committee responsibilities were dealt with by the full Board during the year ended 31 March 2019.

The Company's Remuneration, Nomination and Health and Safety Committee Charter is currently being drafted. This Charter is expected to comply with the recommendation and once it has been finalised will be published on the Company's website.

The Board will consider the composition of the Remuneration, Nomination and Health and Safety Committee as part of the finalisation of the Charter.

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

Compliance with recommendation during the year ended 31 March 2019:
The Board has not considered it necessary to have any other board committees during the year.

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

Compliance with recommendation during the year ended 31 March 2019:
In the event of a takeover bid, the Board would have determined the appropriate actions to take including the scope of independent advisory reports to shareholders, and whether an independent takeover committee should be established.

The Company's Corporate Governance Code is currently being updated and is expected to include policies and procedures in relation to future takeover bids. Once the Corporate Governance Code has been finalised it will be published on the Company's website.

PRINCIPLE 4 – Reporting & Disclosure

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

Corporate Governance Statement (Continued)

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

Compliance with recommendation during the year ended 31 March 2019:
The Company's Board is committed to keeping investors and the market informed of all material information about the Company and its performance in line with the NZX listing rules and has done so throughout the period.

The Company's Corporate Governance Code is currently being updated and is expected to include policies and procedures in relation to continuous disclosure. Once the Corporate Governance Code has been finalised it will be published on the Company's website.

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

Compliance with recommendation during the year ended 31 March 2019:
Governance documents for the Company are under review, and once finalised will be published on the Company's website.

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

Compliance with recommendation during the year ended 31 March 2019:

Financial Reporting
The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and for ensuring all relevant financial reporting and accounting standards have been followed. For the financial year ended 31 March 2019, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and the Group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

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

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

PRINCIPLE 5 – Remuneration

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

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

Compliance with recommendation during the year ended 31 March 2019:
Shareholders approved a total Directors' remuneration fee pool of $300,000 per annum in the Special Meeting of shareholders on 31 July 2018. Director remuneration is disclosed in the Shareholder and Statutory Information section of the Annual Report.

Corporate Governance Statement (Continued)

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

Compliance with recommendation during the year ended 31 March 2019:
Remuneration of directors has been determined in line with the process noted under recommendation 3.3 above and with the Company's Corporate Governance Code.

The Company's Corporate Governance Code includes a remuneration policy and is currently being reviewed and updated. Once the Corporate Governance Code has been finalised it will be published on the Company's website.

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

Compliance with recommendation during the year ended 31 March 2019:
Information in relation to the remuneration arrangements in place for Brent King (Managing Director) is included in the Shareholder and Statutory Information section of the Annual Report.

PRINCIPLE 6 – Risk Management

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

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

Compliance with recommendation during the year ended 31 March 2019:
The Company and its subsidiaries are committed to proactively managing risk and this has been the responsibility of the entire Board during the period. The Board delegates day to day management of risks to the Managing Director. The executive team and senior management are required to regularly identify the major risks affecting the business and develop structures, practices and processes to manage and monitor these risks.

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

The Company's Audit, Finance and Risk Committee Charter is currently being reviewed and updated and is expected to outline the Board's approach to Risk Management. Once it has been finalised it will be published on the Company's website.

Recommendation 6.1
An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

Compliance with recommendation during the year ended 31 March 2019:
The Group operates with a small number of employees in a relatively low health and safety risk office environment. Despite this, the Board recognises that effective management of health and safety is essential for the operation of a successful business, and endeavours to prevent harm and promote wellbeing for employees, contractors and customers.

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

Corporate Governance Statement (Continued)

PRINCIPLE 7 – Auditors

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

Recommendation 7.1

The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures: (a) for sustaining communication with the issuer's external auditors;

(b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired or could be reasonably be perceived to be impaired;

(c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and

(d) to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

Compliance with recommendation during the year ended 31 March 2019:

During the year, the Board was responsible for oversight of and communication with the external auditor and reviewed the quality and cost of the audit undertaken by the Company's external auditor. The Board also assesses the auditor's independence on an annual basis.

For the financial year ended 31 March 2019, Baker Tilly Staples Rodway was the external auditor for the Company. Baker Tilly Staples Rodway were first appointed as external auditor for the March 2018 reporting period and were automatically re-appointed under the Companies Act 1993 at the Company's 2018 annual meeting. The statutory audit services are fully separated from non-audit services to ensure that appropriate independence is maintained. The amount of fees paid to Baker Tilly Staples Rodway for audit and other services is identified in note 7 in the notes to the consolidated financial statements.

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

Subsequent to year end, to comply with the NZX Main Board Listing Rules, an Audit, Finance and Risk Committee was formalised as a subcommittee of the Board (refer to further details above).

Recommendation 7.2

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

Compliance with recommendation during the year ended 31 March 2019:

Baker Tilly Staples Rodway is invited to attend the annual meeting, and the lead audit partner is available to answer questions from shareholders at that meeting. Baker Tilly Staples Rodway attended the 2018 annual meeting.

Recommendation 7.3

Internal audit functions should be disclosed.

Compliance with recommendation during the year ended 31 March 2019:

The Company and its subsidiaries have internal controls in place including monitoring and checking that internal controls are operating effectively. The Company did not have a dedicated internal auditor role during the period.

Principle 8 – Shareholder Rights & Relations

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

Recommendation 8.1

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

Corporate Governance Statement (Continued)

Compliance with recommendation during the year ended 31 March 2019:
Financial statements, NZX announcements and Directors' profiles are included on the website at www.gencap.co.nz . Governance documents for the Company are under review, and once finalised will be published on the Company's website.

Recommendation 8.2
An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.

Compliance with recommendation during the year ended 31 March 2019:
All shareholders are given the option to elect to receive electronic communications from the Company.

Recommendation 8.3
Quoted equity security holders should have the right to vote on major decisions which may change the nature of the company in which they are invested in.

Compliance with recommendation during the year ended 31 March 2019:
Shareholders have been given the right to vote on all major decisions in line with the NZAX Listing Rules during the year ended 31 March 2019.

Recommendation 8.4
If seeking additional equity capital, issuers of quoted equity securities should offer further equity security holders of the same class on a pro rata basis and on no less favourable terms, before further equity securities are offered to other investors.

Compliance with recommendation during the year ended 31 March 2019:
During the year ended 31 March 2019, the Company:

a. Raised $162,200 capital through issuing new shares at 6.75 cents per share in a share purchase plan, which allowed all shareholders to purchase up to $15,000 worth of shares.
b. Raised $1,856,400 capital through placements at 6.75 cents per share to wholesale investors, directors and senior managers, and significant product holders.
c. Issued one GENWA warrant per share and two GENWB warrants per share to all eligible shareholders, and to a holding account for all ineligible shareholders. Ineligible shareholders were not resident in New Zealand and therefore were ineligible to receive a New Zealand offer.

The placements and warrant issue described above were approved by Shareholders at the Special Meeting held on 29 November 2018.

Recommendation 8.5
The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Compliance with recommendation during the year ended 31 March 2019:
Due to time constraints during the 2018 calendar year with the business acquisition and capital raising efforts, the notice of the 2018 Annual Meeting and notices of the two Special Meetings held in 2018 were not able to be released at least 20 working days prior to the meetings.

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

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STAPLES RODWAY

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of General Capital Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of General Capital Limited and its subsidiaries ('the Group') on pages 26 to 68, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Our report is made solely to the Shareholders of General Capital Limited, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than General Capital Limited and the Shareholders of General Capital Limited, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters are selected from the matters communicated with the Directors, but are not intended to represent all matters that were discussed with them.

Key Audit Matter	How our audit addressed the key audit matter
Acquisition accounting for Corporate Holdings Limited by General Capital Limited (formerly Mykco) As disclosed in Note 21 of the Group's consolidated financial statements, on 3 August 2018, General Capital Limited ('GCL') (formerly Mykco) issued 104,323,240 shares to the vendors of Corporate Holdings Limited ('CHL') in exchange for their shares in CHL. The transaction resulted in GCL, being the listed entity, being acquired via reverse acquisition by CHL. The transaction was significant to our audit due to the size of the transaction and the subjectivity and complexity inherent in a reverse acquisition. Significant management judgement was required to determine that the transaction was in the nature of a reverse acquisition. A loss on acquisition was recorded on the transaction based on the value CHL's shareholders gave up in CHL to obtain control of GCL.	Our audit procedures related to the key audit matter among others included: • Reading the sale and purchase and other agreements relating to the acquisition to understand key terms and conditions and confirming our understanding of the transactions with Management; • Assessing management's conclusions against the requirements of the relevant accounting standards, including interpretation guidance and authoritative support. The use of reverse acquisition accounting as the basis of preparation of the financial statements. • Evaluating the measurement of the loss on acquisition recorded by the Group. This loss on acquisition is based on the valuation of the net assets given up by shareholders of CHL in comparison to the net assets controlled by those same shareholders in GCL prior to the acquisition being completed. • We engaged our internal valuation expert to evaluate the fair value of the shares issued in relation to the transaction. • Evaluating the related disclosures about the reverse acquisition included in Note 21 of the Group's consolidated financial statements.
Acquisition accounting for General Finance Limited and Investment Research Group Limited by Corporate Holdings Limited As disclosed in Note 21 of the Group's consolidated financial statements, Corporate Holdings limited ('CHL') acquired General Finance Limited ('GFL') and Investment Research Group ('IRG') during the year ended 31 March 2018. The acquisition of the two businesses was significant to our audit due to the size	Our audit procedures related to the key audit matter among others included: • Reading the sale and purchase and other agreements relating to the acquisitions to understand key terms and conditions and confirming our understanding of the transactions with Management.

Key Audit Matter	How our audit addressed the key audit matter
of the acquisition and the subjectivity and complexity inherent in business acquisitions. Management has completed a process to identify the acquirers, determine the acquisition dates, measure the considerations transferred, and allocate the considerations transferred to the identifiable assets acquired and the liabilities assumed at their acquisition-dates fair values. Consideration transferred included cash, Bartercard dollars and shares in CHL. Identifiable assets included goodwill and separately identifiable intangible assets such as a Non-Bank deposit takers licence and two NZX licences. This process involves complex and subjective estimation and judgement by Management on the following: • the accounting treatment of the acquisition; • the determination of the acquisition date; • identification of the assets acquired and liabilities assumed; • the future performance of the acquired business; • discount rates applied to future cash flow forecasts; and • the valuation of the non-bank deposit takers licence and the NZX licences acquired. Management has also engaged external experts to assist in: • the identification of other intangible assets acquired and the determination their fair values at acquisition date; and • the determination of the accounting for the acquisition of GFL and IRG.	• Evaluating the measurement of the considerations transferred. • Evaluating the identified assets and liabilities against the terms of the sale and purchase agreements. • For the measurement of the identified assets and liabilities, evaluating: o the fair values of the identified assets and liabilities at acquisition date; o the cash flow forecasts used in the measurement of the identifiable intangible assets, which included assessing the appropriateness of future cash flow forecasts and discount rates applied to those forecasts against the historic performance of the business and considering the impact and likelihood of known future events; and o the competence, capabilities, objectivity and expertise of Management's external valuation experts and the appropriateness of their work as audit evidence for the relevant assertions. We engaged our valuation expert to review the client's expert assessment. • Evaluating the related disclosures about the acquisition of the businesses included in Note 21 of the Group's consolidated financial statements.
Valuation of finance receivables As disclosed in Note 11 of the Group's consolidated financial statements, the Group has finance receivable assets of $17.3m consisting on short- and long-term loans secured by residential property. Finance	Our audit procedures related to the key audit matter among others included: ▪ Evaluating the design and implementation of the key controls over finance receivable origination, ongoing administration and

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Key Audit Matter	How our audit addressed the key audit matter
receivable assets were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in the timing of the recognition of impairment in respect of finance receivables and the amount of that impairment. On application of the new accounting standard NZ-IFRS- 9 ('financial instruments'), management has assessed the loan receivables 12 month expected credit losses at initial recognition based on a model that assessed the percentage of actual credit losses in the past 5 years, and applying that calculation as an expectation of the Loan receivables value as at 31 March 2019.	impairment assessment and calculations; ▪ We have obtained a representative sample of loan receivables and agreed these loan receivables to the loan agreement, client acceptance documents, mortgage documents, and registered valuations performed on acceptance; ▪ Examining the company's finance receivables individually assessed for impairment and forming our own judgements as to whether the impairment provision recognised by Management was appropriate; ▪ Testing the key inputs and the mathematical accuracy of the calculations of the loan to value ratio analysis used to individually assess the recoverability of finance receivables. We have specifically challenged the valuation of the underlying security and performed sensitivity analyses for reasonably possible changes to the key inputs; ▪ For the 12 months expected credit loss provision, challenging and evaluating the logic on management's model and key assumptions used with our own experience. Also, testing key inputs used in the collective impairment models and the mathematical accuracy of the calculations within the model; and ▪ Evaluating the related disclosures about finance receivables, and the risk attached to them which are included in Notes 11, 5 and 6 in the Group's consolidated financial statements.
Impairment assessment of Goodwill and Other Indefinite Life Intangible assets As disclosed in Note 14 of the Group's consolidated financial statements, the Group has goodwill of $2,350,730 and indefinite life intangible assets of $277,000, allocated across the two cash-generated units ('CGU's'). Goodwill and other indefinite intangible assets were significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in the measurement of the recoverable amount of these CGU's for the purpose of the required annual impairment test. The measurement of a CGU's recoverable amount includes the assessment and calculation of its 'value-in-use'. Management has completed the annual impairment test for each of the two CGU's as at 31 March 2019. This annual impairment test involves complex and	Our audit procedures related to the key audit matter among others included: ▪ Evaluating management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment. We also analysed the internal reporting of the Group to assess how the CGU's are monitored and reported; ▪ Challenging management's assumptions and estimates used to determine the recoverable value of its indefinite life intangible assets, including those relating to forecasted revenue, cost, capital expenditure and discount rates, by adjusting for future events and corroborating the key market related assumptions to external data. Procedures included: o Evaluating the logic of the value-in-use calculations to support their annual impairment test and testing the mathematical accuracy of these calculations;

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>subjective estimation and judgement by Management on the future performance of the CGU's, discount rates applied to the future cash flow forecasts and future market and economic conditions.
Management has also engaged an external valuation expert to assist in the annual impairment testing of the two CGU's.</td><td>o Evaluating management's process regarding the preparation and review of forecasts;
o Comparing forecasts to Board approved forecasts;
o Evaluating forecast growth assumptions;
o Evaluation the inputs to the calculation of the discount rates applied;
o Engaging our own internal valuation experts to evaluate the logic of the value-in-use calculation and the inputs to the calculation of discount rates applied;
o Performing sensitivity analysis for reasonably possible changes in key assumptions, the two main assumptions being: discount rate and growth rate.
▪ Evaluating the related disclosures about indefinite life intangible assets which are included in Note 14 of the Group's consolidated financial statements.</td></tr>
</table>

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2019 (but does not include the consolidated financial statements and our auditor's report thereon).

