



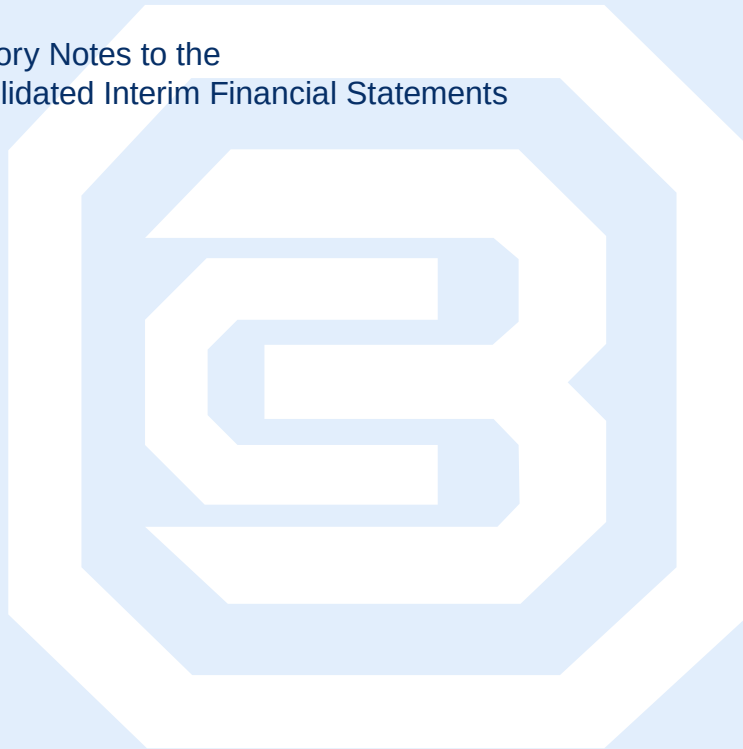
BANCORP

INTERIM REPORT 2016

Bancorp Wealth Management New Zealand Limited
Condensed Consolidated Interim Financial Report
For the period ended 31 December 2016

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COMPANY DIRECTORY

Company Number:	2199093
Nature of Business:	Private banking, investment and fund management
Issued Capital:	9,760,745 ordinary shares (fully paid)
Directors:	Craig Bernard Brownie Nigel David Parker Spratt Peter Murray Kirk
Registered Office:	Level 11, 191 Queen Street, Auckland, 1140, New Zealand
Address for Service:	Level 11, 191 Queen Street, Auckland, 1140, New Zealand
Auditors:	Staples Rodway Level 9, 45 Queen Street Auckland, 1010, New Zealand
Banker:	Westpac Banking Corporation Level 6, 16 Takutai Square Auckland, 1010, New Zealand
Solicitors:	Buddle Findlay, Auckland PwC Tower, 188 Quay Street Auckland, 1010, New Zealand
Listing:	ISIN: NZBWME0001S2 / WKN: A1KCZL Ticker Symbol: BW6
Website:	www.bancorp.co.nz

DIRECTORS' HALF YEAR REPORT

OVERVIEW

In the 2016 Annual Report we signalled that a restructure would be put in place that would improve performance and provide greater liquidity to shareholders. We are pleased to say that both those things are well underway.

The half year result shows us returning to profit year to date. We have appointed advisers and have completed significant work around the first phase of restructuring. This will result in a distribution to shareholders of our investment in a subsidiary that should be in a fully tradable form. Our target was to have this completed by the end of March 2017, but timing has slipped due to matters beyond our control. It is now likely a formal announcement will be made at the beginning of May.

MANAGING DIRECTOR / CHAIRMAN'S REPORT

A return to profitability is pleasing and shows we have managed to continue to improve our position through restructuring.

INSURANCE



The international aviation insurance market remains flat which is actually an improvement on previous years. Our Boston Marks business largely relies on commission based income. The falling insurance premiums have resulted in declining revenue in the last 5 years. A flattening out of the premiums will see the revenue remain constant and with improved cost control in place the business is set to grow again.

AIRCRAFT



Whilst currency does affect our aircraft owning and leasing business the underlying business has been performing well. We now have an aircraft fleet of approximately 15. This is made up of fixed wing and rotor aircraft. A new BK-117 helicopter will be completed for lease to Papua New Guinea in April 2017. This lease will be for a 3 year term and shall be our first helicopter lease to PNG.

PRIVATE BANKING



Private banking remains steady with our domestic asset financing playing a strong role in our half year performance.

DIRECTORS' HALF YEAR REPORT

FINANCIAL RESULTS

The half yearly results are unaudited. The year to date profit to 31 December 16 is \$2.7million compared with a loss of (\$1.9million) for the same period for December 2015.

