

Turner Securities Ltd

ABN: 85 122 088 617

Interim Financial Statements

For the Half Year Ended 31 December 2023

Turner Securities Ltd

ABN: 85 122 088 617

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Directors' Report

For the Half Year Ended 31 December 2023

The directors submit the financial report of the Company for the half year ended 31 December 2023.

(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 \$1,068,619. The directors are pleased with the financial performance of the company during the first half of the 2024 financial year. The Directors expect profitability and broader business performance to continue to improve in the remaining six months of the financial year.

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 2023 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 4th day of March 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Turner Securities Limited

As lead auditor for the review of Turner Securities Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, 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.

This declaration is in respect of Turner Securities Limited and the entities it controlled during the period.



William Buck (SA)
ABN 38 280 203 274



G.W. Martinella
Partner

Dated at Adelaide this 4th day of March, 2024.

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Interim Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 31 December 2023

	31 December 2023 \$	31 December 2022 \$
Revenue	4,245,766	2,421,121
Other income	3,883	-
Marketing expenses	(16,339)	(2,781)
Occupancy costs	(59,853)	(54,393)
Administrative expenses	(412,461)	(409,214)
Other expenses	(620,516)	(490,892)
Finance costs	(2,071,861)	(1,206,380)
Profit before income tax	1,068,619	257,461
Income tax expense	(265,603)	(70,493)
Profit for the half year	803,016	186,968
Other comprehensive income, net of income tax	-	-
Total comprehensive income for the half year	803,016	186,968

The accompanying notes form part of these financial statements.

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**Interim Statement of Financial Position
As At 31 December 2023**

	31 December 2023 \$	30 June 2023 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	14,957,640	16,425,734
Trade and other receivables	19,808	2,492
Current tax receivable	22,335	31,129
Mortgage assets	42,861,679	36,509,538
Other assets	82,033	43,532
TOTAL CURRENT ASSETS	57,943,495	53,012,425
NON CURRENT ASSETS		
Trade and other receivables	22,814	22,814
Property, plant and equipment	31,827	33,410
Deferred tax assets	3,453	3,100
TOTAL NON CURRENT ASSETS	58,094	59,324
TOTAL ASSETS	58,001,589	53,071,749
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	337,624	382,037
Borrowings	43,258,654	38,103,654
Current tax liabilities	201,432	159,826
Employee benefits	9,152	6,707
Other liabilities	2,489,065	2,052,273
TOTAL CURRENT LIABILITIES	46,295,927	40,704,497
NON CURRENT LIABILITIES		
Borrowings	8,684,000	9,673,000
Deferred tax liabilities	27,816	18,134
TOTAL NON CURRENT LIABILITIES	8,711,816	9,691,134
TOTAL LIABILITIES	55,007,743	50,395,631
NET ASSETS	2,993,846	2,676,118
EQUITY		
Issued capital	913,335	913,335
Retained earnings	2,080,511	1,762,783
TOTAL EQUITY	2,993,846	2,676,118

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 2023

	Ordinary Shares	Redeemable Preference Shares \$	Retained Earnings \$	Total \$
Balance at 1 July 2022	213,335	700,000	1,690,997	2,604,332
Profit attributable to members of the entity	-	-	186,968	186,968
Dividends provided or paid	-	-	(635,288)	(635,288)
Balance at 31 December 2022	213,335	700,000	1,242,677	2,156,012
Balance at 1 July 2023	213,335	700,000	1,762,783	2,676,118
Profit attributable to members of the entity	-	-	803,016	803,016
Dividends provided or paid	-	-	(485,288)	(485,288)
Balance at 31 December 2023	213,335	700,000	2,080,511	2,993,846

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 2023

	31 December 2023	31 December 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,398,339	(289,029)
Payments to suppliers and employees	(1,400,763)	(1,017,369)
Proceeds from repayment of loans	41,474,520	19,530,510
Payments for loans	(47,826,661)	(8,343,545)
Interest received	3,279,580	2,074,170
Interest paid	(2,071,861)	(1,206,380)
Net cash used in operating activities	(5,146,846)	10,748,357
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from settlement of Property	-	-
Payments for property, plant and equipment	(1,960)	-
Net cash provided by investing activities	(1,960)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of debentures	5,700,000	14,704,000
Investment in term deposits	-	-
Repayment of debentures	(1,534,000)	(1,825,000)
Dividends paid	(485,288)	(635,288)
Net cash used in financing activities	3,680,712	12,243,712
Net increase/(decrease) in cash and cash equivalents held	(1,468,094)	22,992,069
Cash and cash equivalents at beginning of year	16,425,734	4,133,897
Cash and cash equivalents at end of financial year	14,957,640	27,125,966

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Half Year Ended 31 December 2023

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 2023 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 2023, 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 2023	31 December 2022
2 Result for the Year	\$	\$

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

Interest received	3,279,580	2,074,170
Salary and wages	249,042	257,785
Consulting and professional fees	493,011	305,492
Loan impairment	-	-

3 Dividends

The following dividends were declared and paid:

Franked redeemable preference dividend of 5.04 cents per share	35,288	35,288
Ordinary dividend of \$2.11 per share.	450,000	600,000
	<u>485,288</u>	<u>635,288</u>

4 Contingencies

In the opinion of the directors, the Company did not have any contingencies at 31 December 2023 (31 December 2022: None).

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Notes to the Financial Statements
For the Half Year Ended 31 December 2023**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 2023	31 December 2022
	\$	\$
(a) Transactions involving directors of the Company		
A company directed by Grant Miles provided taxation and accounting, and advisory services	54,098	56,177
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	153,735	154,985
(b) Balances to related parties		
CURRENT		
Secured debentures - directors	4,867,500	4,325,000
Secured debentures - other related party	130,000	130,000
	<u>4,997,500</u>	<u>4,455,000</u>
(c) Balances from related parties		
NON CURRENT		
Loan - other related party	<u>22,814</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 2023

7 Fair Value Measurement

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

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 following tables provide the fair values of the Company's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2023				
Recurring fair value measurements				
Mortgage assets	-	42,861,679	-	42,861,679
30 June 2023				
Recurring fair value measurements				
Mortgage assets	-	36,509,538	-	36,509,538

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

There were no changes during the period in the valuation techniques used by the Company to determine Level 2 fair values.

Transfers between levels of the hierarchy

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

Level 2 measurements

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Notes to the Financial Statements

For the Half Year Ended 31 December 2023

7 Fair Value Measurement (cont)

Level 2 measurements (cont)

Valuation techniques

The Company selects valuation techniques that are 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: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- Cost approach: reflects 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 are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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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 2023 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 4th day of March 2024

Independent auditor's review report to the members of Turner Securities Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Turner Securities Limited (the Company), does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Company, which comprises:

- the statement of financial position as at 31 December 2023,
- the statement of comprehensive income/statement of profit or loss and other comprehensive income for the half-year then ended,
- the statement of changes in equity for the half-year then ended,
- the statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of significant accounting policies and other explanatory information/material accounting policy information, and
- the directors' declaration.

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 auditor independence requirements of the *Corporations Act 2001* and 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.

Responsibilities of the directors for the financial report

The directors of the Company 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.

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 2023 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 4th day of March, 2024.