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

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

This audit report relates to the financial statements of General Capital Limited for the year ended 31 March 2019 included in General Capital Limited's website. The Directors of General Capital Limited are responsible for the maintenance and integrity of General Capital's website. We have not been engaged to report on the integrity of General Capital Limited's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 25 July 2019 to confirm the information included in the audited consolidated financial statements presented on this website.

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

The engagement partner on the audit resulting in this independent auditor's report is N S de Frere.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUCKLAND
Auckland, New Zealand
25 July 2019

GENERAL CAPITAL LIMITED (formerly Mykco limited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 $	2018 $ Restated
Interest income	5	1,479,226	391,557
Interest expense	5	(640,270)	(209,132)
Net interest income		838,956	182,425
Fee and commission income	5	281,176	57,859
Fee and commission expense	5	(92,332)	(7,332)
Net fee and commission income		188,844	50,527
Revenue from contracts with customers	5	347,702	225,331
Cost of sales	5	(24,368)	(220,500)
Gross profit from contracts with customers		323,334	4,831
Other income		28,163	5,805
Net revenue		1,379,297	243,588
(Increase) / decrease of provision in respect of finance receivables	11	19,456	(28,714)
Personnel expenses		(603,011)	(110,295)
Occupancy expenses		(90,176)	(22,564)
Depreciation	13	(3,493)	-
Amortisation of intangible assets	14	(18,201)	-
Other expenses	7	(603,152)	(413,767)
Acquisition expenses		(103,927)	-
Loss on acquiring listed shell	21.1	(405,280)	-
		(1,807,784)	(575,340)
Loss before income tax expense		(428,487)	(331,752)
Income tax (expense) / benefit	8	(29,601)	5,102
Net loss after income tax expense		(458,088)	(326,650)
Other comprehensive income			
Changes in the fair value of equity investments at fair value through other comprehensive income	15	(14,862)	-
Other comprehensive income for the year		(14,862)	-
Total comprehensive income		(472,950)	(326,650)
Earnings per share (cents per share)	9	(0.46)	(4.14)
Diluted earnings per share (cents per share)	9	(0.36)	(1.39)

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

GENERAL CAPITAL LIMITED (formerly Mykco limited)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 $	2018 $ restated
Equity			
Share capital	18	9,573,495	1,448,503
Redeemable preference shares	18	-	3,580,104
Retained earnings		(805,973)	(347,885)
Other reserves	15	(14,862)	-
Total equity		8,752,660	4,680,722
Assets			
Cash and cash equivalents	10	2,949,317	4,950,129
Accounts receivables		19,246	8,070
Loan receivables	11	17,277,204	8,583,952
Other current assets		114,844	77,798
Income tax receivable		45,450	-
Deferred tax asset	8.2	38,408	40,373
Property, plant and equipment	13	6,176	7,040
Investments	15	190,483	50,800
Intangible assets and goodwill	14	3,266,556	2,663,116
Total assets		23,907,684	16,381,278
Liabilities			
Accounts payable and other payables		246,624	183,265
Related party payables	19	7,942	141,342
Income tax payable		-	69,336
Term deposits	16	14,900,458	9,854,092
Other financial liabilities	17	-	1,452,521
Total liabilities		15,155,024	11,700,556
Net assets		8,752,660	4,680,722

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

The financial statements are signed on behalf of the Board.

Rewi Bugo
Chairman

Brent King
Managing Director

Authorised for issue on 25 July 2019.

GENERAL CAPITAL LIMITED (formerly Mykco limited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share capital	Redeemable Preference Shares	Reserves	Retained earnings	Total equity
		$	$	$	$	$
Balance at 1 April 2017		1,000	-	-	-	1,000
Acquisition date impact of adoption of NZ IFRS 9 on business combinations during the year	4	-	-	-	(21,235)	(21,235)
Loss for the year		-	-	-	(328,766)	(328,766)
Adoption of NZ IFRS 9	4	-	-	-	2,116	2,116
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	(326,650)	(326,650)
Transactions with owners in their capacity as owners:						
Contributions of equity net of transaction costs	18	1,447,503	3,580,104	-	-	5,027,607
Total transactions with owners in their capacity as owners		1,447,503	3,580,104	-	-	5,027,607
Balance at 31 March 2018		1,448,503	3,580,104	-	(347,885)	4,680,722
Balance at 31 March 2018 as originally presented		1,448,503	4,747,418	-	(280,728)	5,915,193
- Change in accounting policy	4	-	-	-	(19,119)	(19,119)
- Impact of finalisation of acquisition accounting	4	-	(1,167,314)	-	(48,038)	(1,215,352)
Restated total equity as at 1 April 2018		1,448,503	3,580,104	-	(347,885)	4,680,722
Loss for the year		-	-	-	(458,088)	(458,088)
Other comprehensive income for the year		-	-	(14,862)	-	(14,862)
Total comprehensive income for the year		-	-	(14,862)	(458,088)	(472,950)
Transactions with owners in their capacity as owners:						
Conversion of redeemable preference shares	18	5,080,104	(3,580,104)	-	-	1,500,000
Issue of shares on acquisition of subsidiary	18	1,121,259	-	-	-	1,121,259
Contributions of equity net of transaction costs	18	1,923,629		-	-	1,923,629
Total transactions with owners in their capacity as owners		8,124,992	(3,580,104)	-	-	4,544,888
Balance at 31 March 2019		9,573,495	-	(14,862)	(805,973)	8,752,660

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

GENERAL CAPITAL LIMITED (formerly Mykco limited)

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 $	2018 $
Cash flow from operating activities			
Interest received		1,376,467	552,386
Receipts from customers		393,838	319,321
Other income		27,783	5,805
Payments to suppliers and employees		(1,587,300)	(783,196)
Interest paid		(585,614)	(140,084)
Income tax paid		(142,421)	(34,869)
Finance receivables (net advances)		(8,516,032)	1,019,852
Net cash (used in) / provided by operating activities	20	(9,033,279)	939,215
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		85,736	(1,371,394)
Purchase of property, plant and equipment		(2,629)	(7,040)
Purchase of software		(32,742)	(33,107)
Net cash provided by / (used in) investing activities		50,365	(1,411,541)
Cash flow from financing activities			
Issue of ordinary shares		1,923,628	447,503
Issue of redeemable preference shares		-	4,974,850
Term deposits (net receipts)		5,058,474	102
Net cash provided by financing activities		6,982,102	5,422,455
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the reporting period		4,950,129	-
Net (decrease) / increase in cash and cash equivalents held during the reporting period		(2,000,812)	4,950,129
Cash and cash equivalents at end of the reporting period	10	2,949,317	4,950,129

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

NOTE 1: REPORTING ENTITY

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

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

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

The Group is a for profit entity.

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

The consolidated financial statements were authorised for issue by the directors on 25 July 2019.

NOTE 2: BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

Except as detailed in note 4, the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1 Adoption of new and amended standards and interpretations

New standards and amendments and interpretations to existing standards that came into effect during the current accounting period beginning on 1 April 2018 that materially impact the Group’s consolidated financial statements are as follows:

- NZ IFRS 15 *'Revenue from Contracts with Customers'* ; and
- NZ IFRS 9 *'Financial Instruments'.*

The other standards did not have a material impact on the Group’s consolidated financial statements and did not require retrospective adjustment.

Refer to note 4 for the impact of implementing these new standards.

3.2 New standards and amendments and interpretations to existing standards that are not yet effective for the current accounting period beginning on 1 April 2018

The following relevant standards and interpretations have been issued at the reporting date but are not yet effective.

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

Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. Lessors will also be affected by the new standard. The standard is effective for accounting periods beginning on or after 1 January 2019. General Finance Limited has adopted NZ IFRS 16 on 1 April 2019.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group has no lease agreements in place as at 1 April 2019 and up to the date of signing these consolidated financial statements. Since June 2018, the Group has been paying a share of office lease costs to Moneyonline Limited, a related company, based on an allocation of office space utilised by the Group. The Group is considering formalising a lease agreement with Moneyonline Limited, which is likely to mirror the term and other conditions of Moneyonline Limited's lease agreement with an external party. As at 1 April 2019, the total remaining term of that lease was 26 months, and the current monthly allocation of the lease costs paid by the Group is $8,557, implying total undiscounted remaining payments of $222,482 as at 1 April 2019. Should an agreement be formalised with Moneyonline Limited, a lease liability and right-of use asset would need to be recognised on that date, represented by the present value of future lease payments. Depreciation expense would be recorded on a straight-line basis over the lease term, and interest will be recognised on the lease liability using the amortised cost method. This will result in higher expenses being recorded at the start of the lease term than at the end (due to the liability being 'wound down' over the lease term).

3.3 Basis of consolidation

Reverse acquisition of Corporate Holdings Limited
As described in Note 21.1, as the Company's acquisition of Corporate Holdings Limited on 3 August 2018 is deemed to be a reverse acquisition for accounting purposes, these financial statements represent a continuation of the consolidated financial statements of Corporate Holdings Limited.

Corporate Holdings Limited purchased two businesses on 19 December 2017, General Finance Limited and Investment Research Group Limited (refer to notes 21.2 and 21.3). The financial information presented for the period up to 19 December 2017 comprises Corporate Holdings Limited only. From that date up to 3 August 2018 the financial information presented comprises Corporate Holdings Limited and its two subsidiaries. From 3 August 2018, the financial information comprises the consolidated results of the Company, Corporate Holdings Limited, and the two subsidiaries of Corporate Holdings Limited.

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

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

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

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

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

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

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Revenue and expense recognition

(a) Interest income and expense

Interest income and interest expense

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

Loan fees and commissions

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

(b) Revenue from contracts with customers:

Advisory fee revenue

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

Yearbook and research sales

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

Other fee income

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

Assets and liabilities arising from revenue from contracts with customers

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

Refer to note 4 for details relating to the adoption of NZ IFRS 15.

(c) Other

Other expense recognition

All other expenses are recognised in profit or loss as incurred.

3.5 Financial instruments

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Financial assets measured at FVTOCI
Financial assets measured at amortised cost include equity investments whereby the Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investments.

Gains or losses on the financial assets are recognised in other comprehensive income except for impairment gains or losses until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the entity shall account for the cumulative gain or loss that was previously recognised in other comprehensive income.

Impairment of Financial Assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:
- Note 11: Loan receivables
- Note 3.13: Critical accounting estimates and judgements

Expected credit losses ("ECLs") are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

Financial Liabilities

All of the Group's financial liabilities are subsequently measured at amortised cost using the effective interest method. The Group's financial liabilities include term deposits, trade creditors and other financial liabilities at amortised cost.

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

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

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

3.8 Taxation

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

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

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

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

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

3.9 Impairment of non-financial assets

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

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

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Employee benefits

Wages, salaries and annual leave

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

Superannuation plans

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

3.11 Statement of cash flows

The statement of cash flows has been prepared using the direct approach modified by netting certain cash flows in order to provide more meaningful disclosure. These include reverse loan receivables and term deposit liabilities.

3.12 Comparatives

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

3.13 Use of estimates and judgements

In preparing the financial statements in accordance with NZ IFRS, IFRS and applicable reporting standards management has made judgements, estimates and assumptions that affect the application of accounting policies and about the future that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period.

Actual results could differ from those estimates. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The principal areas of judgement in preparing these consolidated financial statements are set out below.

Allowance for expected credit losses

An allowance for expected credit losses is raised by management in respect of loan receivables. The Group makes judgements on the probability of default upon initial recognition of loan receivables and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in the credit risk, the Group compares the risk of a loss being incurred on the loan receivable as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportable forward-looking information.

The Group categorises loans as performing loans (where there has not been a significant increase in credit risk) and under-performing loans (where there has been a significant increase in credit risk).

The allowance for performing loans is estimated based on the 12 month expected credit losses of the loans, or where the loans are less than 12 months from maturity, the expected losses for the lifetime of the loan.

The allowance for under-performing loans is based on the lifetime expected credit losses of the loans. Allowances for lifetime expected credit losses for under-performing loans are calculated on an individual basis. The allowances are probability weighted losses which are determined by evaluating a range of possible future outcomes and are discounted using the original effective interest rate of the loans.

Refer to note 11 for further details on the provision for expected credit losses.

Impairment analysis of goodwill and other indefinite life intangible assets

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Management have performed a fair value less costs of disposal impairment test in relation to the carrying value of the bartercard trade dollars asset at 31 March 2019.