The financial summary for the year compared with 2015 is set out below:

Consolidated	HY 2016 NZ\$	HY 2015 NZ\$
Total Assets	114,924,133	88,132,185
Operating Income	17,607,845	9,944,977
NPAT / (NLAT)	2,740,678	-1,907,456
Total Shareholder equity	23,672,504	20,933,605



Craig B. Brownie
Chairman



Nigel D.P. Spratt
Director

INVESTOR RELATIONS REPORT

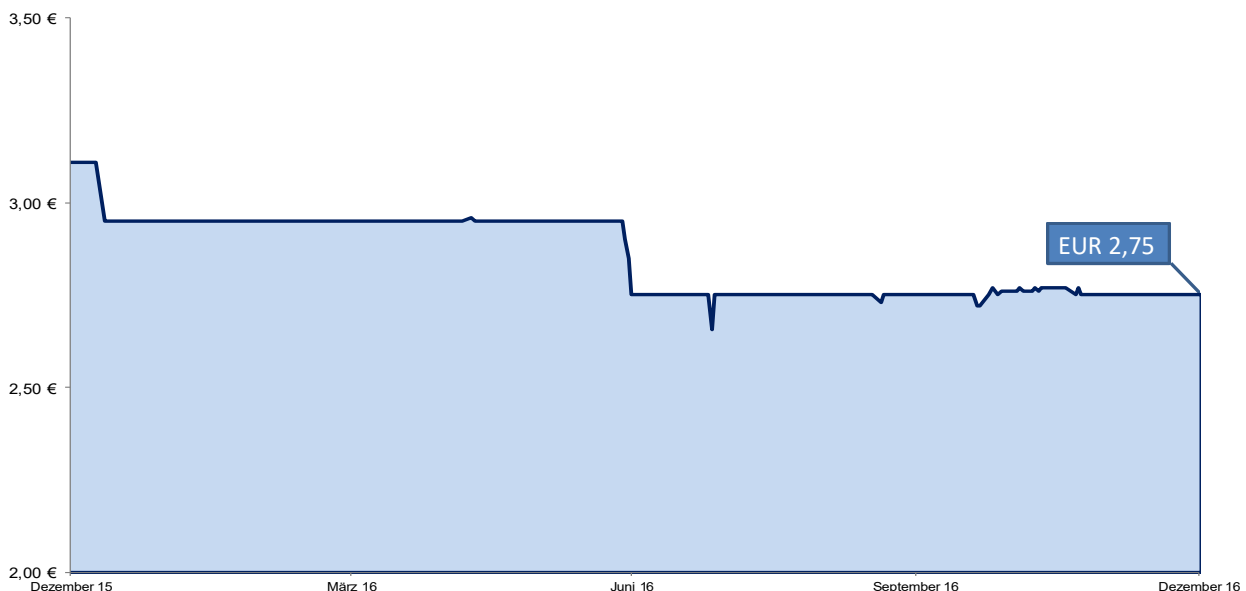
GENERAL DEVELOPMENT OF THE CAPITAL MARKETS

Three major themes shaped the capital markets in 2016: Brexit, the U.S. presidential election and the interest rate policy of the U.S. Federal Reserve. In the first half of the year, uncertainties surrounding Brexit resulted in some strong fluctuation in the stock markets. Following the vote, markets stabilized. The unexpected outcome of the U.S. presidential elections in November 2016 went on to fuel the stock markets higher. After their somewhat poor performance ahead of the elections, the markets staged a recovery rally, which was stalled only briefly by a further rate hike by the Fed. The performance of the German equity indices in the 2016 trading year ranged from - 1% to + 7%. The DAX Index, Germany's leading stock exchange index, posted an increase of 6.9% ending the year at 11,481 points. The increase in the MDAX Index trailed slightly behind with a gain of 6.8%. The rise in the SDAX was significantly lower at 4.6%. The TecDAX even recorded a slight decline of 1%. The performance of the international stock exchanges in 2016 varied. The Euro-Stoxx-50 containing blue chip shares from the eurozone was just 0.1% higher at 3,290 points, whereas the U.S. Dow Jones index registered a substantial increase of 12.3% ending the year at 19,762 points. At an increase of just 6.3% in 2016, the Nasdaq Composite rose to 5,383 points.

