

Consolidated interim statement of comprehensive income

For the six months ended 30 September 2017

		Six months ended 30 Sep 2017 (Unaudited) \$'000	Six months ended 30 Sep 2016 (Unaudited) \$'000
	Note		
Operating revenue		254,151	237,676
Operating expenditure	5	(234,765)	(217,051)
Depreciation and amortisation		(3,349)	(3,310)
Share of profit of equity accounted investees		457	331
Operating profit before interest and tax		16,494	17,646
Net interest		(1,063)	(958)
Profit before tax		15,431	16,688
Tax expense		(4,310)	(3,874)
Profit and total comprehensive income for the period		11,121	12,814
Profit after tax and total comprehensive income for the period attributable to:			
Shareholders of the Parent		8,768	10,490 [^]
Non-controlling interest		2,353	2,324
Earnings per share:			
Basic earnings per share (cents)		6.25	7.63
Diluted earnings per share (cents)		6.23	7.60
Net tangible liabilities per share (cents)		(8.20)	(12.02)
Net assets per share (cents)		85.36	75.45

[^] Includes fair value gain of \$2.764m

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 2017

	Note	Share Capital \$'000	Retained Earnings \$'000	Non-Controlling Interest \$'000	Total Equity \$'000
September 2017					
As at 1 April 2017		83,887	23,488	4,855	112,230
Profit and total comprehensive income for the period			8,768	2,353	11,121
Transactions with owners, recorded directly in equity					
Issue of shares	6	3,297			3,297
Dividends to shareholders	7		(4,883)		(4,883)
Distributions to non-controlling interests				(1,251)	(1,251)
Impact of other transactions with non-controlling interests			(106)		(106)
Share scheme amortisation		11			11
As at 30 September 2017		87,195	27,267	5,957	120,419

September 2016					
As at 1 April 2016		76,577	13,835	3,728	94,140
Profit and total comprehensive income for the period			10,490	2,324	12,814
Transactions with owners, recorded directly in equity					
Issue of shares	6	3,865			3,865
Dividends to shareholders			(4,788)		(4,788)
Distributions to non-controlling interests				(1,435)	(1,435)
Impact of other transactions with non-controlling interests			(253)	(224)	(477)
Share scheme amortisation		42			42
As at 30 September 2016		80,484	19,284	4,393	104,161

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

Consolidated interim statement of financial position

As at 30 September 2017

	Note	As at 30 Sep 2017 (Unaudited) \$'000	As at 31 Mar 2017 (Audited) \$'000	As at 30 Sep 2016 (Unaudited) \$'000
Current assets				
Cash and cash equivalents		14,704	18,195	14,505
Trade and other receivables		36,978	33,859	39,402
Inventories		35,316	33,713	37,366
Total current assets		86,998	85,767	91,273
Non-current assets				
Property, plant and equipment		23,053	21,966	20,347
Intangible assets		124,157	124,381	114,489
Deferred tax asset		7,832	7,970	6,259
Equity accounted group investments		5,691	5,127	4,771
Total non-current assets		160,733	159,444	145,866
Total assets		247,731	245,211	237,139
Current liabilities				
Payables and accruals		72,936	62,410	65,713
Income taxes payable		836	3,872	289
Borrowings		6,337	28,586	25,294
Total current liabilities		80,109	94,868	91,296
Non-current liabilities				
Payables and accruals		1,120	1,162	1,272
Borrowings		46,083	36,951	40,410
Total non-current liabilities		47,203	38,113	41,682
Total liabilities		127,312	132,981	132,978
Net assets		120,419	112,230	104,161
Equity				
Share capital	6	87,195	83,887	80,484
Retained earnings		27,267	23,488	19,284
Total equity attributable to shareholders of the Parent		114,462	107,375	99,768
Non-controlling interest		5,957	4,855	4,393
Total equity		120,419	112,230	104,161

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 2017

	Six months ended 30 Sep 2017 (Unaudited) \$'000	Six months ended 30 Sep 2016 (Unaudited) \$'000
Note		
Cash flows from operating activities		
Equity accounted investee dividend received	233	327
Receipts from customers	251,032	232,537
Payments to suppliers and employees	(225,677)	(220,045)
Net interest paid	(1,063)	(958)
Income taxes paid	(7,208)	(5,034)
Net cash inflow from operating activities	17,317	6,827
8		
Cash flows from investing activities		
Purchases of property, plant, equipment and software intangibles	(4,514)	(5,430)
Acquisition of interests in subsidiaries and associates	(365)	(2,555)
Proceeds from sale of shares in subsidiary	25	-
Net cash outflow from investing activities	(4,854)	(7,985)
Cash flows from financing activities		
Proceeds from new borrowings	51,813	3,763
Repayment of borrowings	(64,930)	(5,244)
Shares issued for cash	-	149
Dividends paid - shareholders	(1,586)	(1,472)
Net distributions to non-controlling interests	(1,251)	(1,451)
Net cash outflow from financing activities	(15,954)	(4,255)
6		
Net decrease in cash and cash equivalents	(3,491)	(5,413)
Cash acquired: business combinations	-	-
Add opening cash and cash equivalents	18,195	19,918
Closing cash and cash equivalents as per consolidated interim statement of financial position	14,704	14,505
<i>Reconciliation of closing cash and cash equivalents to the balance sheet:</i>		
Cash and cash equivalents	14,704	14,505
Closing cash and cash equivalents	14,704	14,505

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 2017

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 a FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013.