Further information on the impairment analysis, assumptions and sensitivity analysis can be found in note 14.

Business Combinations
As described in Note 21.1, as the Company's acquisition of Corporate Holdings Limited on 3 August 2018 is deemed to be a reverse acquisition for accounting purposes, these financial statements represent a continuation of the consolidated financial statements of Corporate Holdings Limited.

Corporate Holdings Limited purchased two businesses on 19 December 2017, General Finance Limited and Investment Research Group Limited (refer to Notes 21.2 and 21.3).

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

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

Further information on the judgements made by management can be found in note 21.

Classification , recognition and measurement of redeemable preference shares
4,957,000 redeemable preference shares with a nominal value of $4,974,850 were issued by the Group during the year ended 31 March 2018. The Group has classified a portion of the redeemable preference shares as financial liabilities and a portion of the redeemable preference shares as equity based on specific clauses in the subscription agreements. The redeemable preference shares have all converted to ordinary share capital in the Group prior to 31 March 2019.

Further details on the redeemable preferences shares and the associated classification, recognition and measurement applied in these financial statements can be found in the following notes:

- Note 18: Share capital, warrants and redeemable preference shares
- Note 17: Other financial liabilities at amortised cost
- Note 4.1: Adjustments relating to the finalisation of the acquisition accounting.

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of equity securities classified as financial assets at FVTOCI

The equity securities held by the Group are required to be carried at fair value. Fair value of the investments has been estimated using inputs for the asset or liability that are not based on observable market data (Level 3 inputs). Information on the judgements made, assumptions and estimates are included in the following notes:

- Note 15: Financial assets at FVTOCI
- Note 6.4: Assets carried at fair value

NOTE 4: IMPACT OF FINALISATION OF ACQUISITION ACCOUNTING AND CHANGES IN ACCOUNTING POLICIES

4.1 Adjustments relating to the finalisation of the acquisition accounting

As disclosed in the 30 September 2018 interim accounts, the accounting for the acquisitions (refer to note 21) were provisional as the Group was still in the process of completing its initial acquisition accounting. The following adjustments have been made to the initial accounting:

- 4,957,000 redeemable preference shares with a nominal value of $4,974,850 were issued during the year ended 31 March 2018. These were originally classified as compound financial instruments with $4,747,418 being recognised in equity, and the balance being recognised as a financial liability at amortised cost. Fair value on initial recognition of the liability was $227,432, with a carrying value of $237,058 as at 31 Mar 2018 after interest expense of $9,626 recognised during the year ended 31 March 2018. Following a further review of the contractual terms of the agreements, it was determined that 3,457,000 redeemable preference shares with a face value of $3,475,850 should have been recognised as equity instruments as under the subscription agreement, the Group did not have a contractual obligation (including contingent) to deliver cash or other financial assets to the holders of these redeemable preference shares. 1,500,000 redeemable preference shares with a face value of $1,500,000 should have been recorded as a financial liability at amortised cost as under the subscription agreement there was a contingent obligation to deliver cash if the Group did not complete its obligation to complete the acquisition described in note 21.1 within 180 days from the issue date (note that the timeframe was later extended). The financial liability had a fair value on initial recognition of $1,394,746, with the balance of $105,254 being recognised in equity. The overall impact of the adjustment is a $1,167,314 reduction in redeemable preference share (equity) as at 31 March 2018, an increase to the carrying value of other financial liabilities at amortised cost of $1,215,463 as at 31 March 2018 and an increase to interest expense (and reduction in closing retained earnings) for the year ended 31 March 2018 of $48,149.
- The fair value of identifiable net assets recognised on the acquisition of General Finance Limited (refer note 21.2) was revised (increased) by $15,159 (including a $12,000 increase to intangible assets other than goodwill). Goodwill initially recognised on the acquisition has accordingly been reduced by $15,159.
- The fair value of identifiable net assets recognised on the acquisition of Investment Research Group Limited (refer note 21.3) was revised (decreased) by $191,226 (including a $232,130 reduction in intangible assets other than goodwill). Goodwill initially recognised on the acquisition has accordingly been increased by $191,226.

The impact of the above corrections are further illustrated in the financial statement extracts in note 4.3.

4.2 Impact of the adoption of new accounting standards

(i) Impact of the adoption of NZ IFRS 9
The Group has adopted NZ IFRS 9 *Financial instruments* in the current period beginning 1 April 2018.

- There has been no change to the classification of financial assets or financial liabilities.
- No change has been reflected with regard to the allowance for lifetime expected credit losses as required by NZ IFRS 9. This was previously the loan receivables impairment provision.
- With respect to 12 month expected credit losses for loans without significant deterioration in credit risk, an increase to loss allowances has been recognised in the prior period consolidated financial statements, and increases to loss allowances in the prior period comparatives have been reflected as follows:
  - A $21,235 reduction in opening retained has been recognised on 19 December 2019 the date of the acquisition of General Finance Limited (refer note 21.1), in relation to the adoption of NZ IFRS 9.
  - An increase to loss allowances for 12-month expected credit losses of $26,554 as at 31 March 2018 having an impact (reduction) in net profit after tax of $2,116 for the year ended 31 March 2018 and an after tax impact on opening retained earnings of $19,119 (decrease) as at 1 April 2018.

NOTE 4: IMPACT OF FINALISATION OF ACQUISITION ACCOUNTING AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(ii) Impact of the adoption of NZ IFRS 15

The Group has adopted *NZ IFRS 15 Revenue from Contracts with Customers* in the current period beginning 1 April 2018.

- Revenue streams associated with financial instruments, including interest revenue and fee revenue associated with the origination of loan receivables are scoped out of NZ IFRS 15 and are recognised in accordance with NZ IFRS 9.

  The following revenue streams are recognised in accordance with NZ IFRS 15
  - Advisory fee revenue
  - Yearbook and research sales
  - Other fee income

  As at 1 April 2017, 31 March 2018 and 31 March 2019, no contract assets, contract liabilities or capitalised contract costs have been identified. Accordingly, despite the change in the revenue recognition policy for the Group, there have been no adjustments reflected in the consolidated financial statements in relation to the adoption of the standard. Refer to significant accounting policies for further details on the revenue recognition policies that have been adopted.

Contract balances	2019 $	2018 $	1 April 2017 $
Accounts receivables	19,246	8,070	-
Contract assets	-	-	-
Contract liabilities	-	-	-
Capitalised contract costs	-	-	-

4.3 Extract of consolidated financial statements illustrating the impact of the adjustments to interim accounting for acquisitions and changes in accounting policies

Only the affected balances and transactions are presented in the below extract financial statements.

(i) Consolidated Statement of Financial Position (extract)

	31 March 2018* $	Adjustments to acquisition accounting Increase / (Decrease)	Adoption of IFRS 9 Increase / (Decrease)	31 March 2018 $ restated
Equity				
Redeemable preference shares	4,747,418	(1,167,314)	-	3,580,104
Retained earnings	(280,728)	(48,038)	(19,119)	(347,885)
Total equity	5,915,193	(1,215,352)	(19,119)	4,680,722
Assets				
Loan receivables	8,610,506	-	(26,554)	8,583,952
Other current assets	68,203	9,595	-	77,798
Deferred tax asset	32,938	-	7,435	40,373
Investments	-	50,800	-	50,800
Intangible assets and goodwill	2,707,179	(44,063)	-	2,663,116
Total assets	16,384,065	16,332	(19,119)	16,381,278
Liabilities				
Accounts payable and other payables	208,386	(25,121)	-	183,265
Related party payables	100,000	41,342	-	141,342
Other financial liabilities	237,058	1,215,463	-	1,452,521
Total liabilities	10,468,872	1,231,684	-	11,700,556
Net assets	5,915,193	(1,215,352)	(19,119)	4,680,722

*The 31 March 2018 comparatives disclosed in the 30 September interim accounts already reflected the impact of IFRS 9. The first column above is prior to the adoption of IFRS 9.

NOTE 4: IMPACT OF FINALISATION OF ACQUISITION ACCOUNTING AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(ii) Consolidated Statement of Comprehensive Income (extract)

	Year ended 31 March 2018 $	Adjustments to acquisition accounting Increase / (Decrease)	Adoption of IFRS 9 Increase / (Decrease)	Year ended 31 March 2018 $ restated
Interest expense	(160,983)	(48,149)	-	(209,132)
Net interest income	230,574	(48,149)	-	182,425
Other income	5,805	-	-	5,805
Net revenue	291,737	(48,149)	-	243,588
(Increase) / decrease of provision in respect of finance receivables	(31,653)	-	2,939	(28,714)
Other expenses	(413,878)	111	-	(413,767)
	(445,531)	111	2,939	(442,481)
Loss before income tax expense	(286,653)	(48,038)	2,939	(331,752)
Income tax (expense) / benefit	5,925	-	(823)	5,102
Net loss after income tax expense	(280,728)	(48,038)	2,116	(326,650)
Total comprehensive income	(280,728)	(48,038)	2,116	(326,650)

NOTE 5: SEGMENT REPORTING

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

Three reportable segments have been identified as follows:

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

NOTE 5: SEGMENT REPORTING (CONTINUED)

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

Acquisition of property, plant and equipment, intangible assets, and other non-current assets*:

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

*excludes non-current finance receivables

NOTE 5: SEGMENT REPORTING (CONTINUED)

Year ended 31 Mar 2018	Finance $	Research and Advisory $	Corporate and Other $	Total Segments $	Eliminations $	Consolidated $
Revenue - interest income	390,282	72	1,203	391,557	-	391,557
Revenue - fee income (finance receivables)	57,859	-	-	57,859	-	57,859
Revenue from contracts with customers						
- Advisory fee revenue	-	220,676	-	220,676	-	220,676
- Yearbook and research sales	-	3,853	-	3,853	-	3,853
- Other fee income	803	-	-	803	-	803
Other income	5,805	67,868	-	73,673	(67,868)	5,805
Total revenue	454,749	292,469	1,203	748,421	(67,868)	680,553
Interest expense	(151,357)	-	(57,775)	(209,132)	-	(209,132)
Fee and commission expense (finance receivables)	(7,332)	-	-	(7,332)	-	(7,332)
Cost of sales	-	(220,500)	-	(220,500)	-	(220,500)
Net revenue	296,060	71,968	(56,572)	311,456	(67,868)	243,588
(Increase) / decrease of provision in respect of finance	(28,714)	-	-	(28,714)	-	(28,714)
Personnel expenses	(64,298)	(45,997)	-	(110,295)	-	(110,295)
Depreciation and amortisation	-	-	-	-	-	-
Income tax (expense) /	5,102	-	-	5,102	-	5,102
Net Profit After Tax	(13,658)	(254,206)	(58,786)	(326,650)	-	(326,650)
Total Assets	15,080,519	1,324,737	503,586	16,908,842	(527,564)	16,381,278
Total Liabilities	10,143,577	532,022	1,552,521	12,228,120	(527,564)	11,700,556

Acquisition of property, plant and equipment, intangible assets, and other non-current assets*:

Year ended 31 Mar 2018	Finance $	Research and Advisory $	Corporate and Other $	Total Segments $	Eliminations $	Consolidated $
Business combinations	1,570,729	1,057,001	50,800	2,678,530	-	2,678,530
Acquired through settlement of transactions / balances	-	3,139	-	3,139	-	3,139
Other	-	7,408	-	7,408	-	7,408
Transfers / reallocations between segments	-	(3,139)	3,139	-	-	-
	1,570,729	1,064,409	53,939	2,689,077	-	2,689,077

*excludes non-current finance receivables

GENERAL CAPITAL

NOTE 6: RISK MANAGEMENT

The financial condition and operating results of the Group are affected by a number of key financial and non-financial risks. Financial risks include credit risk, liquidity risk and market risk. The non-financial risks include fair value risk relating to the Group's investments carried at fair value through other comprehensive income.

6.1 Credit risk

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

The maximum credit exposure of the Group, assuming a zero value for collateral is $20,602,360 (March 2018: 13,693,211). This includes loans receivable of $17,460,269 (2018: $8,724,416), undrawn loan commitments of $173,528 (March 2018: $10,596), bank deposits of $2,949,317 (2018: $4,950,129) and accounts receivable of $19,246 (2018: $8,070). Of this exposure, 85.6% is covered by collateral over properties as disclosed in note 11 (2018: 63.7%) and 14.3% is deposited with registered New Zealand banks (2018: 36.2%).

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

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

As at 31 March 2019 the Group's loan advances are secured as follows: first mortgages 86.8% (March 2018: 87.7%), second mortgages 7.5% (March 2018: 12.1%), combined first and second mortgages 5.8% (March 2018: 0%) and unsecured 0% (March 2018: 0.2%).

Loan receivables credit exposures are concentrated in the residential property sector, particularly in the North Island and the Auckland Market. As at 31 March 2019, advances by the Group in the North Island residential property sector represented 96.0% (March 2018: 89.3%) of its total exposure, with 40.9% (March 2018: 31.1%) being in the Auckland market. The geographical profile of loan receivables is analysed further as follows:

	2019 $	2018 $
Northland	2,429,642	945,678
Auckland	7,140,043	2,715,825
Waikato	1,197,481	756,743
Wellington	2,785,633	1,599,566
Other North Island	3,210,645	1,772,829
Christchurch	172,161	704,262
Other South Island	524,664	215,825
Unsecured	-	13,688
Total	17,460,269	8,724,416

The concentration of the credit exposure to the six largest exposures is 30.7% (March 2018: 38.2%) of the total loan portfolio. The Group has elected to disclose the largest six exposures as this is considered to provide a meaningful indication of concentration of credit risk. An exposure is calculated as the total of all loan exposures to a single borrower or group of linked borrowers. The size of loan exposures is analysed further as follows:

	2019 Number of Exposures	2018 Number of Exposures
Less than $100,000	7	10
Between $100,000 and $250,000	19	16
Between $250,000 and $500,000	11	9
Between $500,000 and $1,000,000	12	3
Between $1,000,000 and $1,500,000	2	-
Total No. of Exposures	51	38

NOTE 6: RISK MANAGEMENT (CONTINUED)

The provision for expected credit losses for performing and under-performing loans is detailed and explained in note 11. Gross past due loan receivables total $627,706 (March 2018: $1,595,265) which equates to 3.6% (March 2018: 18.3%) of total loan receivables. This balance comprises:

- Past due but not considered under-performing loans total $627,706 (March 2018: $1,470,565) which equates to 3.6% (March 2018: 16.8%) of total loan receivables.