BANCORP STOCK

The shares of Bancorp Wealth Management New Zealand have been listed in the Entry Standard since 16 April 2014, and on the Basic Board of the Frankfurt Stock Exchange since 1 March 2017. A total of 9,999,599 registered shares were admitted for trading. Trading volumes have remained low since the stock market listing and the share price has remained relatively stable. In the period under review, the shares trended sideways. On the last trading day of 2015, the shares closed at EUR 3.11. On 30 December 2016, the last trading day of the year, the shares closed slightly lower at EUR 2.75. This compares with the performance of the Entry All Share Index which rose by almost 16% in 2016. The Entry All Share Index contains mainly smaller companies on Deutsche Börse's Open Market, including Bancorp shares. The Entry All Share Index continued its positive performance into 2017. Bancorp shares, on the other hand, have decoupled from the positive sentiment on the German stock exchanges, which is also reflected in the shares' low trading volume. The share price was EUR 2.73 at the end of March 2017, during the preparation of this half-year report, which is close to the level end of the previous year. This share price corresponds to a market capitalization of around EUR 27.3 million.

SHARE PRICE PERFORMANCE IN 2016

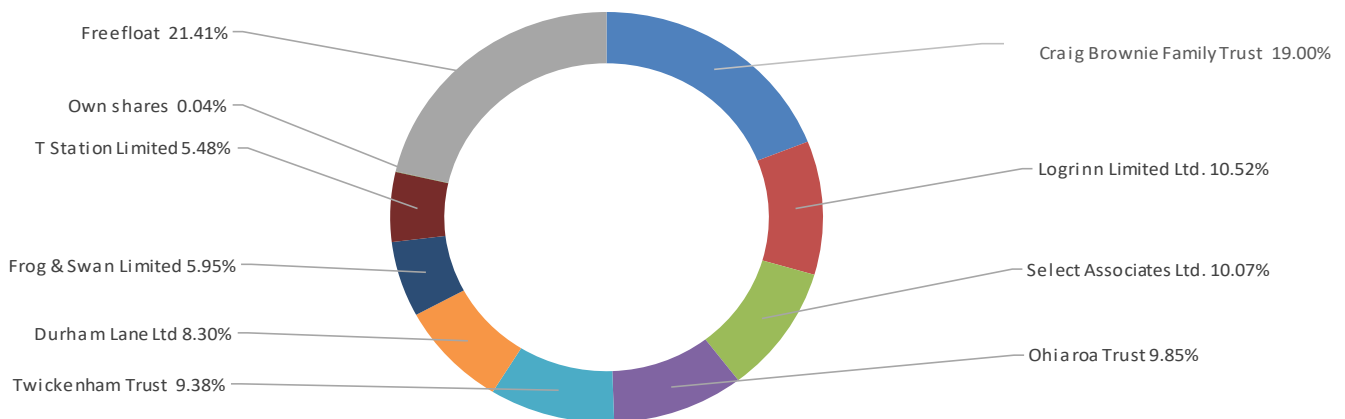


INVESTOR RELATIONS REPORT

Bancorp Wealth Management New Zealand intends to list its shares on the Australian Stock Exchange (ASX) in 2017 to improve the liquidity and the attractiveness of its shares.

SHAREHOLDER STRUCTURE

With a stake of approx. 19% of the Craig Brownie Family Trust, the shareholder structure of Bancorp Wealth Management New Zealand is strongly characterised by private ownership. The company's treasury stock amounts to 0.04%. Some 60% of the shares are being held by financial and strategic investors with a long-term orientation. The free float thus amounts to approx. 21%.



DIVIDEND

For the first half of the 2016/17 financial year, Bancorp Wealth Management New Zealand distributed a dividend to shareholders of NZ\$ 2.0 cents, despite the weak business performance. As a result, Bancorp has consistently distributed a dividend to its shareholders every year since its initial listing and intends to continue to allow shareholders to participate in the company's success.

CAPITAL MARKET ACTIVITIES

As a key criterion for the Bancorp share, the sustainable dividend payout will be used in the future, among others, to increase the capital market presence of the New Zealand group and improve its profile among investors and prospective shareholders. The planned listing on the Australian ASX stock exchange is intended to increase investors' awareness of the shares.

Interested parties can access extensive information on the shares and the company on the corporate website at www.bancorp.co.nz. In the Investor Relations section, investors have access to all of the relevant capital market information. There is also a German and English speaking investor relations department.

STOCK INFORMATION

ISIN	NZBWME0001S2	Capital stock	19,888,777.00 NZ\$
Ticker symbol	BW6	Number of shares	9,999,599
Stock exchange	German Stock Exchange, Frankfurt	Market capitalization	27.5 million euros (30/12/2016)
Market segment	Open Market (Entry Standard)	Specialist and Designated Sponsor	Renell Wertpapierhandelsbank AG
Share price (30/12/2016)	EUR 2.75	Listing Partner	GFEI Aktiengesellschaft

