

TURNERS LIMITED**Results for announcement to the market**

Reporting Period	6 months to 30 September 2015	
Previous Reporting Period	6 months to 30 September 2014	
	Amount (NZD000s)	Percentage change
Revenue from ordinary activities	84,131	289%
Operating profit after tax - ordinary activities	7,440	47%
Net profit attributable to security holders	7,432	47%
Interim Dividend	Amount per security	Imputed amount per security
	NZ\$0.006	NZ\$0.00
Record Date	8 December 2015	
Dividend Payment Date	15 December 2015	
Comments:		

TURNERS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	Six months ended 30/09/2015 Unaudited \$'000	Six months ended 30/09/2014 Unaudited \$'000	Year ended 31/03/2015 Audited \$'000
Revenue from continuing operations	84,079	21,652	89,498
Other income	52	-	7,098
Cost of goods sold	(29,704)	-	(22,576)
Interest expense	(5,772)	(2,236)	(7,381)
Movement in impairment provisions	46	(685)	(1,607)
Subcontracted services expense	(3,584)	-	(2,650)
Employee benefits (short term)	(16,915)	(5,222)	(18,204)
Commission	(3,154)	(2,655)	(6,926)
Advertising expense	(495)	(556)	(1,593)
Depreciation and amortisation expense	(1,064)	(354)	(1,504)
Property expense	(3,867)	(403)	(3,634)
Other expenses	(9,362)	(4,397)	(12,257)
Net operating profit	10,260	5,144	18,264
Share of profit of equity-accounted investment (net of tax)	-	450	742
Profit before taxation	10,260	5,594	19,006
Taxation (expense)/benefit	(2,820)	(529)	(956)
Profit from continuing operations	7,440	5,065	18,050
Other comprehensive income for the year (which may subsequently be reclassified to profit/loss), net of tax			
Foreign currency translation differences	(8)	(17)	19
Total comprehensive income for the year	7,432	5,048	18,069
Profit attributable to:			
- Owners of the parent	7,440	5,065	17,960
- Non-controlling interests	-	-	90
	7,440	5,065	18,050
Total comprehensive income attributable to:			
- Owners of the parent	7,432	5,048	17,979
- Non-controlling interests	-	-	90
	7,432	5,048	18,069
Earnings per share (cents per share)			
Basic earnings per share	1.18	1.03	3.28
Basic earnings per share on continuing operations	1.18	1.03	3.28
Diluted earnings per share	2.20	1.03	3.01
Diluted earnings per share on continuing operations	2.20	1.03	3.01

TURNERS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Share Capital \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Non-controlling interest \$'000	Total \$'000
Balance at 1 April 2014 (audited)	101,417	(42)	(27,323)	-	74,052
<i>Transactions with shareholders in their capacity as owners</i>					
Dividend paid	-	-	(2,470)	-	(2,470)
	-	-	(2,470)	-	(2,470)
<i>Comprehensive income</i>					
Profit	-	-	5,065	-	5,065
Foreign currency translation differences	-	(17)	-	-	(17)
Total comprehensive income for the period, net of tax	-	(17)	5,065	-	5,048
Balance at 30 September 2014	101,417	(59)	(24,728)	-	76,630
<i>Transactions with shareholders in their capacity as owners</i>					
Capital contributions	34,060	-	-	-	34,060
Share buy-back	(183)	-	-	-	(183)
Dividend paid	-	-	(2,526)	-	(2,526)
	33,877	-	(2,526)	-	31,351
<i>Comprehensive income</i>					
Profit	-	-	12,895	90	12,985
Foreign currency translation differences	-	36	-	-	36
Total comprehensive income for the period, net of tax	-	36	12,895	90	118,424
Non-controlling interest arising on business combination	-	-	-	10,832	10,832
Acquisition of non-controlling interest	-	-	90	(10,922)	(10,832)
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	90	(90)	-
Balance at 31 March 2015 (audited)	135,294	(23)	(14,269)	-	121,002
<i>Transactions with shareholders in their capacity as owners</i>					
Capital contributions	1,161	-	-	-	1,161
Dividend paid	-	-	(3,785)	-	2,470
	1,161	-	(3,785)	-	3,631
<i>Comprehensive income</i>					
Profit	-	-	7,440	-	7,440
Foreign currency translation differences	-	(8)	-	-	(8)
Total comprehensive income for the period, net of tax	-	(8)	7,440	-	7,432
Balance at 30 September 2015 (unaudited)	136,455	(31)	(10,614)	-	125,810

