

Consolidated interim statement of comprehensive income

For the six months ended 30 September 2015

	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Revenue	213,006	134,798
Cost of sales	84,927	77,695
Gross margin	128,079	57,103
Share of profit of equity accounted investees	496	455
Operating expenditure		
Lease costs	8,513	6,875
Depreciation and amortisation	2,524	2,029
Employee benefit expense	90,066	28,286
Other expenditure	12,848	8,142
	113,951	45,332
Operating profit before interest and tax	14,624	12,226
Net interest	(621)	136
Profit before tax	14,003	12,362
Tax expense	(3,662)	(3,403)
Profit and total comprehensive income for the period	10,341	8,959
Profit after tax and total comprehensive income for the period attributable to:		
Shareholders of the Parent	8,296	6,941
Non-controlling interest	2,045	2,018
Earnings per share:		
Basic earnings per share (cents)	6.15	5.29
Diluted earnings per share (cents)	6.13	5.27

The consolidated interim financial statements should be read in conjunction with the accompanying notes

Consolidated interim statement of changes in equity

For the six months ended 30 September 2015

	Note	Share Capital \$'000	Retained Earnings \$'000	Non-Controlling Interest \$'000	Total Equity \$'000
September 2015					
As at 1 April 2015		69,767	26,514	3,140	99,421
Profit and total comprehensive income for the period			8,296	2,045	10,341
Transactions with owners, recorded directly in equity					
Issue of shares	6	3,301			3,301
Dividends to shareholders	7		(24,988)		(24,988)
Distributions to non-controlling interests				(1,606)	(1,606)
Impact of other transactions with non-controlling interests			(1,200)	(20)	(1,220)
Share scheme amortisation		42			42
As at 30 September 2015		73,110	8,622	3,559	85,291
September 2014					
As at 1 April 2014		63,289	23,228	2,898	89,415
Profit and total comprehensive income for the period			6,941	2,018	8,959
Transactions with owners, recorded directly in equity					
Issue of shares	6	3,126			3,126
Dividends to shareholders			(4,564)		(4,564)
Distributions to non-controlling interests				(1,169)	(1,169)
Impact of other transactions with non-controlling interests			(1,684)	(149)	(1,833)
Share scheme amortisation		32			32
As at 30 September 2014		66,447	23,921	3,598	93,966

The consolidated interim financial statements should be read in conjunction with the accompanying notes

Consolidated interim statement of financial position

As at 30 September 2015

	Note	As at 30 Sep 2015 (Unaudited) \$'000	As at 31 Mar 2015 (Audited) \$'000
Equity			
Share capital	6	73,110	69,767
Retained earnings		8,622	26,514
Total equity attributable to shareholders of the Parent		81,732	96,281
Non-controlling interest		3,559	3,140
Total equity		85,291	99,421
Current assets			
Cash and cash equivalents		15,178	23,554
Trade and other receivables		31,129	22,694
Inventories		27,655	24,951
Total current assets		73,962	71,199
Non-current assets			
Property, plant and equipment		16,014	13,434
Intangible assets		100,341	93,407
Deferred tax asset		5,866	5,869
Equity accounted group investments		4,834	7,142
Total non-current assets		127,055	119,852
Total assets		201,017	191,051
Current liabilities			
Payables and accruals		51,930	50,264
Income taxes payable		557	1,238
Borrowings		3,300	7,892
Total current liabilities		55,787	59,394
Non-current liabilities			
Payables and accruals		1,333	1,177
Borrowings		58,606	31,059
Total non-current liabilities		59,939	32,236
Total liabilities		115,726	91,630
Net assets		85,291	99,421

The consolidated interim financial statements should be read in conjunction with the accompanying notes

Consolidated interim statement of cash flows

For the six months ended 30 September 2015

	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Note		
Cash flows from operating activities		
Equity accounted investee dividend received	517	376
Receipts from customers	204,937	131,995
Payments to suppliers and employees	(198,142)	(119,435)
Net interest (paid) / received	(621)	136
Income taxes paid	(4,353)	(5,475)
Net cash inflow from operating activities	2,339	7,597
8		
Cash flows from investing activities		
Purchases of property, plant, equipment and software intangibles	(4,421)	(2,374)
Acquisition of interests in subsidiaries and associates	(7,207)	(6,450)
Proceeds from sale of shares in subsidiary	520	-
Proceeds from sale of interests in equity accounted investments	266	-
Net cash outflow from investing activities	(10,841)	(8,824)
Cash flows from financing activities		
Proceeds from new borrowings	30,927	3,078
Repayment of borrowings	(8,623)	(1,921)
Shares issued for cash	74	115
Dividends paid - shareholders	(21,761)	(1,559)
Net distributions to non-controlling interests	(1,606)	(963)
Net cash outflow from financing activities	(989)	(1,250)
6		
Net decrease in cash and cash equivalents	(9,491)	(2,477)
Cash acquired: business combinations	1,115	-
Add opening cash and cash equivalents	23,554	25,274
Closing cash and cash equivalents as per consolidated interim statement of financial position	15,178	22,797

The consolidated interim financial statements should be read in conjunction with the accompanying notes

Notes to the financial statements

For the six months ended 30 September 2015

1. Reporting Entity

Green Cross Health Limited (the "Parent") is a New Zealand company registered under the Companies Act 1993 and listed on the NZX Main Board ("NZX"). The Parent is an issuer in terms of the Financial Reporting Act 2013 and a profit-oriented entity.