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016

	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015	(Audited) 30 June 2016
CONTINUING OPERATIONS			
Revenue			
Finance income	1,263,938	1,157,447	6,625,348
Fee income	1,873	108,969	5,332
Brokerage income	8,591,002	7,374,265	15,342,831
Lease income	-	412,269	-
Sale of goods - aircraft	-	-	2,606,228
Other income	7,751,033	892,027	942,681
Total revenue	17,607,845	9,944,977	25,522,420
Expenses			
Finance expenses	(1,621,514)	(1,306,809)	(2,900,575)
Fee expenses	(133,270)	(437,878)	(737,873)
Cost of sales - aircraft	-	(188,232)	(2,708,844)
Administrative expenses	(11,691,711)	(9,407,022)	(21,590,425)
Other expenses	-	-	(934,715)
Total expenses	(13,446,496)	(11,339,941)	(28,872,432)
Operating profit before share of profit in associates	4,161,350	(1,394,964)	(3,350,012)
Share of profit in associates	77,152	-	160,756
Net profit/(loss) after share of profit in associates and before income taxation expense	4,238,502	(1,394,965)	(3,189,256)
Taxation (expense)/benefit	(1,497,823)	(513,432)	(212,330)
Net profit/(loss) after taxation expense for the year from continuing operations	2,740,678	(1,908,396)	(3,401,586)
DISCONTINUED OPERATIONS			
Profit/(Loss) for the year from discontinued operations (attributable to owners of the parent)	-	940	(7,951)
Profit for the year	(2,740,678)	(1,907,456)	(3,409,537)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss			
Movement in foreign currency translation reserve	-	(36,557)	71,155
Total other comprehensive income for the year	-	(36,557)	71,155
Total comprehensive income for the period	\$2,740,678	(\$1,944,013)	(\$3,338,382)
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the year:			
Basic and diluted earnings per share			
From continuing operations	\$0.27	(\$0.20)	(\$0.34)
From discontinued operations	\$0.00	\$0.00	\$0.00
From profit for the year	\$0.27	(\$0.20)	(\$0.34)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 DECEMBER 2016

	Share Capital	Retained Earnings	Other Reserves	Total	Non-controlling Interest	Total Equity
MOVEMENT TO 31 DECEMBER 2015						
Balance at 1 July 2015	18,515,810	(6,090,745)	(398,413)	12,026,652	9,421,406	21,448,058
Comprehensive income						
Net profit/(loss) for the year	–	(1,348,696)	–	(1,348,696)	(558,760)	(1,907,456)
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	(36,557)	(36,557)	–	(36,557)
Total comprehensive income	–	(1,348,696)	(36,557)	(1,385,253)	(558,760)	(1,944,013)
Transactions with owners						
Issue of share capital - shareholders	–	–	–	–	–	–
Issue of share capital - non-controlling interest	–	–	–	–	1,473,803	1,473,803
Movement in non-controlling interest	–	–	–	–	199,776	199,776
Dividend paid - non-controlling interest	–	(244,019)	–	(244,019)	–	(244,019)
Total transactions with owners	–	(244,019)	–	(244,019)	1,673,579	1,429,559
Balance at 31 December 2015	\$18,515,810	(\$7,683,460)	(\$434,970)	\$10,397,380	\$10,536,225	\$20,933,605
MOVEMENT TO 30 JUNE 2016						
Balance at 1 July 2015	18,515,810	(6,090,744)	(398,413)	12,026,653	9,421,406	21,448,059
Comprehensive income						
Net profit/(loss) for the year	–	(3,247,694)	–	(3,247,694)	(161,844)	(3,409,538)
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	71,155	71,155	–	71,155
Total comprehensive income	–	(3,247,694)	71,155	(3,176,539)	(161,844)	(3,338,383)
Transactions with owners						
Issue of share capital - non-controlling interest	–	–	–	–	1,810,855	1,810,855
Share repurchase	(20,211)	–	–	(20,211)	–	(20,211)
Movement in non-controlling interest	–	1,146,046	–	1,146,046	(1,146,046)	–
Dividend paid - shareholders	–	(494,019)	–	(494,019)	–	(494,019)
Dividend paid - non-controlling interest	–	–	–	–	(424,665)	(424,665)
Total transactions with owners	(20,211)	652,027	–	631,816	240,144	871,960
Balance at 30 June 2016	\$18,495,599	(\$8,686,412)	(\$327,258)	\$9,481,930	\$9,499,706	\$18,981,637
MOVEMENT TO 31 DECEMBER 2016						
Balance at 1 July 2016	18,495,599	(8,686,412)	(327,258)	\$9,481,930	\$9,499,706	\$18,981,637
Comprehensive income						
Net profit/(loss) for the year	–	2,000,542	–	2,000,542	740,136	2,740,678
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	–	–	–	–
Total comprehensive income	–	2,000,542	–	2,000,542	740,136	2,740,678
Transactions with owners						
Movement in non-controlling interest	–	–	–	–	2,150,189	2,150,189
Dividend paid - shareholders	–	(200,000)	–	(200,000)	–	(200,000)
Total transactions with owners	–	(200,000)	–	(200,000)	2,150,189	1,950,189
Balance at 31 December 2016	\$18,495,599	(\$6,885,870)	(\$327,258)	\$11,282,471	\$12,390,031	\$23,672,504