- Under-performing loans total $nil (March 2018: $124,700) which equates to 0% (March 2018: 1.4%) of total gross loan receivables. Any interest accrued or capitalised on impaired assets has been provided for in the period it was accrued.

As at 31 March 2019 the total provision for lifetime expected credit losses for under-performing loans was $nil (March 2018: $58,949) assessed on an individual loan basis. The Group has security over all (2018: all but 1) of its loans. The level of the impairment provision represents only those cases where the security value (if any), net of the expected costs of recovery, discounted over the expected time to recovery is not expected to cover the outstanding loan balance.

Security held over the past due assets is by way of first or second mortgage over residential properties. Loans now unsecured and impaired as a result of security enforcement total $nil (March 2018: $13,688) which equates to 0.0% (March 2018: 0.2%) of total loan receivables.

As at 31 March 2018, the Group had $842,633 in over 90-day past due assets (March 2019: $nil), as disclosed in note 11. Of this amount, $124,700 was considered to be under-performing at 31 March 2018 (March 2019: $nil).

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

	2019	2018
	$	$
Up to 30 Days	449,898	170,879
31 - 60 Days	177,808	581,754
61 - 90 Days	-	-
91 - 120 Days	-	-
120+ Days	-	717,932
Total	627,706	1,470,565

Under-performing loans have a carrying value of $nil (March 2018: $65,751, comprising the loan value of $124,700, less allowance for lifetime expected credit losses of $58,949). Further details on how management identifies a loan as under-performing is included in note 11.

The Group is also exposed to credit risk from deposits held with banks. As at balance date, the Group's cash and cash equivalents is held in New Zealand Registered Banks including 95.4% with Bank of New Zealand (2018: 77.4%), 2.8% with ASB Bank (2018: 2.1%), 0.0% with Westpac New Zealand (2018: 20.4%), 0.2% with ANZ Bank New Zealand (2018: 0.0%) and 1.5% with Heartland Bank (2018: 0.0%).

6.2 Liquidity risk

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

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

NOTE 6: RISK MANAGEMENT (CONTINUED)

The following tables set out the undiscounted contractual cash flows, and the undiscounted expected cash flows, of the Group's financial assets and liabilities. Refer to notes 10, 11 and 16 for respective interest rates. No other monetary assets and liabilities are interest bearing.

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

2018	Weighted Average Interest Rate	Total $	Contractual Cash Flows 0 - 6 Months $	7-Dec Months $	13 - 24 Months $	24+ Months $
Financial assets						
Bank deposits	1.24%	4,960,835	4,960,835	-	-	-
Other financial assets	0.00%	8,070	8,070	-	-	-
Loan receivables	11.89%	9,138,575	6,718,709	1,956,086	463,780	-
Totals		14,107,480	11,687,614	1,956,086	463,780	-
Financial liabilities						
Term deposits	5.60%	10,548,230	2,449,402	2,295,800	3,907,436	1,895,592
Other financial liabilities at amortised cost	15.00%	1,500,000	1,500,000	-	-	-
Other payables	0.00%	208,703	208,703	-	-	-
Totals		12,256,933	4,158,105	2,295,800	3,907,436	1,895,592
Net cashflow		1,850,547	7,529,509	(339,714)	(3,443,656)	(1,895,592)

NOTE 6: RISK MANAGEMENT (CONTINUED)

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

		Expected Cash Flows			
2018	**Total**	**0 - 6 Months**	**7-Dec Months**	**13 - 24 Months**	**24+ Months**
	$	**$**	**$**	**$**	**$**
Financial assets					
Bank deposits	4,980,811	4,980,811	-	-	-
Other financial assets	8,070	8,070	-	-	-
Loan receivables	9,616,405	3,814,432	1,262,212	4,322,731	217,030
Totals	14,605,286	8,803,313	1,262,212	4,322,731	217,030
Financial liabilities					
Term deposits	11,728,899	1,161,059	1,097,835	1,950,533	7,519,472
Other payables	208,703	208,703	-	-	-
Totals	11,937,602	1,369,762	1,097,835	1,950,533	7,519,472
Net cashflow	2,667,684	7,433,551	164,377	2,372,198	(7,302,442)

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

- Redeemable preferences shares (other financial liabilities at amortised cost) were expected to be converted to equity at 31 March 2018.
- 60% of maturing deposit holders reinvest (March 2018: 60%)
- Reinvestments are made for a weighted average 24-month term (March 2018: 24 months)
- 50% of loans (March 2018: 50%) not past due repay on existing contractual maturity date, with the balance rolled over at their existing interest rates and repaid after a further 12 months.

6.3 Market risk

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

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

NOTE 6: RISK MANAGEMENT (CONTINUED)

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

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

2018	Carrying Amount	-1% Profit	-1% Equity	+1% Profit	+1% Equity
Financial Assets	$	$	$	$	$
Cash and cash equivalents	4,950,129	(49,501)	(35,641)	49,501	35,641
Finance Receivables	8,724,416	(87,244)	(62,816)	87,244	62,816
Financial Liabilities					
Term Deposits	9,862,510	98,625	71,010	(98,625)	(71,010)
Other financial liabilities at amortised cost	1,452,521	14,525	10,458	(14,525)	(10,458)
Total increase / (decrease)		(23,595)	(16,989)	23,595	16,989

6.4 Assets carried at fair value

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

2019	Note	Level 1	Level 2	Level 3	Total
Fair value assets		$	$	$	$
Financial assets at fair value through other comprehensive income - investment in equities	15	-	-	190,483	190,483

2018		Level 1	Level 2	Level 3	Total
Fair value assets		$	$	$	$
Financial assets at fair value through other comprehensive income - investment in equities	15	-	-	50,800	50,800

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

NOTE 7: OTHER EXPENSES

Included in other expenses are the following amounts:	2019 $	2018 $
Directors fees	118,783	17,666
Audit fees - Baker Tilly Staples Rodway	126,893	60,375
Taxation compliance - Baker Tilly Staples Rodway	12,813	1,932
Total remuneration paid to auditors	139,706	62,307

NOTE 8: TAXATION

8.1 Income tax

	2019 $	2018 $
Net operating loss before taxation	(428,487)	(331,752)
Income tax benefit at prevailing rates	119,976	92,891
Tax impact of expenses not deductible for tax purposes	(160,961)	(16,308)
Recognition of previously unrecognised deferred tax in respect of timing differences[1]	10,027	-
Losses not recognised[2]	-	(71,481)
Over provision in prior year	1,357	-
Taxation expense per the statement of comprehensive income	(29,601)	5,102
Comprising:		
- Current tax	(27,636)	(20,805)
- Deferred tax	(1,965)	25,907
	(29,601)	5,102

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

[2]Losses not recognised in the previous year relate to losses incurred by Group entity Investment Research Group Limited up to 31 March 2018 from the date it was acquired by the Group (refer note 21.3). The losses are unable to be carried forward to the 31 March 2019 tax year as the conversion of the redeemable preferences shares (described in note 18) resulted in a breach of greater than 49% shareholder continuity in respect of the loss carry forward rules in the Income Tax Act 2007. As at 31 March 2019 there are no losses that can be carried forward to future years.

8.2 Deferred tax asset

	2019 $	2018 $
Balance at beginning of year	40,373	-
Acquisition of General Finance Limited (note 21.2)	-	14,465
Increase / (decrease) in provision for expected credit losses	(8,917)	16,298
Increase / (decrease) in accrued expenses	(3,075)	9,610
Recognition of previously unrecognised deferred tax	10,027	-
	38,408	40,373
Deferred tax attributed to:		
Accrued expenses	23,384	16,432
Allowance for expected credit losses	15,024	23,941
	38,408	40,373

NOTE 8: TAXATION (CONTINUED)

8.3 Imputation credit account

	2019 $	2018 $
Balance at beginning of year	35,037	-
Tax Paid	142,451	35,037
Credits attached to dividends received	142	-
Imputation credits written off due to change in shareholder continuity[1]	(104,398)	-
	73,232	35,037

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

NOTE 9: EARNINGS PER SHARE

	2019 Cents	2018 Cents
Basic earnings per share from attributable to the ordinary equity holders	(0.46)	(4.14)
Diluted earnings per share from attributable to the ordinary equity holders	(0.36)	(1.39)

Basic earnings per share	2019 $	2018 $
Profit / (loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share:	(458,088)	(326,650)
Profit / (loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share:	(458,088)	(326,650)

	2019 Number	2018 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	98,942,264	7,885,601
Adjustments for calculation of diluted earnings per share:		
- Redeemable preference shares	27,619,996	15,586,348
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	126,562,260	23,471,949

The weighted average number of shares up to the date of the reverse acquisition on 3 August 2018 (refer note 21.1), is represented by the weighted average number of Corporate Holdings Limited shares on issue during this period, multiplied by the conversion ratio of 16.27. The conversion ratio is the number of ordinary shares that were issued by the Company for each Corporate Holdings Limited share acquired on the acquisition date. Diluted earnings per share up to the date of the reverse acquisition reflects the dilutive impact of the Corporate Holdings Limited redeemable preferences shares that were issued during the year ended 31 March 2018. The redeemable preference shares converted to ordinary shares in Corporate Holdings Limited on 3 Aug 2018 before being acquired by the Company.

NOTE 10: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Bank deposit and current accounts	799,317	2,438,782
Short term bank deposit (original maturity of less than 150 days)	2,150,000	2,511,347
	2,949,317	4,950,129

Interest Rates: Between 0.00% and 2.50% (on call) and between 2.94% - 3.23% (short term bank deposit).
There is no overdraft facility (March 2018: Nil)

NOTE 11: LOAN RECEIVABLES

	2019 $	2018 $
First mortgage advances	15,152,307	7,651,223
Second mortgage advances	1,301,526	1,059,505
Combined first and second mortgage advances[1]	1,006,436	-
Unsecured advances	-	13,688
	17,460,269	8,724,416
Less deferred fee income and expenditure	(129,407)	(54,961)
Less allowance for 12-month expected credit losses	(53,658)	(26,554)
Less allowance for lifetime expected credit losses	-	(58,949)
Net carrying value	17,277,204	8,583,952
Current portion	16,298,686	8,145,777
Non-current portion	978,518	438,175
	17,277,204	8,583,952

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

Loan receivables represent loans at commercial interest rates. Current loan receivables are contractually repayable within 12 months. Non-current loan receivables are contractually repayable within 12 months to 4 years.

At year end there was $173,528 in outstanding loan commitments including future capitalised interest (March 2018: $10,596).

Interest rate: Between 8.95% and 16.50% (2018: Between 8.95% and 16.50%).
Effective interest rate: Between 10.04% and 20.34% (2018: Between 11.14% and 25.25%).
For loans that are in default, an additional 10% interest is charged.

The core lending activity of the Group is providing, through a broker network, short term and bridging finance secured by mortgage over residential property. The majority of loans are entered into with a maturity date within 12 months, with a proposal that repayment will be funded by the sale of the secured property or through refinancing by the borrower. The Group's lending policy allows for a maximum "loan to security value" of 70% (excluding fees and charges) on advances.

At balance date, 40.7% (March 2018: 57.9%) of loans by number and 31.4% (March 2018: 59.7%) by value represent loans that have been rolled over and are into their second or subsequent credit periods.

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

Borrower payment terms are profiled as follows:

	2019 $	2018 $
Principal only	-	13,688
Principal and interest paid monthly	-	61,187
Interest only paid monthly	15,300,772	8,474,380
Interest capitalised	2,159,497	175,161
Total loan receivables	17,460,269	8,724,416

NOTE 11: LOAN RECEIVABLES (CONTINUED)

Credit risk – loan receivables

The Group considers the probability of default upon initial recognition of loan receivables and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in the credit risk, the Group compares the risk of a loss being incurred on the loan receivable as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information. The following key indicators are considered:

- The loan to valuation ratio of the loan.
- Any known changes to the secured property which may impact on the value of the security.
- Current and forecast economic data including property values, interest rates, regional economic activity and employment data.
- Defaults in contractual payments by the borrower, or changes in the expected payment ability of the borrower.
- Other adverse items.

Category 1 – Performing loans

Performing loans are those where there has been no significant increase in credit risk. Generally, these loans have a loan to valuation ratio below 85%, all contractual payment obligations have been met by borrowers, and there are no other indicators that a loss is more likely to be incurred than when the loan was first originated. The presumption that loans which are 30 days past due have a significant increase in credit risk since initial recognition is able to be rebutted by management where the loan to valuation ratio has not increased significantly (for instance above 85%) and there are no other adverse factors.

The provision is based on the 12 month expected credit losses of the loans, or where the loans are less than 12 months from maturity, the expected losses for the lifetime of the loan (loans normally have a contractual maturity period of between 3 months and 24 months). Management have calculated the allowance for 12-month expected losses based on average historical annual write offs and have given due consideration to current and forecasted economic factors. Accordingly, an allowance of 0.31% has been recognised for performing loans (March 2018: 0.31%).

