

Turner Securities Ltd

ABN: 85 122 088 617

Interim Financial Statements

For the Half Year Ended 31 December 2021

Turner Securities Ltd

ABN: 85 122 088 617

Contents
For the Half Year Ended 31 December 2021

Directors' Report	2
Auditor's Independence Declaration	3
Interim Statement of Profit or Loss and Other Comprehensive Income	4
Interim Statement of Financial Position	5
Interim Statement of Changes in Equity	6
Interim Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	12
Independent Auditor's Report	13

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**Directors' Report
For the Half Year Ended 31 December 2021**

The directors submit the financial report of the Company for the half year ended 31 December 2021.

(a) General Information

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

- Mr Kenneth Mark Flint
- Mr Grant Robert Miles
- Mr David James McArdle
- Mr Michael Andrew Wilkins

(b) Operating results and review of operations for the year

Review of operations

The Company recorded a half year profit before tax of \$735,278. Profit has been positively influenced due to a well performing loan book. As a result, the lower interest recorded at 30 June 2021 has been reversed during the past 6 months of trading. The company has approved a number of new customer loans, resulting in a full customer loan book moving into 2022. As such the Directors expect profitability and business performance to continue to improve as we see the broader economic conditions return to pre COVID levels.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2021 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated this *18TH* day of *MARCH* 2022

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE
TURNER SECURITIES LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'William Buck'.

William Buck (SA)
ABN 38 280 203 274

A handwritten signature in black ink that reads 'G. Martinella'.

G.W. Martinella
Partner

Dated at Adelaide this 18th day of March, 2022.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

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**Interim Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2021**

	31 December 2021	31 December 2020
	\$	\$
Sales revenue	2,736,507	1,929,902
Other income	9,315	37,500
Marketing expenses	(5,281)	(4,899)
Occupancy costs	(50,862)	(48,982)
Administrative expenses	(392,646)	(383,988)
Other expenses	(586,256)	(234,415)
Finance costs	(975,499)	(1,195,886)
Profit before income tax	735,278	99,232
Income tax expense	(177,945)	(21,969)
Profit for the half year	557,333	77,263
Other comprehensive income, net of income tax	-	-
Total comprehensive income for the half year	557,333	77,263

The accompanying notes form part of these financial statements.

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**Interim Statement of Financial Position
As At 31 December 2021**

	31 December 2021 \$	30 June 2021 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7,936,569	15,184,985
Trade and other receivables	28,453,544	20,990,977
Current tax receivable	5,041	2,152
Other assets	62,854	17,472
TOTAL CURRENT ASSETS	36,458,008	36,195,586
NON CURRENT ASSETS		
Trade and other receivables	21,623	21,623
Property, plant and equipment	31,615	632,653
Financial assets	976,689	-
Deferred tax assets	16,673	17,476
TOTAL NON CURRENT ASSETS	1,046,600	671,752
TOTAL ASSETS	37,504,608	36,867,338
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	397,986	410,736
Borrowings	28,956,378	28,155,245
Current tax liabilities	133,316	(49,331)
Employee benefits	62,523	64,286
Other liabilities	733,068	356,605
TOTAL CURRENT LIABILITIES	30,283,271	28,937,541
NON CURRENT LIABILITIES		
Borrowings	5,010,000	6,235,000
Deferred tax liabilities	7,904	13,409
TOTAL NON CURRENT LIABILITIES	5,017,904	6,248,409
TOTAL LIABILITIES	35,301,175	35,185,950
NET ASSETS	2,203,433	1,681,388
EQUITY		
Issued capital	913,335	913,335
Retained earnings	1,290,098	768,053
TOTAL EQUITY	2,203,433	1,681,388

The accompanying notes form part of these financial statements.

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**Interim Statement of Changes in Equity
For the Half Year Ended 31 December 2021**

	Ordinary Shares	Redeemable Preference Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2020	213,335	700,000	960,429	1,873,764
Profit attributable to members of the entity	-	-	77,263	77,263
Dividends provided or paid	-	-	(35,288)	(35,288)
Balance at 31 December 2020	213,335	700,000	1,002,404	1,915,739
Balance at 1 July 2021	213,335	700,000	768,053	1,681,388
Profit attributable to members of the entity	-	-	557,333	557,333
Dividends provided or paid	-	-	(35,288)	(35,288)
Balance at 31 December 2021	213,335	700,000	1,290,098	2,203,433

The accompanying notes form part of these financial statements.