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 2017.

The consolidated interim financial statements for the six months ended 30 September 2017 and the comparative information for the six months ended 30 September 2016 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 2017. 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 2017, 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 services, medical services and community health.

The Group's main operations are in the pharmacy industry providing pharmacy 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 provide services direct to the community to support independent living.

Notes to the financial statements

For the six months ended 30 September 2017

4. Segment reporting (continued)

	Pharmacy services	Medical services	Community Health	Other ¹	Total
September 2017	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	166,306	24,951	62,894	-	254,151
Cost of products sold	(95,839)	-	-	-	(95,839)
Employee benefit expense	(30,709)	(18,306)	(58,134)	-	(107,149)
Lease expense	(8,218)	(1,438)	(564)	-	(10,221)
Other expenses	(15,381)	(3,795)	(2,380)	-	(21,556)
Depreciation and amortisation	(2,546)	(282)	(522)	-	(3,349)
Share of profit of equity accounted investees	135	322	-	-	457
Operating profit before interest and tax	13,748	1,452	1,295	-	16,494
Net interest income / (expense)					(1,063)
Profit before tax					15,431
Tax expense					(4,310)
Profit after tax					11,121
Segment assets	184,912	34,803	40,528	(12,511)	247,731
Segment liabilities	96,368	20,892	22,564	(12,511)	127,312

	Pharmacy services	Medical services	Community Health	Other ¹	Total
September 2016	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	157,840	24,758	55,078	-	237,676
Cost of products sold	(90,743)	-	-	-	(90,743)
Employee benefit expense	(28,796)	(18,605)	(50,712)	-	(98,113)
Lease expense	(7,876)	(1,446)	(579)	-	(9,901)
Other expenses	(15,514)	(3,287)	(2,257)	-	(21,058)
Gain on settlement of vendor put option	-	-	-	2,764	2,764
Gain on sale of associate and joint venture	-	-	-	-	-
Depreciation and amortisation	(2,646)	(300)	(364)	-	(3,310)
Share of profit of equity accounted investees	50	281	-	-	331
Operating profit before interest and tax	12,315	1,401	1,165	2,764	17,646
Net interest income / (expense)					(958)
Profit before tax					16,688
Tax expense					(3,874)
Profit after tax					12,814
Segment assets	197,602	31,222	30,551	(22,236)	237,139
Segment liabilities	105,343	22,582	27,289	(22,236)	132,978

1. Other includes intersegment eliminations and one off items

Notes to the financial statements

For the six months ended 30 September 2017

5. Operating expenses

	Six months ended 30 Sep 2017 (Unaudited) \$'000	Six months ended 30 Sep 2016 (Unaudited) \$'000
Cost of products sold	95,839	90,743
Employee benefit expense	107,149	98,113
Lease expense	10,221	9,901
Gain on settlement of vendor put option	-	(2,764)
Gain on sale of associate and joint venture	-	-
Other expenses	21,556	21,058
	234,765	217,051

6. Shares on issue

Shares authorised and on issue

	As at 30 Sep 2017 (Unaudited) \$'000	As at 31 Mar 2017 (Audited) \$'000	As at 30 Sep 2016 (Unaudited) \$'000
Opening number of shares	139,835	137,284	137,284
Shares issued - fully paid	1,578	2,701	1,384
Shares cancelled - partly paid	-	(150)	(150)
Shares issued - partly paid	-	-	-
	141,413	139,835	138,518
Shares held as treasury stock	(333)	(333)	(467)
Closing number of shares	141,080	139,502	138,051

7. Distribution to owners

On 23 June 2017 Green Cross Health Limited paid a final dividend for the March 2017 year of 3.5 cents per qualifying ordinary share to shareholders, which was fully imputed to 28%.

8. Operating cash flows reconciliation

	Six months ended 30 Sep 2017 (Unaudited) \$'000	Six months ended 30 Sep 2016 (Unaudited) \$'000
Profit for the period	11,121	12,814
<i>Add/(deduct) non-cash items:</i>		
Depreciation and asset write-off	3,349	3,390
Gain on settlement of vendor put option	-	(2,764)
Other non-cash items	28	(63)
<i>Add/(deduct) changes in working capital items:</i>		
Receivables and accruals	(3,116)	(5,139)
Inventory	(1,603)	(6,013)
Payables and accruals	7,538	4,602
Net cash inflow from operating activities	17,317	6,827

Notes to the financial statements

For the six months ended 30 September 2017

9. Subsequent events

On 27 November 2017 Green Cross Health Limited declared dividends of 3.5 cents per qualifying ordinary share, which will be 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

P M Merton
Chairman

J A Bagnall
Non-Executive Director

J B Bolland
Non-Executive Director

P J Williams
Non-Executive Director

A W Edwards
Independent Director

M M Millard
Independent Director

K A Orr
Independent Director

C M Steele
Independent Director

Board Secretary

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Share Registrar

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To change your address, update your
payment instructions and to view your
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Please assist our registrar by quoting your CSN
or shareholder number

Websites

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