Category 2 – Under-performing loans

Under-performing loans are those where there has been a significant increase in credit risk. Generally, these loans have a loan to valuation ratio above 85% or there are other indicators that a loss is more likely to be incurred than when the loan was originated. The provision is based on the lifetime expected credit losses of the loans.

Allowances for lifetime expected credit losses for under-performing loans are calculated on an individual basis. The allowances are probability weighted losses which are determined by evaluating a range of possible future outcomes and are discounted using the original effective interest rate of the loans.

Reconciliation of movement in allowance for 12-month expected credit losses for performing loans

	2019 $	2018 $
Balance at beginning of period	26,554	-
Acquisition of General Finance Limited (refer note 21.2)	-	29,494
Increase due to new loans advanced	41,010	10,701
Decrease due to repaid loans	(13,906)	(13,298)
Decrease due to transfers to under-performing loans	-	(343)
Balance at end of period	53,658	26,554

Reconciliation of movement in allowance for lifetime expected credit losses for under-performing loans

	2019 $	2018 $
Balance at beginning of period	58,949	-
Acquisition of General Finance Limited (refer note 21.2)	-	27,296
Additional allowance for lifetime expected credit losses	-	45,261
Reversals of previously recognised lifetime expected credit losses	(46,561)	(13,608)
Bad debts written off	(12,388)	-
Balance at end of period	-	58,949

NOTE 11: LOAN RECEIVABLES (CONTINUED)

Reconciliation of movement in performing loans

	2019	2018
	$	$
Balance at beginning of period	8,599,716	-
Acquisition of General Finance Limited (refer note 21.2)	-	9,551,879
Advances	13,364,314	3,465,676
Repayments	(4,503,761)	(4,306,827)
Transfers to under performing loans	-	(111,012)
Bad debts written off	-	-
Balance at end of period	17,460,269	8,599,716

Reconciliation of movement in under-performing loans

	2019	2018
	$	$
Balance at beginning of period	124,700	-
Acquisition of General Finance Limited (refer note 21.2)	-	438,444
Additions to under-performing loans	-	111,012
Repayments	(112,312)	(424,756)
Bad debts written off	(12,388)	-
Balance at end of period	-	124,700

NOTE 12: INVESTMENT IN SUBSIDIARIES

		Ownership Interest Held	
Subsidiary		2019	2018
Corporate Holdings Limited (CHL)	Holding company	100.0%	6.4%
General Finance Limited	Finance	100.0%	6.4%
Investment Research Group Limited	Research and advisory	100.0%	6.4%
Commercial and General Finance Limited	Dormant	100.0%	6.4%
General Finance & Investments Limited	Dormant	100.0%	6.4%
General Finance & Leasing Limited	Dormant	100.0%	6.4%
General Leasing Limited	Dormant	100.0%	6.4%
General Loan and Finance Limited	Dormant	100.0%	6.4%
Mykco Limited (previously named General Capital Limited)	Dormant	100.0%	6.4%

The ownership interests above are from the perspective of the legal parent, General Capital Limited (GCL). At 31 March 2018, GCL owned 6.4% of the ordinary shares of CHL, the acquirer for accounting purposes. All of the above entities (other than CHL) were owned 100% by CHL at 31 March 2018. Refer to note 21 for further details on the business combinations.

All subsidiaries have a 31 March balance date.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Office Equipment $
Cost	
At 1 April 2017	-
Additions	7,040
At 31 March 2018	7,040
Additions	2,629
At 31 March 2019	9,669
Accumulated depreciation	
At 1 April 2017	-
Depreciation charge for the year	-
At 31 March 2018	-
Depreciation charge for the year	3,493
At 31 March 2019	3,493
Net book value	
At 31 March 2018	7,040
At 31 March 2019	6,176

NOTE 14: INTANGIBLE ASSETS

	Goodwill $	Licences $	Bartercard Trade Dollars $	Software $	Total $
Year ended 31 March 2018					
Opening net book amount	-	-	-	-	-
Additions	-	-	2,279	33,107	35,386
Acquisition of General Finance Limited (Note 21.2)	1,323,729	247,000	-	-	1,570,729
Acquisition of Investment Research Group Limited (Note 21.3)	1,027,001	30,000	-	-	1,057,001
Closing net book amount	2,350,730	277,000	2,279	33,107	2,663,116
At 31 March 2018					
Cost	2,350,730	277,000	2,279	33,107	2,663,116
Accumulated amortisation and impairment	-	-	-	-	-
Net book amount	2,350,730	277,000	2,279	33,107	2,663,116

NOTE 14: INTANGIBLE ASSETS (CONTINUED)

	Goodwill	Licences	Bartercard Trade Dollars	Software	Total
	$	$	$	$	$
Year ended 31 March 2019					
Opening net book amount	2,350,730	277,000	2,279	33,107	2,663,116
Additions	-	-	5,795	32,742	38,537
Reverse Acquisition (Note 21.1)	-	-	693,313	-	693,313
Disposals	-	-	(110,209)	-	(110,209)
Amortisation charge	-	-	-	(18,201)	(18,201)
Closing net book amount	2,350,730	277,000	591,178	47,648	3,266,556
At 31 March 2019					
Cost	2,350,730	277,000	591,178	65,849	3,284,757
Accumulated amortisation and impairment	-	-	-	(18,201)	(18,201)
Net book amount	2,350,730	277,000	591,178	47,648	3,266,556

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

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

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

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

Finance CGU

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

	Total Assets	Total Liabilities	Revenue	Expenditure	FCFE
Year one growth assumptions	62.5%	80.4%	81.0%	58.2%	283.7%
Year two growth assumptions	18.0%	18.6%	35.0%	22.5%	84.9%
Year three growth assumptions	7.9%	6.3%	11.5%	8.3%	19.8%
Year four growth assumptions	7.6%	5.9%	6.3%	4.9%	9.5%
Year five growth assumptions	5.0%	2.8%	4.7%	3.8%	6.6%

NOTE 14: INTANGIBLE ASSETS (CONTINUED)

	Forecast assumptions
Terminal growth beyond year 5	2.0%
Pre-tax discount rate (cost of equity)	14.2%

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

Research and advisory CGU

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

	Forecast assumptions
Yearly growth in FCFF (years one - five)	5.0%
Terminal growth beyond year five	2.0%
Pre-tax discount rate (cost of equity)	16.0%

In assessing the impairment of the goodwill and licences in the research and advisory CGU, a sensitivity analysis for reasonable possible changes in assumptions was performed. This included decreasing and increasing the years 1-5 forecast cash flows by 100%, decreasing and increasing the terminal growth rate by 0.5%, and decreasing and increasing the discount rate by 1%. A reduction in forecasted cash flows by 100% would result in an impairment of $1,049,811 to the CGU. An increase in the discount rate by 1% would result in an impairment of $10,226 to the CGU. The other sensitivity movements did not result in an impairment to the CGU.

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

Bartercard trade dollars

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

For the years ended 31 March 2018 and 31 March 2019 it was determined that the fair value less costs of disposal of the Bartercard trade dollars was equivalent to the carrying value of the assets. Fair value less costs of disposal was determined based on the fact that all market participants (being other Bartercard members) accept the terms and conditions of Bartercard which stipulate that a Bartercard Trade Dollar is equivalent to a New Zealand dollar at the date of exchange in respect of future purchases or goods and services. In addition, as there are no significant disposal costs associated with settling transactions in Bartercard trade dollars, management have determined that the fair value less costs of disposal are equal to the carrying value of bartercard trade dollars.

NOTE 15: INVESTMENTS

	Note	2019 $	2018 $
Investment in Barter Investments Limited	19	35,938	50,800
Investment in Sports & Education Corporation Limited	19	154,545	-
		190,483	50,800

The 3.72% stake in Barter Investments Limited is held by Investment Research Group Limited. The investment in the unlisted investment holdings company is classified as a financial asset at fair value through other comprehensive income. This equity is not quoted in an active market. The fair value of this equity security is based on the Group's share of the entity's net assets at reporting date as reported in the entity's financial statements (valuation technique). The majority of the entity's assets and liabilities are reported in their financial statements at either their fair value or their carrying value which approximates their fair value (the significant unobservable inputs). The inter-relationship between key unobservable inputs and fair value measurement is that an increase / (decrease) in the net assets would increase / (decrease) the fair value of the investment. A loss of $14,862 has been recognised in other comprehensive income during the year in relation to the fair value of the investment (2018: $nil).

NOTE 15: INVESTMENTS (CONTINUED)

The 0.96% stake in Sports & Education Corporation Limited is held by Investment Research Group Limited and was acquired in late March 2019 as a portion of revenue for the completion of an advisory project. The investment in the Unlisted Securities Exchange (USX) listed company which owns various brands in the international sports and education sectors is classified as a financial asset at fair value through other comprehensive income. The equity securities are quoted on the Unlisted Securities Exchange in New Zealand, however there has not been significant trading activity in the securities since it was listed in December 2018. The fair value of the equity security is estimated by Management to be $0.50 per share based on the quoted price (latest traded price) of the security of $0.75 per share at reporting date (an observable input) and a risk adjustment of -33% per share (a significant unobservable input). The risk adjustment is estimated by management and represents the expected discount to the quoted price required for the significant measurement uncertainty (the low level of trading in the security compared to other similar quoted securities). Management have estimated the discount with reference to publicly available information including the 31 March 2018 financial statements and the listing profile of the entity. The inter-relationship between the key unobservable input and fair value measurement is that an increase / (decrease) in the risk adjustment (an increase being a higher discount) would (decrease) / increase the fair value of the investment. There have been no amounts recognised in other comprehensive income during the year in relation to fair value movements of the investment (2018: $nil).

NOTE 16: TERM DEPOSITS

	2019 $	2018 $
Gross term deposit liability	14,928,161	9,862,510
Less deferred commission expenditure	(27,703)	(8,418)
Net carrying value	14,900,458	9,854,092
Contractual repayment terms:		
On call	74,980	105,243
Within 12 months	7,253,613	4,217,742
Greater than 12 months	7,571,865	5,531,107
	14,900,458	9,854,092

Repayment Terms:	On call up to 5 years
Interest Rate:	3.75% - 6.75% and 2.00% on call (March 2018: 4.00% - 7.00% and 2.00% on call)
Effective Interest Rate:	3.80% - 6.75% and 2.00% on call (March 2018: 4.07% - 7.19% and 2.00% on call)
Security:	First ranking security interest over the assets and undertakings of General Finance Limited in favour of the Trustee (subject only to any prior security interests permitted by the Trust Deed and preferential claims given priority by operation of law).

The Group has a total of 222 depositors as at 31 March 2019 (March 2018: 170). As at balance date, the largest deposit the Group has is $628,149 (March 2018: $300,000) which represents 4.21% (March 2018: 3.04%) of total deposits. As at balance date the largest aggregate deposits under a single deposit holder totals $2,633,389 (March 2018: $600,000) which represents 17.64% (March 2018: 6.08%) of total deposits and have a weighted average maturity date of 6.43 months from balance date (March 2018: 3.25 months from balance date). The largest deposit holder at 31 March 2019 is a director of the Company (refer to note 19).

Further analysis of gross deposit funding is as follows:

Concentration of funding	2019 $	2018 $
Auckland	5,862,443	4,642,865
Wellington	1,312,135	984,181
Other North Island	4,220,147	3,106,837
South Island	880,321	950,475
Overseas *	2,653,115	178,152
Total gross term deposit liability	14,928,161	9,862,510

*****The largest deposit holder resides overseas and is a director of the Company (refer to note19).

NOTE 16: TERM DEPOSITS (CONTINUED)

Contractual maturity of funding	2019 $	2018 $
Maturing in 0 - 6 months	4,190,400	2,207,958
Maturing in 6 - 12 months	3,141,478	2,115,504
Maturing in 12 - 24 months	5,185,710	3,702,957
Maturing after 24 months	2,410,573	1,836,091
Total gross term deposit liability	14,928,161	9,862,510

Profile of deposit holders	2019	2019 $	2018	2018 $
Deposits over $200,000	12	6,165,149	9	3,201,608
Deposits $100,000 - $200,000	18	2,598,273	14	2,007,821
Deposits $50,000 - $100,000	44	3,159,596	27	1,969,236
Deposits $20,000 - $50,000	60	1,913,651	58	1,884,047
Deposits $10,000 - $20,000	48	775,251	38	605,606
Deposits under $10,000	40	316,241	24	194,192
Total gross term deposit liability	222	14,928,161	170	9,862,510

NOTE 17: OTHER FINANCIAL LIABILITIES

Redeemable preference shares - type 2	2019 $	2018 $
Balance at beginning of period	1,452,521	-
Fair value of redeemable preference shares issued	-	1,394,746
Unwind of discount	47,479	57,775
Conversion to ordinary shares in Corporate Holdings Limited	(1,500,000)	-
	-	1,452,521

Refer to note 18 for further details on the terms of the type 2 redeemable preference shares.

NOTE 18: SHARE CAPITAL, WARRANTS AND REDEEMABLE PREFERENCE SHARES

As described in note 21.1, these consolidated financial statements have been prepared as a continuation of the financial statements of Corporate Holdings Limited (CHL), as such the carrying amount of share capital reflects the value of shares issued by CHL (up to the date of the reverse acquisition transaction described in note 21.1). However as General Capital Limited (formerly Mykco Limited) is the legal parent of the Group, and the listed entity, the number of ordinary shares shown below represent the number of shares on issue by General Capital Limited.