The consolidated interim financial statements of Green Cross Health Limited comprise the Parent, its subsidiaries, and its interest in associates and joint ventures (together referred to as the "Group").

2. Basis of preparation of financial statements

(a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), NZ IAS 34 Interim Financial Reporting, and other applicable Financial Reporting Standards as appropriate for profit oriented entities. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2015.

The consolidated interim financial statements for the six months ended 30 September 2015 and the comparative information for the six months ended 30 September 2014 are unaudited.

(b) Basis of measurement

The financial statements of the Group are prepared under the historical cost basis unless otherwise noted within the specific accounting policies below.

(c) Changes in accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2015. The Group has not applied any standards, amendments to standards and interpretations that are not yet effective.

(d) Comparatives

Where appropriate comparative information has been reclassified to conform to the current period's presentation.

3. Accounting estimates and judgments

In authorising the consolidated interim financial statements for the six months ended 30 September 2015, the Directors have ensured that the specific accounting policies necessary for the proper understanding of the financial statements have been disclosed, and that all accounting policies adopted are appropriate for the Group's circumstances and have been consistently applied throughout the period for all Group entities for the purposes of preparing the consolidated interim financial statements.

Inherent in the application of certain accounting policies, judgments and estimates are required. The Directors note that the actual results may differ from the judgments and estimates made.

4. Segment reporting

The Group has three reportable segments pharmacy retail services, medical services and community health services:

The Group's main operations are in the pharmacy industry providing pharmacy retail services through consolidated stores, equity accounted investments and franchise stores. The medical services segment includes fully owned and equity accounted medical centres, and support services provided to these medical centres, as well as medical centres outside the Group. The community health services segment provides services direct to the community to support independent living.

Notes to the financial statements

For the six months ended 30 September 2015

Segments reporting (continued)

	Pharmacy retail services	Medical services	Community Health services	Intersegment eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
September 2015					
External revenues	138,423	23,030	51,554	-	213,006
Share of profit of equity accounted investees	91	401	4	-	496
Net interest income / (expense)	26	(459)	(189)	-	(621)
Depreciation and amortisation	(1,924)	(342)	(258)	-	(2,524)
Segment profit before income tax	12,589	913	502	-	14,003
Tax expense	(3,420)	(198)	(44)	-	(3,662)
Profit after tax	9,169	715	457	-	10,341
Segment assets	167,822	27,520	26,483	(20,808)	201,017
Segment liabilities	92,767	20,638	23,128	(20,808)	115,726
September 2014					
External revenues	127,606	7,192	-	-	134,798
Share of profit of equity accounted investees	71	290	94	-	455
Net interest income / (expense)	185	(49)	-	-	136
Depreciation and amortisation	(1,922)	(107)	-	-	(2,029)
Segment profit before income tax	11,073	1,289	-	-	12,362
Tax expense	(3,132)	(271)	-	-	(3,403)
Profit after tax	7,941	1,018	-	-	8,959
Segment assets	132,926	13,120	-	(4,626)	141,420
Segment liabilities	43,004	9,076	-	(4,626)	47,454

Notes to the financial statements

For the six months ended 30 September 2015

5. Business combinations

No individually material acquisitions have been made for the six months ended 30 September 2015.

6. Shares on issue

Shares authorised and on issue

	As at 30 Sep 2015 (Unaudited) '000	As at 31 Mar 2015 (audited) '000
Opening number of shares	134,388	130,740
Shares issued - fully paid	1,337	3,498
Shares issued - partly paid	300	150
	136,025	134,388
Shares held as treasury stock	(700)	(500)
Closing number of shares	135,325	133,888

7. Distribution to owners

On the 19 June 2015 Green Cross Health Limited paid a dividend of 3.5 cents per qualifying ordinary share to shareholders fully imputed to 28%. Also, on 21 August 2015 Green Cross Health Limited paid a special dividend of 15 cents per qualifying ordinary share to shareholders fully imputed to 28%.

8. Operating cash flows reconciliation

	Six months ended 30 Sep 2015 (Unaudited) \$'000	Six months ended 30 Sep 2014 (Unaudited) \$'000
Profit for the period	10,341	8,959
<i>Add/(deduct) non-cash items:</i>		
Equity accounted profits (net of dividends received)	21	(79)
Depreciation and asset write-off	2,524	2,029
Amortisation of lease incentive	(104)	(46)
Deferred tax	3	(2)
Share scheme amortisation	42	32
Gain on sale of Associate and Joint venture	(459)	-
<i>Add/(deduct) changes in working capital items:</i>		
Receivables and accruals	(7,604)	(2,803)
Inventory	(2,374)	(1,765)
Payables and accruals	(52)	1,272
Net cash inflow from operating activities	2,339	7,597

9. Subsequent events

On 24 November 2015 Green Cross Health Limited declared dividends of 3.5 cents per qualifying ordinary share fully imputed to 28%.

No adjustments are required to these consolidated interim financial statements in respect to this event.

Company Directory

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Board

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Chairman

J A Bagnall
Non-Executive Director

J B Bolland
Non-Executive Director

A W Edwards
Independent Director

K R Rushbrook
Independent Director

K A Orr
Independent Director

P D Davies
Non-Executive Director

M M Millard
Independent Director

Board Secretary

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Auditor

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Websites

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Share Registrar

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Managing your shareholding online:
To change your address, update your
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Please assist our registrar by quoting your CSN
or shareholder number