TURNERS LIMITED
CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
As at 30 September 2015

	30/09/2015 Unaudited \$'000	30/09/2014 Unaudited \$'000	31/03/2015 Audited \$'000
Assets			
Cash and cash equivalents	13,019	8,654	12,339
Financial assets at fair value through profit or loss			
- Insurance	15,545	16,260	16,985
- Other	365	365	365
Trade receivables	13,163	-	7,394
Inventory	7,820	-	8,984
Finance receivables	164,436	92,136	142,827
Other receivables and deferred expenses	4,553	7,063	5,946
Reverse annuity mortgages	11,872	16,383	13,253
Investment in associate	-	9,791	-
Property, plant and equipment	8,663	901	8,319
Tax receivables	18	-	433
Deferred tax asset	5,310	7,018	8,532
Intangible assets	105,145	33,312	103,595
Total assets	349,909	191,883	328,972
Liabilities			
Other payables	21,136	11,407	17,790
Deferred revenue	7,597	6,187	7,476
Tax payable	403	-	71
Borrowings	168,948	74,224	156,995
Life investment contract liabilities	15,498	15,713	16,378
Life insurance contract liabilities	10,517	7,722	9,260
Total liabilities	224,099	115,253	207,970
Shareholders' equity			
Share capital	136,455	101,417	135,294
Translation reserve	(31)	(59)	(23)
Retained earnings	(10,614)	(24,728)	(14,269)
Total shareholders' equity	125,810	76,630	121,002
Total shareholders' equity and liabilities	349,909	191,883	328,972
Total assets per share (\$)	0.55	0.39	0.52
Net tangible assets (\$)	0.02	0.07	0.01

TURNERS LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2015

	Six months ended 30/09/2015 Unaudited \$'000	Six months ended 30/09/2014 Unaudited \$'000	Year ended 31/03/2015 Audited \$'000
Cash flows from operating activities			
Interest received	13,083	7,919	20,242
Receipts from customers	290,309	12,475	245,377
Interest paid	(4,814)	(2,478)	(6,928)
Payment to suppliers and employees	(285,424)	(13,231)	(246,409)
Income tax paid	841	(701)	(1,797)
Net cash inflow/(outflow) from operating activities before changes in operating assets and liabilities	13,995	3,984	10,485
Net increase in finance receivables	(8,785)	(5,095)	(18,748)
Net decrease in reverse annuity mortgages	1,439	2,173	5,996
Sale of insurance assets at fair value through profit and loss	1,910	696	1,579
Net contribution from life investment contracts	(394)	(164)	(626)
Changes in operating assets and liabilities arising from cash flow movements	(5,830)	(2,390)	(11,799)
Net cash (outflow)/inflow from operating activities	8,165	1,594	(1,314)
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and intangibles	244	-	123
Dividend received from associate	-	868	1,710
Purchase of fixed assets and intangible assets	(1,372)	(131)	(1,464)
Purchase of subsidiaries	(4,856)	(8,592)	(48,382)
Net cash inflow from investing activities	(5,984)	(7,855)	(48,013)
Cash flows from financing activities			
Net bank loan advances/(repayments)	1,400	10,559	81,282
Proceeds of share issue	466	-	16,749
Proceeds from the issue of bonds	-	-	7,044
Repayment of non bank funding	-	-	(49,600)
Dividend paid	(3,785)	(2,470)	(4,996)
Net cash inflow/(outflow) from financing activities	(1,919)	8,089	50,479
Net movement in cash and cash equivalents	262	1,828	1,152
Add opening cash and cash equivalents	12,339	5,555	5,555
Cash included with purchase of subsidiaries	409	1,266	5,636
Translation difference	9	5	(4)
Closing cash and cash equivalents	13,019	8,654	12,339