		2019		2018	
	Note	Number	$	Number	$
Ordinary shares	(a)	153,845,313	9,573,495	19,616,874	1,448,503
Redeemable preference shares - type 1	(b)	-	-	3,457,000	3,474,850
Redeemable preference shares - type 2	(c)	-	-	1,500,000	105,254
		-	-	4,957,000	3,580,104
		153,845,313	9,573,495	24,573,874	5,028,607

NOTE 18: SHARE CAPITAL, WARRANTS AND REDEEMABLE PREFERENCE SHARES (CONTINUED)

	Ordinary shares	
	Number	**$**
Balance at 1 April 2017	19,616,874	1,000
Ordinary shares issued during the year	-	1,455,000
Transaction costs arising on shares issued	-	(7,497)
Balance at 31 March 2018	19,616,874	1,448,503
Conversion of redeemable preference shares to ordinary shares - equity portion	-	3,580,104
Conversion of redeemable preference shares to ordinary shares - financial liability portion	-	1,500,000
Ordinary shares issued on reverse acquisition transaction (note 21.1)	104,323,240	1,121,259
Ordinary shares issued - placements	27,502,221	1,856,400
Ordinary shares issued - share purchase plan	2,402,978	162,200
Transaction costs arising on	-	(94,971)
Balance at 31 March 2019	153,845,313	9,573,495

	Redeemable preference shares - type 1		Redeemable preference shares - type 2	
	Number	**$**	**Number**	**$**
Balance at 1 April 2017	-	-	-	-
Redeemable preference shares issued during the period	3,457,000	3,474,850	1,500,000	105,254
Balance at 31 March 2018	3,457,000	3,474,850	1,500,000	105,254
Conversion of redeemable preference shares to ordinary shares	(3,457,000)	(3,474,850)	(1,500,000)	(105,254)
Balance at 31 March 2019	-	-	-	-

(a) Ordinary shares

All ordinary shares rank equally and entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. One vote is attached to each fully-paid ordinary share. Shares have no par value. The Company is listed on the NZAX at 31 March 2019 - the secondary market of the New Zealand Stock Exchange, and subsequently migrated to the NZX main board on 1 July 2019.

During the year ended 31 March 2018 455,000 shares were issued for consideration of $455,000 and 1,000,000 shares were issued at a fair value of $1,000,000 as part of the consideration paid for the acquisition of Investment Research Group (refer to note 21.3). These shares were issued to related parties as detailed in note 19.

As detailed in Note 21.1, the acquisition of Corporate Holdings Limited was settled on 3 August 2018 by the issue of 104,323,240 ordinary shares in General Capital Limited at a fair value of $1,121,259.

The Company issued shares at 6.75 cents per share on 7 December 2018 in relation to a share purchase plan and placement of shares. Further details of these transactions is included below:

(i) **Shareholder Purchase Plan**

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

(ii) **Placements**

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

1,037,037 ordinary shares have been issued to Directors and Senior Managers for an aggregate subscription value of $70,000. (refer to note 19)

7,850,111 ordinary shares have been issued to Borneo Capital Limited (Borneo) for an aggerate subscription value of $529,883 to allow Borneo to maintain its current 26.25% shareholding in the Company. (refer to note 19)

(b) Redeemable preference shares - type 1

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

The terms of the subscription agreement entitled Corporate Holdings Limited to convert the preference shares into ordinary Corporate Holdings Limited Shares (on a 1:1 basis) or to repay the holder. The Group did not have a contractual obligation (including contingent) to deliver cash or other financial assets to the holders of these redeemable preference shares, as such they have accordingly been recorded as equity instruments. The shares were converted to ordinary shares in Corporate Holdings Limited on 3 August 2018 prior to the reverse acquisition transaction described in note 21.1.

NOTE 18: SHARE CAPITAL, WARRANTS AND REDEEMABLE PREFERENCE SHARES (CONTINUED)

(c) Redeemable preference shares - type 2

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

The terms of the subscription agreement allowed entitled Corporate Holdings Limited to convert the preference shares into ordinary shares of Corporate Holdings Limited (on a 1:1 basis) if the acquisition described in note 21.1 was completed within 180 days from the issue date. There was a contingent obligation to deliver cash to the holder if the Group did not complete its obligation to complete the acquisition within that timeframe (which was later extended). The type 2 redeemable preference shares have accordingly been recognised as a financial liability at amortised cost (refer to note 17) and had a fair value on initial recognition of $1,394,746, with the balance of $105,254 being recognised in equity. The shares were converted to ordinary shares in Corporate Holdings Limited on 3 August 2018 prior to the reverse acquisition transaction described in note 21.1.

(d) Warrants	**GENWA Warrants**		**GENWB Warrants**	
	Number	**$**	**Number**	**$**
Balance at 1 April 2017	-	-	-	-
Balance at 31 March 2018	-	-	-	-
Issue of warrants during the period	153,845,313	-	307,690,626	-
Balance at 31 March 2019	153,845,313	-	307,690,626	-

On 11 December 2018 the company issued the following warrants:

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

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

NOTE 19: RELATED PARTY BALANCES AND TRANSACTIONS

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

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

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

NOTE 19: RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Related party payables:	2019 $	2018 $
Almond Draw Limited	-	24,550
Brent King	1,870	116,492
Equity Investment Advisers Limited	-	300
Moneyonline Limited	6,072	-
	7,942	141,342

The group also had $2,985 payable to Equity Investment Advisers Limited included in accounts and other payables on the statement of financial position (2018: $nil).

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

Other related party balances:

	2019 $	2018 $
Term deposits held by directors and subsidiary directors	2,834,450	-
Loan receivable exposure to Pegasus Golf Limited	389,564	-

Transactions with related parties

Related Party	*Type*	*Transaction*	2019 $	2018 $
Directors of the Company[1]	Expense	Directors fees[1]	56,783	-
Directors of subsidiary companies	Expense	Directors fees	62,000	17,666
Executive Directors and subsidiary Executive Directors	Expense	Remuneration other than directors fees	296,684	68,441
Directors and subsidiary directors	Expense	Interest paid or capitalised on term deposits investments held by related parties	55,626	-
Directors and subsidiary directors	Expense	Recharge of expenses	36,035	4,888
Almond Draw Limited	Expense	Consultant fees	44,775	-
Equity Investment Advisers Limited	Expense	Recharge of salary costs	50,156	13,717
	Expense	Brokerage paid	23,638	4,435
Moneyonline Limited	Expense	Recharge of expenses	99,352	17,370
Snowdon Peak Limited	Expense	Commission expense	-	220,500
Campbell MacPherson Limited	Revenue	Advertising fees	2,500	-
Pegasus Golf Limited	Revenue	Fees and interest capitalised to loan balance	13,036	-
Sports and Education Corporation Limited[2]	Revenue	Advisory fees[2]	274,100	-

[1]Since 3 August 2018, the date of the reverse acquisition, refer to note 21.1.

[2]Since 30 November 2018, the date Sports & Education Corporation Limited became a related party by virtue of common directorship.

Other related party transactions:

Investment Research Group Limited (IRG) was acquired and became part of the Group on 19 December 2017. IRG was previously 100% owned by Brent King (Director). The consideration in relation to the acquisition was the issue of 1,100,000 CHL shares to Brent King at a fair value of $1 per share, and the payment of 100,000 bartercard trade dollars with a fair value of $100,000 (i.e. total consideration of $1,100,000). Refer to Note 21.3 for further details on the acquisition.

NOTE 19: RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

During the year ended 31 March 2018, 280,000 ordinary shares of Corporate Holdings Limited (CHL) were issued to Brent King for consideration of $1 per share, and 1,000,000 shares were issued to Brent King with a fair value of $1 per share as part of the consideration for the purchase of IRG (refer to note 21.3). During the year ended 31 March 2018, 100,000 ordinary shares of CHL were issued to the Company (prior to the reverse acquisition described in Note 21.1) and 75,000 ordinary shares of CHL a were issued to Barter Investments Limited for consideration of $1 per share. All of the shares of CHL (other than those already owned by the Company) were ultimately acquired by the Company (by issuing the Company's shares to CHL's shareholders) in the reverse acquisition transaction on 3 August 2018 described in note 21.1. This included the 100,000 CHL shares that were owned by Garth Ward prior to 1 April 2017 (which had a par value of $0.01 per share at 1 April 2017). Refer to note 18 for further details on share capital and redeemable preference shares.

During the year ended 31 March 2018 2,000,000 CHL redeemable preference shares (type 1) were issued to Borneo Capital Limited for consideration of $2,000,000. These redeemable preference shares were converted to ordinary CHL shares on 3 August 2018 and were ultimately purchased by the Company (by issuing the Company's shares to CHL's shareholders) in the reverse acquisition transaction on 3 August 2018 described in note 21.1. Refer to note 18 for further details on share capital and redeemable preference shares.

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

As detailed in note 18 (a), on 7 December 2018 1,037,037 ordinary shares have been issued to Directors and Senior Managers for an aggregate subscription value of $70,000 and 7,850,111 ordinary shares have been issued to Borneo Capital Limited (Borneo) for an aggerate subscription value of $529,883.

Directors and other related parties received warrants issued on 11 December 2018 in the same ratio as all other shareholders in respect of the ordinary shares that they owned at that date (refer to note 18 (d)).

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

	2019 $	2018 $
Net loss after tax	(458,088)	(326,650)
Adjustment for non-cash and other items		
Bad debts written off - loan receivables	12,388	-
Movement in allowance for expected credit losses	(31,844)	28,714
Deferred tax movement	1,965	(17,649)
Income received in non-cash financial assets	(165,600)	-
Expenses paid in non-cash financial assets	11,055	-
Loss on acquisition of listed shell	405,280	-
Interest on redeemable preference shares	47,479	57,775
Depreciation and amortisation	21,694	-
Adjustment for movements in working capital[1]		
(Increase) / decrease in loan receivables (net advances)	(8,516,032)	1,019,852
(Increase) / decrease in accrued interest on loans receivable	(9,940)	24,194
(Increase) / decrease in capitalised loan fees	(135,185)	62,850
(Increase) / decrease in capitalised interest	(82,223)	141,933
(Increase) / decrease in accounts receivable	(5,440)	(554)
(Increase) / decrease in prepayments and other current assets	(14,237)	(57,881)
(Increase) / decrease in prepaid commission	(19,286)	(198)
(Increase) / decrease in bartercard trade dollars	104,414	(3,139)
Increase / (decrease) in income tax payable	(114,786)	(22,322)
Increase / (decrease) in deferred income	63,849	(27,727)
Increase / (decrease) in interest payable	7,177	11,273
Increase / (decrease) in related party payable	(133,400)	45,799
Increase / (decrease) in accounts and other payables	(22,519)	2,945
Net cash (outflow) / inflow from operating activities	(9,033,279)	939,215

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

NOTE 21: BUSINESS COMBINATIONS

21.1 Reverse acquisition of Corporate Holdings Limited

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

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

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

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

NOTE 21: BUSINESS COMBINATIONS (CONTINUED)

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

Details of the transaction were:

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

Contribution to Group results

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

21.2 Acquisition of General Finance Limited

On 19 December 2017, Corporate Holdings Limited acquired a non-bank deposit taker / residential mortgage lender, General Finance Limited.

Details of the transaction were:

	$
Fair value of consideration transferred	
Cash	4,721,834
Total Consideration	4,721,834
Identified assets acquired and liabilities assumed	
- Cash and cash equivalents	3,347,100
- Other current assets	2,374
- Finance receivables	9,869,743
- Deferred tax asset	14,466
- Intangible assets - non-bank deposit taker licence (note 14)	247,000
- Accounts and other payables	(148,005)
- Income tax payable	(91,658)
- Term deposits	(9,842,915)
Identifiable net assets	3,398,105
Goodwill on acquisition	1,323,729
	4,721,834

Identified assets acquired and liabilities assumed

The fair value of the non-bank deposit taker licence has been determined using the multi-period excess earnings method.

Goodwill

The goodwill of $1,323,729 is related to the excess consideration over the fair value of net assets at the acquisition date and has been allocated to the finance CGU.

Contribution to Group results

In the year ended 31 March 2018 General Finance Limited contributed revenue of $454,749 and a loss after tax of $13,658 included within the loss for the Group. Had the combination occurred from the beginning of the 31 March 2018 year, operating profit for General Finance Limited included in the Group would have been $274,899 and revenue would have been $1,612,863.

NOTE 21: BUSINESS COMBINATIONS (CONTINUED)

21.3 Acquisition of Investment Research Group Limited

On 19 December 2017, Corporate Holdings Limited acquired an investment advisory services and investment research publishing business, Investment Research Group Limited. The business was previously owned by Brent King, Managing Director (refer to Note 19 - Related Party Balances and Transactions).

Details of the transaction were:

	$
Fair value of consideration transferred	
Corporate Holdings Limited ordinary shares issued	1,000,000
Intangible assets - bartercard trade dollars	100,000
Total Consideration	1,100,000
Identified assets acquired and liabilities assumed	
- Cash and cash equivalents	3,340
- Other current assets	21,177
- Investments in unlisted securities (allocated to corporate and other segment)	50,800
- Intangible assets - NZX sponsor license (note 14)	30,000
- Accounts and other payables	(32,318)
Identifiable net assets	72,999
Goodwill on acquisition	1,027,001
	1,100,000

Identified assets acquired and liabilities assumed

The fair value of the NZX sponsor licence has been determined using the replacement cost method.

Goodwill

The goodwill of $1,027,001 is related to the excess consideration over the fair value of net assets at the acquisition date and has been allocated to the research and advisory CGU.