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 DECEMBER 2016

	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015	(Audited) 30 June 2016
SHAREHOLDERS EQUITY			
Share capital	18,495,599	18,515,810	18,495,599
Retained earnings	(6,885,870)	(7,683,460)	(8,686,411)
Other reserves	(327,258)	(434,970)	(327,258)
Non-controlling interest	12,390,031	10,536,224	9,499,706
Total shareholders equity	\$23,672,504	\$20,933,605	\$18,981,636
ASSETS			
Cash and cash equivalents	5,549,399	7,956,863	14,329,805
Trade, other receivables and prepayments	13,686,556	9,945,749	9,844,925
Other financial assets	30,992	30,765	30,992
Inventory	–	–	2,909,899
Finance receivables	66,087,064	47,721,088	53,514,090
Related party receivables	9,674,684	863,560	3,535,787
Plant and equipment	102,504	2,995,421	104,075
Deferred tax asset	209,097	164,891	209,097
Intangible assets and goodwill	16,283,990	16,776,120	16,284,443
Investments in associates and joint controlled entities	3,299,848	1,677,727	1,253,131
Total assets	\$114,924,133	\$88,132,185	\$102,016,244
LIABILITIES			
Trade, other payables and accruals	4,019,336	6,172,719	3,141,826
Related party payables	513,411	1,037,152	585,605
Investor deposits	31,132,373	26,886,861	714,063
Taxation payable	1,652,697	1,476,273	29,829,031
Borrowings	53,933,812	31,625,574	48,764,082
Total liabilities	91,251,628	67,198,579	83,034,607
Total net liabilities	\$23,972,504	\$20,933,605	\$18,981,636

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2016

	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015	(Audited) 30 June 2016
CASHFLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Cash receipts from customers	12,576,854	4,577,460	17,353,718
Interest received	1,263,938	1,157,447	6,625,348
Other cash receipts	–	3,249,164	823,334
<i>Cash was applied to:</i>			
Cash payments to suppliers and employees	(9,075,936)	(10,290,821)	(29,741,364)
Interest paid	(1,621,514)	(1,306,809)	(2,900,575)
Taxation paid	(430,732)	(115,155)	(758,805)
Net cashflows from operating activities	(2,712,610)	(2,728,715)	(8,598,343)
CASHFLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Disposal of other financial assets	2,909,899	2,071	1,844
Proceeds from movement in non-controlling interests	2,150,191	199,775	–
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment	–	(2,996,808)	(50,936)
Net movement in finance receivables	(14,439,913)	(12,716,684)	(20,369,394)
Purchase of intangible assets	–	–	(11,961)
Net cash flows from investing activities	(9,379,823)	(15,511,646)	(20,430,448)
CASHFLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Net movement in borrowings	5,169,730	11,895,136	29,033,644
Proceeds from the issue of share capital - non controlling interest	–	1,473,803	1,463,809
			169,118
Net movement in investor deposits	1,303,341	(131,235)	2,810,935
<i>Cash was applied to:</i>			
Payment of dividend - controlling interest	(200,000)	(244,019)	(494,019)
Payment of dividend - non controlling interest	–	–	(237,500)
Share repurchase - treasury stock	–	–	(20,211)
Net proceeds to related parties borrowings	(8,386,266)	(781,423)	(3,352,142)
Net movement in borrowings	–	–	–
Net cashflows from financing activities	(2,113,195)	12,212,262	29,373,634
Net cash flows	(8,780,407)	(6,028,098)	344,844
Cash and cash equivalents at the beginning of the period	14,329,805	13,984,962	13,984,962
Cash and cash equivalents at the end of the period	\$5,549,399	\$7,956,863	\$14,329,805

For and on behalf of the Board of Directors, dated 29 March 2017



 Craig Bernard Brownie
 Chairman



 Nigel David Parker Spratt
 Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

1 REPORTING ENTITY

Bancorp Wealth Management New Zealand Limited (,the Company') is incorporated and domiciled in New Zealand, and registered under the Companies Act 1993.

Bancorp Wealth Management New Zealand Limited is a reporting entity for the purposes of the Financial Reporting Act 2013.

The financial statements of Bancorp Wealth Management New Zealand Limited (,the Company') and Subsidiaries (collectively referred to as ,the Group') have been prepared in accordance with the Financial Reporting Act 2013 and the Companies Act 1993.