TURNERS LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2015

	Six months ended 30/09/2015 Unaudited \$'000	Six months ended 30/09/2014 Unaudited \$'000	Year ended 31/03/2015 Audited \$'000
RECONCILIATION OF NET SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss)	7,440	5,065	18,050
Adjustment for Non-cash items			
Impairment charge on finance receivables and reverse annuity mortgages	(46)	685	1,594
Net loss on sale of fixed assets	(20)	11	112
Depreciation and amortisation	1,064	354	1,504
Capitalised reverse annuity mortgage interest	(585)	(758)	(1,376)
Deferred revenues	1,790	(546)	1,465
Change in value of financial assets at fair value through profit or loss	1	(427)	(2,603)
Net annuity and premium change to policyholders accounts	(486)	719	1,711
Equity accounted income	-	(450)	(742)
Revaluation gain on acquisition of associate	-	-	(7,060)
Non-cash long term employee benefits	188	-	(78)
Non-cash adjustments to finance receivables effective interest rates	74	-	78
Fair value adjustment on investments	-	-	66
Deferred expenses	770	-	(189)
Adjustment for Movements in Working Capital			
Net increase receivables and pre-payments	(4,297)	(175)	(340)
Net decrease/(increase) in inventories	1,164	-	(442)
Net decrease/(increase) in current tax receivable	371	-	(7)
Net increase/(decrease) in payables	3,291	(487)	(402)
Net increase in finance receivables	(8,785)	(5,095)	(18,748)
Net decrease in reverse annuity mortgages	1,439	2,173	5,996
Net decrease of insurance assets at fair value through profit or loss	1,910	696	1,579
Net contributions from life investment contracts	(394)	(164)	(626)
Net decrease/(increase) in deferred tax	3,291	(7)	(834)
Net increase in provisions	(15)	-	(22)
Net Cash inflow/(outflow) from Operating Activities	8,165	1,594	(1,314)

TURNERS LIMITED

ACQUISITION OF SOUTHERN FINANCE LIMITED

On 31 July 2015, the Group acquired 100% of the equity in Southern Finance Limited, a Christchurch based finance company. The acquisition strengthens the Group's Finance business with loan portfolio metrics in line with the Group's receivables book and significantly increases the Group's Finance business geographic presence on the South Island.

	31/07/2015
	\$'000
<i>Fair value of consideration transferred</i>	
Amount settled in cash on settlement date	4,856
<i>Identified assets acquired and liabilities assumed</i>	
Cash and cash equivalents	409
Finance receivables	9,527
Trade and other receivables	56
Fixed assets	171
Intangible assets	69
Trade and other payables	(253)
Borrowings	(6,800)
Identifiable net assets	3,179
Goodwill on acquisition	1,677
Consideration transferred settled in cash	4,856
Cash and cash equivalent acquired	(409)
Net cash outflow on acquisition	4,447
Acquisition costs charged to expenses	56
Net cash paid relating to acquisition	4,503

Borrowings

Borrowings represents bank borrowing with a first ranking security deed over the assets of the Southern Finance Limited

Identified assets acquired and liabilities assumed

The carrying value of the assets were considered to be a fair representation of the replacement cost.

Goodwill

Goodwill of \$1,677,000 is primarily related to growth expectations, expected future profitability and the substantial skill and expertise of the work force.

Contribution to Group results

In the six months to 30 September 2015 the business contributed revenue of \$0.3 million and profit of \$0.1 million to the Group's consolidated results.