Contribution to Group results

In the year ended 31 March 2018, Investment Research Group Limited contributed revenue of $292,469 (of which $67,868 is eliminated on group consolidation) and a loss after tax of $254,206 included within the loss for the Group. Had the combination occurred from the beginning of the 31 March 2018 year, the operating loss for Investment Research Group included in the Group would have been $335,570 and revenue would have been $415,506 (of which $67,868 would have eliminated on group consolidation).

NOTE 22: COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION

Prospective consolidated financial statements were prepared for the Group within the disclosure document dated 16 July 2018 as part of the special meeting dated 31 July 2018. The prospective financial statements for the year ended 31 March 2019 are compared to the actual results achieved for that year.

Consolidated statement of comprehensive income

	Actual Year ended 31 March 2019 $	Unaudited prospective information* Year ended 31 March 2019 $	Variance $
Interest income	1,479,226	1,838,550	(359,324)
Interest expense	(640,270)	(873,887)	233,617
Net interest income	838,956	964,663	(125,707)
Fee and commission income	281,176	294,361	(13,185)
Fee and commission expense	(92,332)	(30,000)	(62,332)
Net fee and commission income	188,844	264,361	(75,517)
Revenue from contracts with customers	347,702	325,000	22,702
Cost of sales	(24,368)	(25,000)	632
Gross profit from contracts with customers	323,334	300,000	23,334
Other income	28,163	23,000	5,163
Net revenue	1,379,297	1,552,024	(172,727)
(Increase) / decrease of provision in respect of finance receivables	19,456	(100,000)	119,456
Personnel expenses	(603,011)	(352,300)	(250,711)
Occupancy expenses	(90,176)	(90,000)	(176)
Depreciation	(3,493)	-	(3,493)
Amortisation of intangibles	(18,201)	-	(18,201)
Other expenses	(603,152)	(957,640)	354,488
Acquisition expenses	(103,927)	-	(103,927)
Loss on acquiring listed shell	(405,280)	-	(405,280)
	(1,807,784)	(1,499,940)	(307,844)
Profit before income tax expense	(428,487)	52,084	(480,571)
Income tax (expense) / benefit	(29,601)	(13,443)	(16,158)
Net profit after income tax expense	(458,088)	38,641	(496,729)
Other comprehensive income			
Changes in the fair value of equity investments at fair value	(14,862)	4,360	(19,222)
Other comprehensive income for the year	(14,862)	4,360	(19,222)
Total comprehensive income	(472,950)	43,001	(515,951)

*Where applicable, amounts have been reclassified for consistency with 31 March 2019 consolidated financial statements.

NOTE 22: COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Consolidated statement of financial position

	Actual as at 31 March 2019 $	Unaudited prospective information* as at 31 March 2019 $	Variance $
Equity			
Share capital	9,573,495	8,282,353	1,291,142
Retained earnings	(805,973)	797,021	(1,602,994)
Other reserves	(14,862)	-	(14,862)
Total equity	8,752,660	9,079,374	(326,714)
Assets			
Cash and cash equivalents	2,949,317	3,751,799	(802,482)
Accounts receivables	19,246	245,474	(226,228)
Finance receivables	17,277,204	23,259,044	(5,981,840)
Other current assets	114,844	33,000	81,844
Income taxation receivable	45,450	-	45,450
Property, plant and equipment	6,176	-	6,176
Deferred tax asset	38,408	27,413	10,995
Financial assets at fair value through other	190,483	-	190,483
Intangible assets and goodwill	3,266,556	3,376,817	(110,261)
Total assets	23,907,684	30,693,547	(6,785,863)
Liabilities			
Accounts and other payables	246,624	189,978	56,646
Related party payables	7,942	-	7,942
Income taxation payable	-	35,000	(35,000)
Term deposits	14,900,458	21,389,195	(6,488,737)
Total liabilities	15,155,024	21,614,173	(6,459,149)
Net assets	8,752,660	9,079,374	(326,714)

Consolidated summarised statement of changes in equity

	Actual Year ended 31 March 2019 $	Unaudited prospective information* Year ended 31 March 2019 $	Variance $
Restated total equity as at 1 April 2018	4,680,722	7,286,373	(2,605,651)
Total comprehensive income for the year	(472,950)	43,001	(515,951)
Issue of share capital	3,044,888	1,750,000	1,294,888
Balance at 31 March 2019	7,252,660	9,079,374	(1,826,714)

*Where applicable, amounts have been reclassified for consistency with 31 March 2019 consolidated financial statements.

NOTE 22: COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Consolidated statement of cash flows

	Actual as at 31 March 2019 $	Unaudited prospective information* as at 31 March 2019 $	Variance $
Cash flow from operating activities			
Interest received	1,376,467	1,777,878	(401,411)
Receipts from customers	393,838	592,415	(198,577)
Other income	27,783	-	27,783
Payments to suppliers and employees	(1,587,300)	(1,469,197)	(118,103)
Interest paid	(585,614)	(700,860)	115,246
Income tax paid	(142,421)	(42,254)	(100,167)
Finance receivables (net advances)	(8,516,032)	(14,618,310)	6,102,278
Net cash provided by operating activities	(9,033,279)	(14,460,328)	5,427,049
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)	85,736	-	85,736
Purchase of property, plant and equipment	(2,629)	-	(2,629)
Purchase of software	(32,742)	-	(32,742)
Net cash provided by / (used in) investing activities	50,365	-	50,365
Cash flow from financing activities			
Issue of ordinary shares	1,923,628	1,750,000	173,628
Issue of redeemable preference shares	5,058,474	11,362,076	(6,303,602)
Term deposits (net receipts)	-	(116,626)	116,626
Net cash provided by financing activities	6,982,102	12,995,450	(6,013,348)
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the reporting period	4,950,129	5,216,677	(266,548)
Net (decrease) / increase in cash and cash equivalents held during the reporting period	(2,000,812)	(1,464,878)	(535,934)
Cash and cash equivalents at end of the reporting period	2,949,317	3,751,799	(802,482)

*Where applicable, amounts have been reclassified for consistency with 31 March 2019 consolidated financial statements.

Key drivers of variances:

The loss on acquiring listed shell expense of $405,280 arises due to the accounting treatment when a smaller company buys a larger company (a "reverse acquisition"). It is effectively the cost attributed to the dilution effect that occurs, the details of which are set out in note 21.1. The prospective financial information was not prepared on the same basis, and instead was prepared as a simple combination of the consolidated prospective Corporate Holdings Limited group financial statements with the Company's prospective financial statements.

The growth in the finance receivables book and term deposit liabilities was not as fast as originally anticipated, which represents the majority of the variance in total assets and total liabilities. The slower than anticipated growth in the balance sheet also resulted in a lower net interest margin ($125,707 lower than forecast) and net fee and commission income ($75,517 lower than forecast). Expenses (other than the loss on acquiring listed shell expense) were also approximately $97,436 lower than forecast due to the slower than anticipated growth.

NOTE 23: COMMITMENTS AND CONTINGENT LIABILITIES

The future aggregate minimum lease payments under non-cancellable operating leases were $7,013 as at 31 March 2018 payable in no later than 1 year.

The Group has no lease agreements in place as at 31 March 2019 and up to the date of these consolidated financial statements. Since June 2018, the Group has been paying a share of office lease costs to Moneyonline Limited, a related company, based on an allocation of office space utilised by the Company (refer to note 19). These costs are included in occupancy expenses in the statement of comprehensive

The Group has no other material commitments or contingent liabilities at reporting date.

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

- On 25 June 2019 12,650,000 GENWB Warrants were issued to Directors and Senior Managers of General Capital Limited and its subsidiaries (including contractors, consultants, consultant companies, and any trustee or trustees of or for any of the foregoing persons). The warrants were approved by the Company's shareholders in the 29 November 2018 shareholder meeting and were issued for no consideration on the same terms as the GENWB warrants as disclosed in Note 18 (d).
- On 1 July 2019 the Company transitioned from its listing on the NZAX Market to the NZX Main Board.

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

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

SHAREHOLDER AND STATUTORY INFORMATION

General Capital Limited ("the Company") was a listed company on the New Zealand Alternative Market (NZAX) during the year ended 31 March 2019 and subsequent to year end on 1 July 2019 has migrated to the NZX Main Board.

The Company had three classes of quoted financial products on issue as at 31 March 2019, during the year ended on that date, and up to the date of this Annual Report:

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

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

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

LARGEST HOLDERS OF QUOTED FINANCIAL PRODUCTS (as at 10 July 2019)

Ordinary Shares

Rank	Registered Holder	Ordinary Shares Held	%
1	Borneo Capital Limited	40,390,111	26.25%
2	Brent Douglas King	20,948,650	13.62%
3	CFS NBDT Interest Limited	16,270,000	10.58%
4	Belian Holdings Limited	9,077,869	5.90%
5	Owen Arvind Daji	7,030,463	4.57%
6	Grant Keith Baker & Donna Jean Baker & Lewis Thomas Grant	6,511,945	4.23%
7	Harrigens Trustees Limited	6,511,945	4.23%
8	Stephen John Sinclair & Jacqueline Margaret Sinclair & Roger Frederick Wallis	6,290,524	4.09%
9	John Tomson	6,289,722	4.09%
10	Bruce Gregory Speers & Fiorano Trust Limited	4,289,723	2.79%
11	Syed Hizam Alsagoff	4,000,000	2.60%
12	Barter Investments Limited	3,562,470	2.32%
13	Zhenhua Qian	3,030,303	1.97%
14	Bruce Gregory Speers	2,222,222	1.44%
15	Garth William Ward	1,672,455	1.09%
16	Justin Andrew Cunningham & Andrew Mark Scott	1,637,000	1.06%
17	Sii Yih Ting	1,480,000	0.96%
18	Koon Weng Lee	1,291,325	0.84%
19	Chu Kian Then	1,008,300	0.66%
20	Robert Garry Hart & Sarah Dawn Wilkinson-Hart & Eth (Wilkinson-Hart) Trustees Limited	740,741	0.48%
		144,255,768	93.77%

LARGEST HOLDERS OF QUOTED FINANCIAL PRODUCTS (as at 10 July 2019) (continued)

GENWA Warrants

Rank	Registered Holder	GENWA Warrants Held	%
1	Borneo Capital Limited	40,390,111	26.25%
2	Brent Douglas King	20,948,650	13.62%
3	CFS NBDT Interest Limited	16,270,000	10.58%
4	Belian Holdings Limited	9,077,869	5.90%
5	General Capital Limited[1]	7,778,542	5.06%
6	Owen Arvind Daji	7,030,463	4.57%
7	Grant Keith Baker & Donna Jean Baker & Lewis Thomas Grant	6,511,945	4.23%
8	Harrigens Trustees Limited	6,511,945	4.23%
9	Stephen John Sinclair & Jacqueline Margaret Sinclair & Roger Frederick Wallis	6,290,524	4.09%
10	John Tomson	6,289,722	4.09%
11	Bruce Gregory Speers & Fiorano Trust Limited	4,289,723	2.79%
12	Syed Hizam Alsagoff	4,000,000	2.60%
13	Barter Investments Limited	3,562,470	2.32%
14	Zhenhua Qian	3,030,303	1.97%
15	Bruce Gregory Speers	2,222,222	1.44%
16	Garth William Ward	1,672,455	1.09%
17	Justin Andrew Cunningham & Andrew Mark Scott	1,637,000	1.06%
18	Robert Garry Hart & Sarah Dawn Wilkinson-Hart & Eth (Wilkinson-Hart) Trustees Limited	740,741	0.48%
19	Yada Holdings No 1 Limited	570,000	0.37%
20	Robert Peter Nicolson	451,296	0.29%
		149,275,981	97.03%

GENWB Warrants

Rank	Registered Holder	GENWB Warrants Held	%
1	Borneo Capital Limited	82,780,222	25.84%
2	Brent Douglas King	43,897,300	13.70%
3	CFS NBDT Interest Limited	32,540,000	10.16%
4	Belian Holdings Limited	18,755,738	5.85%
5	General Capital Limited[1]	15,557,084	4.86%
6	Owen Arvind Daji	14,060,926	4.39%
7	Grant Keith Baker & Donna Jean Baker & Lewis Thomas Grant	13,023,890	4.07%
8	Harrigens Trustees Limited	13,023,890	4.07%
9	Stephen John Sinclair & Jacqueline Margaret Sinclair & Roger Frederick Wallis	12,581,048	3.93%
10	John Tomson	12,579,444	3.93%
11	Bruce Gregory Speers & Fiorano Trust Limited	8,579,446	2.68%
12	Syed Hizam Alsagoff	8,000,000	2.50%
13	Barter Investments Limited	7,124,940	2.22%
14	Zhenhua Qian	6,060,606	1.89%
15	Bruce Gregory Speers	4,444,444	1.39%
16	Garth William Ward	3,744,910	1.17%
17	Justin Andrew Cunningham & Andrew Mark Scott	3,274,000	1.02%
18	Robert Garry Hart & Sarah Dawn Wilkinson-Hart & Eth (Wilkinson-Hart) Trustees Limited	2,081,482	0.65%
19	Donald Frederick Hattaway & Brian Robert Everett	1,198,446	0.37%
20	Jonathan Brian Vijay Clark	1,148,148	0.36%
		304,455,964	95.05%

[1]These GENWA and GENWB Warrants were issued to a holding account managed by General Capital Limited because some shareholders were ineligible to receive the warrant offer to shareholders dated 3 December 2018. This is because they were not resident in New Zealand and hence were ineligible to receive a New Zealand offer. The Directors will take advice on how these warrants should be disposed of. Net proceeds (after deduction of costs) will be remitted to the ineligible shareholders on a pro-rata basis.