The Company and Group are profit-oriented entities.

The principal activity of the Group is that of private banking, investment and fund management.

The financial statements were authorised for issue by the directors on 29 March 2017.

2 BASIS OF PREPARATION OF THE FINANCIAL REPORT

Accounting policies and methods of computation

The same accounting policies and methods of computation have been followed in the preparation of these condensed consolidated interim financial statements as compared to the most recent annual financial statements of the Group for the period ended 30 June 2016.

Statement of compliance

The consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 and NZ IAS 34 'Interim financial reporting' as appropriate for profit-oriented entities.

The 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 group financial statements as at and for the period ended 30 June 2016.

Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect that application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments made by managements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated group financial statements as at and for the period ended 30 June 2016.

3 SEASONALITY/CYCLICALITY OF OPERATIONS

The Group's results are not affected to any significant extent by seasonality or cyclicity factors.

4 UNUSUAL ITEMS

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 DECEMBER 2016

5 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors, as they make all key strategic resource allocation decisions (such as those concerning acquisition, divestment and significant capital expenditure).

The Group is organised into three reportable operating segments.

■ Corporate

The operations of this segment include provision of administration function services and the issuing of funding to other operating segments.

■ Private banking

The operations of this segment include the provision of private banking, trustee services and funds management services to external investors. This segment also invests funds in the asset management operating segment for the purposes of generating returns.

■ Asset management

The operations of this segment include investing funds in finance receivables, equity securities, investment properties and business operations for the purposes of generating returns.

Each Group operating segment is operated as a discrete business unit and transactions between segments. The eliminations arise from transactions between the Group segments and are predominantly interest income and expense, commission/brokerage income and expense and administration and operating expense charges.

Segment analysis

31 December 2016	Corporate	Private banking	Asset management	Eliminations	Total
External revenue	297,731	1,578,657	17,3326,332	(1,594,875)	17,607,845
Inter-segment revenue	27,021	627,775	555,839	(1,210,635)	–
Total	\$324,752	\$2,206,432	\$17,882,171	(\$2,805,510)	\$17,607,845
Net segment profit/(loss)	194,905	317,375	3,907,771	(181,550)	4,238,502
Taxation (expense)/benefit	(54,574)	(183,939)	(1,259,311)	–	(1,497,823)
Net profit/(loss) after taxation	\$140,332	\$133,436	\$2,648,461	\$181,550	\$2,740,678
Interest income	37,731	1,309,572	1,068,509	(1,151,875)	1,263,938
Interest expense	–	(652,954)	(2,120,435)	1,151,875	(1,621,514)
Depreciation	–	(1,571)	–	–	(1,571)
Amortisation	–	(453)	–	–	(453)
Other material non-cash items:					
- Bad debts expense-finance receivables	–	–	(1,886,939)	–	(1,886,939)
- Bad debts expense-trade receivables	–	–	–	–	–
- Impairment provision-finance receivables	–	–	(128,434)	–	(128,434)
Assets					
Total segment assets	17,200,140	16,785,976	110,405,610	(29,467,593)	114,924,133
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	–	–	–	–	–
- Intangible assets	–	–	–	–	–
Liabilities					
Total segment liabilities	75,555	24,047,601	67,295,415	(166,943)	91,251,628