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**Interim Statement of Cash Flows
For the Half Year Ended 31 December 2021**

	31 December 2021	31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,399,873	626,744
Payments to suppliers and employees	(907,942)	(607,465)
Proceeds from repayment of loans	4,309,475	4,612,865
Payments for loans	(11,845,747)	(5,199,642)
Interest received	1,793,228	1,325,923
Interest paid	(975,499)	(1,195,886)
Net cash used in operating activities	(6,226,612)	(437,461)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from settlement of Property	414,551	5,779,678
Payments for property, plant and equipment	(511)	(189,671)
Net cash provided by investing activities	414,040	5,590,007
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from related party loans	-	(4,521)
Proceeds from the issue of debentures	2,248,183	1,424,000
Investment in term deposits	(976,689)	-
Repayment of debentures	(2,672,050)	(1,541,000)
Dividends paid	(35,288)	(35,288)
Net cash used in financing activities	(1,435,844)	(156,809)
Net increase/(decrease) in cash and cash equivalents held	(7,248,416)	4,995,737
Cash and cash equivalents at beginning of year	15,184,985	10,542,236
Cash and cash equivalents at end of financial year	7,936,569	15,537,973

The accompanying notes form part of these financial statements.

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ABN: 85 122 088 617

Notes to the Financial Statements For the Half Year Ended 31 December 2021

The interim financial report covers Turner Securities Ltd as an individual entity. Turner Securities Ltd is a for profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Turner Securities Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

These general purpose interim financial statements for the reporting period ending 31 December 2021 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Turner Securities Ltd. As such it does not contain information that represents relatively insignificant changes occurring during the half year within Turner Securities Ltd. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Turner Securities Ltd for the year ended 30 June 2021, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

	31 December 2021	31 December 2020
	\$	\$

2 Result for the Year

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Interest received	1,793,228	1,325,923
Salary and wages	226,676	232,951
Consulting and professional fees	225,471	173,590
Loan impairment	183,993	-

3 Dividends

The following dividends were declared and paid:

Franked redeemable preference dividend of 5.04 cents per share	35,288	35,288
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ABN: 85 122 088 617

Notes to the Financial Statements For the Half Year Ended 31 December 2021

4 Contingencies

In the opinion of the directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020: None).

5 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	31 December 2021	31 December 2020
	\$	\$
(a) Transactions involving directors of the Company		
A company directed by Grant Miles provided taxation and accounting, and advisory services	66,341	62,205
A company directed by David McArdle provided advisory services	16,500	16,500
A company directed by Michael Wilkins provided advisory services	16,500	16,500
Wages were paid to Kenneth Flint	158,350	145,369
(b) Balances to related parties		
CURRENT		
Secured debentures - directors	3,880,000	3,255,000
Secured debentures - other related party	200,000	135,817
	<u>4,080,000</u>	<u>3,390,817</u>
(c) Balances from related parties		
NON CURRENT		
Loan - other related party	<u>21,623</u>	<u>21,623</u>

6 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Notes to the Financial Statements For the Half Year Ended 31 December 2021

7 Fair Value Measurement

(a) Valuation techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

(b) Financial instruments

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

	31 December 2021		30 June 2021	
	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	7,936,569	7,936,569	15,184,985	15,184,985
Trade and other receivables	28,453,544	28,453,544	20,990,977	20,990,977
Term deposits	976,689	976,689	-	-
Total financial assets	37,366,802	37,366,802	36,175,962	36,175,962
Financial liabilities				
Trade and other payables	397,986	397,986	410,736	410,736
Debentures	33,966,378	33,966,378	34,390,245	34,390,245
Total financial liabilities	34,364,364	34,364,364	34,800,981	34,800,981

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ABN: 85 122 088 617

Notes to the Financial Statements For the Half Year Ended 31 December 2021

7 Fair Value Measurement (cont)

(c) Recurring and non recurring fair value measurement amounts and the level of the fair value hierarchy within which the fair value measurements are categorised

AASB 13: *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Company:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2021				
Recurring fair value measurements				
Loan receivable	28,442,526	-	-	28,442,526
30 June 2021				
Recurring fair value measurements				
Loan receivable	20,906,254	-	-	20,906,254

(d) Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

(e) Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

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Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 11, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards AASB 134: *Interim Financial Reporting*; and
 - (b) give a true and fair view of the Company financial position as at 31 December 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 

Director: 

Dated this *15TH* day of *MARCH* 2022

Turner Securities Ltd

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Turner Securities Ltd (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Turner Securities Ltd is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Financial Report

The directors of the Turner Securities Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck (SA)
ABN 38 280 203 274



G.W. Martinella
Partner

Dated at Adelaide this 18th day of March, 2022.