GENERAL CAPITAL LIMITED (formerly Mykco Limited)

SHAREHOLDER AND STATUTORY INFORMATION

SPREAD OF FINANCIAL PRODUCT HOLDERS (as at 10 July 2019)

Ordinary Shares

Size of Holding	Number of Shareholders	%	Number of Ordinary Shares	%
1 - 1,999	534	73.4%	29,737	0.0%
2,000 - 4,999	27	3.7%	73,564	0.0%
5,000 - 9,999	61	8.4%	459,473	0.3%
10,000 - 49,999	46	6.3%	1,086,738	0.7%
50,000 - 99,999	14	1.9%	959,745	0.6%
100,000 - 999,999	27	3.7%	7,721,029	5.0%
1,000,000 - 9,999,999	16	2.2%	65,906,266	42.8%
10,000,000 and over	3	0.4%	77,608,761	50.4%
	728	100.0%	153,845,313	100.00%

Geographic Spread				
New Zealand	623	85.6%	146,576,482	95.3%
Malaysia	67	9.2%	6,766,222	4.4%
Rest of World	38	5.2%	502,609	0.3%
	728	100.0%	153,845,313	100.00%

GENWA Warrants

Size of Holding	Number of Product Holders	%	Number of GENWA Warrants	%
1 - 1,999	522	83.4%	21,690	0.0%
2,000 - 4,999	12	1.9%	29,811	0.0%
5,000 - 9,999	25	4.0%	170,744	0.1%
10,000 - 49,999	23	3.7%	562,055	0.4%
50,000 - 99,999	10	1.6%	727,011	0.5%
100,000 - 999,999	17	2.7%	4,820,058	3.1%
1,000,000 - 9,999,999	14	2.2%	69,905,183	45.4%
10,000,000 and over	3	0.5%	77,608,761	50.4%
	626	100.0%	153,845,313	100.00%

Geographic Spread				
New Zealand	624	99.7%	153,775,313	100.0%
Rest of World	2	0.3%	70,000	0.0%
	626	100.0%	153,845,313	100.00%

GENWB Warrants

Size of Holding	Number of Product Holders	%	Number of GENWB Warrants	%
1 - 1,999	518	81.3%	34,984	0.0%
2,000 - 4,999	9	1.4%	32,830	0.0%
5,000 - 9,999	6	0.9%	35,172	0.0%
10,000 - 49,999	36	5.7%	687,580	0.2%
50,000 - 99,999	11	1.7%	757,880	0.2%
100,000 - 999,999	35	5.5%	12,196,216	3.8%
1,000,000 - 9,999,999	12	1.9%	47,796,422	14.9%
10,000,000 and over	10	1.6%	258,799,542	80.8%
	637	100.0%	320,340,626	100.00%

SPREAD OF FINANCIAL PRODUCT HOLDERS (as at 10 July 2019) (Continued)

GENWB Warrants

Geographic Spread				
New Zealand	635	99.7%	320,200,626	100.0%
Rest of World	2	0.3%	140,000	0.0%
	637	100.0%	320,340,626	100.00%

SUBSTANTIAL PRODUCT HOLDERS (at 31 March 2019)

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

As at 31 March 2019, the following shareholders are registered by the company as Substantial Product Holders in the Company, having disclosed a relevant interest in quoted voting products under the Financial Markets Conduct Act 2013.

	Ordinary Shares	% of voting (ordinary) shares at balance date	GENWA Warrants	GENWB Warrants
Borneo Capital Limited	40,390,111	26.25%	40,390,111	80,780,222
Brent Douglas King	20,948,650	13.62%	20,948,650	41,897,300
CFS NBDT Interest Limited	16,270,000	10.58%	16,270,000	32,540,000
Belian Holdings Limited	9,077,869	5.90%	9,077,869	18,155,738
	86,686,630		86,686,630	173,373,260

DIRECTORS' REMUNERATION AND OTHER BENEFITS

	Directors Fees[1] $	Other Remuneration[2] $
Rewi Hamid Bugo	19,000	-
Brent Douglas King[2]	15,083	159,529
Huei Min Lim	18,821	-
Graeme Iain Brown	17,583	-
Simon John McArley	18,821	-
	89,308	159,529

[1]Directors fees above are for the full year ended 31 March 2019 for General Capital Limited (formerly named Mykco Limited). Directors fees disclosed in the financial statements are only since 3 August 2018, the date of the reverse acquisition of Corporate Holdings Limited. Refer to the related party balances and transactions and business combinations notes in the financial statements for further details.

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

	$
Base salary	120,000
Car allowance	8,000
Commission[3]	27,350
Other	4,179
	159,529

DIRECTORS' REMUNERATION AND OTHER BENEFITS (Continued)

Other entitlements of the Managing Director:

[3]Brent King is entitled to a commission payment of 10% of all fee income earned by the Group. For the avoidance of doubt, this excludes any fees earned by General Finance Limited in relation to its lending business. $11,055 of the above commission amount was paid by transferring shares of Sports & Education Corporation Limited to Brent King (i.e. a portion of the shares that were received by the Group for fees in relation to an advisory project).

Brent King is also entitled to a profit share of 8% of any amount by which the Group's net profit after tax exceeds the benchmark for that year. That benchmark is the total equity of the Group at the commencement of the year, multiplied by the Official Cash Rate (set by the Reserve Bank of New Zealand) plus 10% per annum. These amounts are to be paid quarterly based on estimates calculated by the Group Chief Financial Officer. During the year ended 31 March 2019, there were no such payments made to the Managing Director (the Group made a loss in the financial year).

DIRECTORS DEALINGS IN QUOTED FINANCIAL PRODUCTS DURING THE YEAR ENDED 31 MARCH 2019

	Date of Transaction	Financial Product	Number of Financial Products Acquired / (disposed)	Consideration (received) / paid $	Relevant Interest
Rewi Hamid Bugo[1]	3/08/2018	Ordinary shares	32,540,000	Note 5	Note 1
Brent Douglas King[2]	3/08/2018	Ordinary shares	20,948,166	Note 5	Note 2
Brent Douglas King[3]	3/08/2018	Ordinary shares	1,220,265	Note 5	Note 3
Rewi Hamid Bugo[1]	7/12/2018	Ordinary shares	7,850,111	$529,883	Note 1
Brent Douglas King[2]	3/08/2018	Ordinary shares	484	$33	Note 2
Graeme Iain Brown[4]	10/12/2018	Ordinary shares	5,808,390	$374,850	Note 4
Rewi Hamid Bugo[1]	11/12/2018	GENWA Warrants	40,390,111	Note 6	Note 1
Brent Douglas King[2]	11/12/2018	GENWA Warrants	20,948,650	Note 6	Note 2
Brent Douglas King[3]	11/12/2018	GENWA Warrants	3,562,470	Note 6	Note 3
Graeme Iain Brown[4]	11/12/2018	GENWA Warrants	9,077,869	Note 6	Note 4
Rewi Hamid Bugo[1]	11/12/2018	GENWB Warrants	80,780,222	Note 6	Note 1
Brent Douglas King[2]	11/12/2018	GENWB Warrants	41,897,300	Note 6	Note 2
Brent Douglas King[3]	11/12/2018	GENWB Warrants	7,124,940	Note 6	Note 3
Graeme Iain Brown[4]	11/12/2018	GENWB Warrants	18,155,738	Note 6	Note 4

Relevant Interests

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

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

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

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

Transaction details

[5]Shares issued in relation to the acquisition of Corporate Holdings Limited, whereby the vendors in the transaction (shareholders of Corporate Holdings Limited) received 16.27 ordinary shares in the Company in return for each share they owned in Corporate Holdings Limited. This transaction was completed and announced to the market on 3 August 2018.

[6]One GENWA Warrant and two GENWB warrants were issued for each ordinary share held by eligible shareholders on the record date (10 December 2018) for no consideration.

SHAREHOLDER AND STATUTORY INFORMATION

DIRECTORS QUOTED FINANCIAL PRODUCT HOLDINGS AT 31 MARCH 2019

	Ordinary Shares	GENWA Warrants	GENWB Warrants
Rewi Hamid Bugo[1]	40,390,111	40,390,111	80,780,222
Brent Douglas King[2]	20,948,650	20,948,650	41,897,300
Brent Douglas King[3]	3,562,470	3,562,470	7,124,940
Graeme Iain Brown[4]	9,077,869	9,077,869	18,155,738
	73,979,100	73,979,100	147,958,200

Relevant Interests

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

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

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

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

OTHER DIRECTORSHIPS HELD BY DIRECTORS

Rewi Hamid Bugo

General Capital Limited
Sarawak Consolidated Industries Berhad
Thriven Global Berhad
Aventura Properties Limited
Bay of Islands Property Limited
Borneo Capital Limited
Borneo Investments Limited
Corporate Holdings Limited
GA Sego Limited
Inlet Contractors Limited
Inlet Estate Limited
Northern Properties (2007) Limited
Sego Holdings (NZ) Limited
Selwyn Residential Limited
Billion Jasa Sdn Bhd
Delima Pelita Sdn Bhd
Didi Resources Sdn Bhd
Didi Automotive Sdn Bhd
Era Malindo Sdn Bhd
Gading Kapital Sdn Bhd
Ik Chin Travel Services (K) Sdn Bhd
Lamacipta Sdn Bhd
Mesti Perkasa Sdn Bhd
Pacific Unit Sdn Bhd
Parklane Properties Sdn Bhd
Petra Jaya Properties Sdn Bhd
PJP Dua Sdn Bhd
Profile Equity Sdn Bhd
Property Plus Marketing Services Sdn Bhd
Reignvest Corporation Sdn Bhd
Rekaruang Sdn Bhd
Santubong Properties Sdn Bhd
Santubong Suites Sdn Bhd
Sara Gemilang Sdn Bhd
Sarasiana Holdings Sdn Bhd
Sarawakiana Holdings Sdn Bhd
SCIB Concrete Manufacturing Sdn Bhd
SCIB Holdings Sdn Bhd
SCIB Industrialised Building System Sdn Bhd
Sego Holdings Sdn Bhd
Space Craft Sdn Bhd
Strategen Services Sdn Bhd
Syn Tai Hung Borneo Sdn Bhd
Telaga Air Resourses Sdn Bhd
Transnational Insurance Brokers (M) Sdn Bhd
Trombol Resort Sdn Bhd
Warble Resources Sdn Bhd

Graeme Iain Brown

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

OTHER DIRECTORSHIPS HELD BY DIRECTORS (Continued)

Brent Douglas King

A.I.S. Limited
Askridge Holdings Limited
Barter Investments Limited
Commercial and General Limited
Corporate Holdings Limited
Equity Investment Advisers Limited
General Capital Limited
General Finance Limited
General Finance & Leasing Limited
General Finance & Investments Limited
General Leasing Limited
General Loan & Finance Limited
Investment Research Group Limited
King Capital & Investment Corporation Limited
Kohaus Limited
Moneyonline Limited
Mykco Limited
Snowdon Peak Investments Limited
Sports & Education Corporation Limited
Transaction Holdings Limited

Huei Min Lim

F H Holdings Limited
FH Nominees Limited
Forest Administration Limited
General Capital Limited
Hartajaya Investments Limited
Kaya Investments Limited
Restaurant Brands New Zealand Limited

Other Appointments:
Asia New Zealand Foundation
Auckland Regional Amenities Funding Board
Auckland University of Technology Council

Simon John McArley

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

EMPLOYEE REMUNERATION

During the year ended 31 March 2019, the number of employees or former employees of the Group not being directors of General Capital Limited (but including Executive Directors of Subsidiaries), who received remuneration and other benefits in their capacity as employees, the value of which exceeded $100,000 for the year was as follows:

	Number of Employees	
Remuneration Range	**2019**	**2018**
$120,000 - $129,999	1	0
$130,000 - $139,999	1	0

NZX Waivers

There were no waivers relied upon by the Company in the year ended 31 March 2019.

Certain class waivers have been issued by the NZX for migrating entities from the NZAX to the NZX Main Board. These have been applied by the Company since 1 July 2019, the date that the Company migrated to the NZX Main Board. The waivers included:

- A waiver from the requirement to update the Company's constitution for the requirements of the NZX Main Board rules dated 1 January 2019 until the next Annual or Special Meeting, provided the Company complies with the Rules from migration date.
- A waiver from the release dates prescribed in the NZX Main Board Rules dated 1 January 2019 in relation to the Company's 31 March 2019 results announcement and 31 March 2019 Annual Report provided the release dates prescribed in the NZAX listing rules are met.

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

GENERAL CAPITAL LIMITED (formerly Mykco limited)
CORPORATE DIRECTORY

REGISTERED OFFICE:	General Capital Limited Level 7, Swanson House 12-26 Swanson Street Auckland 1010 New Zealand PO Box 1314 Shortland Street Auckland 1010 New Zealand Email: info@gencap.co.nz Web: www.gencap.co.nz Phone: (09) 526 5000
AUDITOR:	Baker Tilly Staples Rodway Level 9, Tower Centre 45 Queen Street Auckland CBD Auckland 1010
LAWYERS:	Lowndes Limited Level 5, Lowndes House 18 Shortland Street Auckland CBD Auckland 1010
SHARE REGISTER:	Computershare Investor Services Limited Level 2, 159 Hurstmere Road Takapuna Auckland 0622
BANKERS:	Bank of New Zealand ANZ Bank New Zealand Limited ASB Bank Limited Westpac New Zealand Limited Heartland Bank Limited

GENERAL CAPITAL

- We were a shell called Mykco Ltd.
- We are General Capital Ltd.
- We have over 700 shareholders.
- We have 154m shares on issue.
- We are listed on NZSX.
- We own General Finance Ltd and Investment Research Group Ltd.
- General Finance Ltd assets grew by 50% in the year to 31 March 2019.
- Our objective: Strong profitable growth.

GENERAL FINANCE
EST. 2001

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