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 DECEMBER 2016

5 OPERATING SEGMENTS – CONTINUED

30 June 2016	Corporate	Private banking	Asset management	Eliminations	Total
External revenue	105,142	1,665,211	23,752,068	–	25,522,420
Inter-segment revenue	4,320,000	856,397	4,831,362	(10,007,759)	–
Total	\$4,425,142	\$2,521,608	\$28,583,430	(\$10,007,759)	\$25,522,420
Net segment profit/(loss)	4,187,020	310,955	(561,597)	(7,133,585)	(3,197,207)
Taxation (expense)/benefit	–	(108,878)	(103,453)	–	(212,331)
Net profit/(loss) after taxation	\$4,187,020	\$202,077	(\$655,050)	(\$7,133,585)	(\$3,409,537)
Interest income	105,142	1,756,855	5,863,525	(1,100,174)	6,625,348
Interest expense	–	(938,655)	(3,062,094)	1,100,174	(2,900,575)
Depreciation	–	(2,700)	(84,108)	–	(86,880)
Amortisation	–	(1,827)	(502,725)	–	(504,552)
Other material non-cash items:					
- Bad debts expense-finance receivables	–	–	(1,104,312)	–	(1,104,312)
- Bad debts expense-trade receivables	–	–	(109,556)	–	(109,556)
- Impairment provision-finance receivables	–	(64,588)	(565,524)	–	(630,112)
Assets					
Total segment assets	16,976,132	16,571,368	99,966,739	(31,497,995)	102,016,244
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	–	–	68,297	–	68,297
- Intangible assets	–	–	11,961	–	11,961
Liabilities					
Total segment liabilities	16,699	22,420,367	60,647,352	(49,811)	83,034,607
31 December 2015	Corporate	Private banking	Asset management	Eliminations	Total
External revenue	64,100	1,031,557	8,849,319	–	9,944,976
Inter-segment revenue	–	268,223	450,665	(718,888)	–
Total	\$64,100	\$1,299,780	\$9,299,984	(\$718,888)	\$9,944,976
Net segment profit/(loss) before taxation	(56,258)	290,574	(1,628,341)	–	(1,394,025)
Taxation (expense)/benefit	–	(164,536)	(348,896)	–	(513,432)
Net profit/(loss) after taxation	(\$56,258)	\$126,038	(\$1,977,237)	–	(\$1,907,456)
Interest income	64,100	930,049	711,186	(547,888)	1,157,447
Interest expense	–	(472,791)	(1,381,907)	547,888	(1,306,809)
Depreciation	–	(1,227)	(140,179)	–	(141,406)
Amortisation	–	(913)	–	–	(913)
Other material non-cash items:					
- Bad debts expense-finance receivables	–	–	(368,078)	–	(368,078)
- Bad debts expense-trade receivables	–	–	–	–	–
- Impairment provision-finance receivables	–	–	15,727	–	15,727
Assets					
Total segment assets	16,991,492	14,520,321	91,093,423	(34,637,943)	87,967,293
Additions to non-current assets other than financial instruments:					
- Property, plant and equipment	–	3,495	2,998,871	–	–
- Intangible assets	–	–	–	–	–
Liabilities					
Total segment liabilities	13,836	19,283,555	47,736,197	100	67,033,688

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 DECEMBER 2016

 6 RECONCILIATION OF NET LOSS AFTER TAXATION TO NET CASH FLOWS PROVIDED
 BY OPERATING ACTIVITIES

	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015	(Audited) 30 June 2016
Profit / (loss) after tax	2,740,678	(1,907,456)	(3,409,537)
Add/(less) non-cash items:			
Depreciation	1,571	141,406	86,880
Amortisation	453	913	504,551
Bad debts	1,570,835	–	1,213,868
Net movement in finance receivables impairment provision	296,104	(15,727)	630,112
Share of profit from jointly controlled entity	–	–	(160,756)
Movement in foreign currency translation reserve	–	(36,557)	71,155
Add / (less) movements in working capital items:			
Decrease / (increase) in trade receivables and other receivables	(3,841,633)	(892,629)	(791,805)
(Decrease)/ increase in taxation	1,067,092	398,276	(536,598)
(Decrease) / increase in trade and other payables and accruals	877,509	(416,941)	3,296,314
(Decrease) / increase in inventory	–	–	(2,909,899)
Net cashflows from operating activities	\$2,712,610	(\$2,728,715)	(\$8,598,343)

7 RELATED PARTY BALANCES, TRANSACTIONS AND DISCLOSURES

Details of related party balances and transactions:

- (i) Bancorp Corporate Finance Limited is a related party by virtue of common directorship. Balances are unsecured, non-interest bearing and repayable on demand. Transactions during the year related to corporate finance charges for work performed.
- (ii) Bancorp New Zealand Limited is a related party by virtue of common directorship. Balances are unsecured, non-interest bearing and repayable on demand. Transactions during the year related to on-charges of office costs.
- (iii) Bancorp Treasury Services Limited is a related party by virtue of common directorship. Balances are unsecured, non-interest bearing and repayable on demand. Transactions during the year related to treasury services charges for work performed.
- (iv) Craig Brownie is a director of the Company. Balances are unsecured, non interest bearing and repayable on demand. Craig is also an employee of the Company. Craig was paid a \$150,000 salary and \$30,000 of directors fees in the six months ended 31 December 2016.
- (v) Nigel Spratt is a director of the company and was paid \$71,000 in directors fees for the six months ended 31 December 2016.
- (vi) As at 30 June 2016 and 30 June 2015, 25% ownership in Aviation Capital Limited is held by Trusts controlled by Craig Brownie and Nigel Spratt, the Directors of the Company. Related party non-controlling interests are made up as follows: 20% ownership held by a Trust controlled by Craig Brownie and 5% ownership held by a Trust controlled by Nigel Spratt. The consideration paid by these Trusts for their share of ownership was \$20 and \$5, respectively. There are no other terms and conditions attached to these transactions and balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

7 RELATED PARTY BALANCES, TRANSACTIONS AND DISCLOSURES – CONTINUED

- (vii) As at 30 June 2016 and 30 June 2015, 25% ownership in BMG Management Limited is held by Trusts controlled by Craig Brownie and Nigel Spratt, the Directors of the Company. Related party non-controlling interests are made up as follows: 20% ownership held by a Trust controlled by Craig Brownie and 5% ownership held by a Trust controlled by Nigel Spratt. The consideration paid by these Trusts for their share of ownership was \$20 and \$5, respectively. There are no other terms and conditions attached to these transactions and balances.
- (viii) As at 30 June 2016 and 30 June 2015 25% ownership of Castlerock First Capital Limited is held by Trusts controlled by Craig Brownie and Nigel Spratt, the Directors of the Company. Related party non-controlling interests are made up as follows: 20% ownership held by a Trust controlled by Craig Brownie and 5% ownership held by a Trust controlled by Nigel Spratt. The consideration paid by these Trusts for their share of ownership was \$24,620 and \$6,155, respectively. There are no other terms and conditions attached to these transactions and balances.
- (ix) PM Equities Limited is a shareholder of a company within the Group. Balances are unsecured and repayable on demand. Interest is charged at a rate of 4% per annum.
- (x) Insurance Premium Finance Limited is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xi) Atawhai Trust is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xii) Patrick McLaughlan is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand. Insurance Premium Finance Limited and PM Equities Limited are companies ultimately owned and controlled by Patrick McLaughlan. The short term loan from Insurance Premium Finance Limited has a 14.15% per annum interest rate and is repayable on demand. This facility is unsecured.
- (xiii) Bill Beard is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xiv) Fraser and Sonia MacAndrew is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xv) BUT EHL Pty Limited is a shareholder of a company within the Group. Balances are unsecured, non-interest bearing and repayable on demand.
- (xvi) David Harrison is a director of a company within the Group and was paid \$18,000 in directors fees for the six months ended 31 December 2016.
- (xvii) Brian McDonald is a director of a company within the Group and was paid \$9,750 in directors fees for the six months ended 31 December 2016.
- (xviii) Neil Kain was paid \$9,750 in directors fees for the six months ended 31 December 2016.
- (xix) The vendor loan from Howard Murray is non-interest bearing, repayable on demand and unsecured.

 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 31 DECEMBER 2016

7 RELATED PARTY BALANCES, TRANSACTIONS AND DISCLOSURES – CONTINUED

- (xx) Reinaldo Irrigaro is a shareholder of a company with the Group. The loan to Reinaldo Irrigaro will accrue interest at 3% per annum on the advances. Any advances advanced to Reinaldo Irrigaro together with all the accrued interest shall be repayable on 30 September 2018.
- (xxi) Ian Duff is a director of a company within the Group and was paid \$100,000 in consulting fees for the six months ended 31 December 2016.
- (xxii) Peter Kirk is a director of the company and was paid \$6,000 in directors fees for the six months ended 31 December 2016.

8 DISCONTINUED OPERATIONS

The Airbus Express Business Operations was sold on 20 June 2014. Below is an analysis of the result of this discontinued operation.

	(Unaudited) 31 December 2016	(Unaudited) 31 December 2015	(Audited) 30 June 2016
Revenue	–	–	630
Expenses	–	940	1,294
Profit/(Loss) before tax of discontinued operations	–	940	1,924
Income Tax	–	–	(9,876)
Profit/(Loss) for the period after tax of discontinued operations	–	940	(\$7,951)

9 CONTINGENT ASSETS AND LIABILITIES

There are no material contingent liabilities at reporting date (June 2015: Nil).

10 DIVIDENDS

BWMNZL paid a final dividend for the year ended June 2016 of \$200,000. The dividend was declared on 07 December 2016 and paid on 19 December 2016.

GREAT NEW ZEALAND ACHIEVEMENTS

1893 New Zealand is the first country in the world to give all women the vote

1903 Richard Pearce undertakes the first powered heavier than air aircraft flight in the world

1917 Ernest Rutherford split the atom

1936 Jean Batten undertook the first direct flight from Britain to New Zealand

1953 Sir Edmund Hillary becomes the first to climb Mt. Everest

1954 William Hamilton invents the Hamilton jet boat

1956 Colin Murdoch invents the disposable syringe

1962 Maurice Wilkins received Nobel Prize for work on DNA Structure

1963 Bruce McLaren creates the McLaren F1 Team

1985 New Zealand becomes the first Nuclear free legislated country

1988 A J Hackett begins world's first commercial Bungy jumping in Queenstown

1991 John Britten designs and manufactures the world's fastest motor bike

2000's Peter Jackson films the Lord of the Rings Trilogy in New Zealand

2015 All Blacks retain the Rugby World Cup, the first country to ever do so

Financial calendar

30 June 2017 Financial year end
December 2017 Annual Report available

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