




# INTERIM REPORT

For the six months ended  
30 September 2024



**Third Age  
Health**



On behalf of the Board and management of Third Age Health, I am pleased to present the Third Age Health Services Limited Interim Report for the six months ended 30 September 2024.

John Fernandes  
Chairman

25 October 2024

## CONTENTS

Chairman and CEO report	3 - 4
Interim financial statements	5 - 10
Notes to financial statements	11 - 24

# NZX Announcement



25 October 2024

**Primary care provider, Third Age Health Services (NZX: TAH), has today reported its unaudited results for the six months to 30 September 2024 (1H25).**

At the outset of this year, we set out with ambitious plans, focusing on delighting customers, expanding our care services and scaling operations. We're pleased to report that our efforts have translated into significant growth across key areas of our business in the first half of FY25.

Net Profit After Tax (NPAT) has increased by 115% to \$1,154k, up from \$537k in the same period last year, and Underlying NPATA<sup>1</sup> grew by 96% year on year, reaching \$1,361k. Overall gross profit margin improved to 51.6% from 47.6% in the same period last year.

Our Hub Aged Care acquisition in April has already contributed to expanding our elder care services in the Lower North Island. We now service 13 aged residential care facilities providing care to 733 residents (patients) in this region.

Our relationship with current and potential aged residential care customers has been integral to supporting the growth of our care facilities and enrolled patients. The total number of aged residential care facilities we now service is 87 providing care to 5,278 residents up from 67 facilities providing care to 4,360 residents as of 31 March 2024.

The total number of patients we provide care to across aged residential care and our community general practices has grown to 25,810 up from 24,969 as of 31 March 2024.

While our core elder care services business is performing well, we continue to make investments in improving the quality and reach of services we provide. This includes investments in digitisation, process improvements and additional resource.

A good example of an investment we've made in partnership with CHT is the Navigating Wellness guidebook that we produced. Published in June 2024 it has been well received by practitioners, patients and stakeholders across the wider healthcare community. 5,000 physical copies have been shared across the country and it is now becoming a widely used resource.

The performance of our six community general practices has also significantly improved. Refinements to the operating model have seen the implementation of team-based care, along with several other productivity and service level improvements. Trials of AI tools to assist with transcribing patient notes are also underway. Nevertheless, several of these practices are still underperforming their potential and work to remediate this remains ongoing.

<sup>1</sup> Underlying NPATA is adjusted for non-cash amortisation charges arising as a result of purchase accounting rules

## NZX Announcement



### Challenging Environment

The current landscape is as challenging as ever. While demand for our services continues to grow, so does competition. We also face workforce shortages and ongoing funding limitations, driven by tightening health budgets. While we believe the strategies we have implemented to address these risks are promising, we continue to assess and refine them as part of our ongoing risk management efforts to ensure we remain the provider of choice.

### Capital Allocation

During the period we took on debt of \$598k to fund the acquisition of Hub Aged Care, while accelerating debt repayment of \$729k resulting in net debt repayment of \$131k. We also initiated an on-market share buyback acquiring 1,050 shares at an average price of \$2.02 per share.

Going forward our capital allocation priorities remain unchanged – we will continue to prioritise investments that better enable us to serve our customers. While returning capital to shareholders through quarterly dividends in line with our dividend policy, we will opportunistically repay debt or buy back shares based on market conditions. We continue to actively seek out opportunities to make acquisitions of businesses that have similar commercial characteristics to our core business and are casting the net wider than we previously have.

### Outlook

We are cautiously optimistic that performance in the second half of this financial year will be ahead of the performance delivered during the first half.

### Quarterly Dividend

The Board of Third Age Health Services Limited (NZX:TAH) has declared a fully imputed interim dividend of 3.55 cents per share (cps) for Q2 FY25. This brings the total dividends declared for the first half of FY25 to 6.83 cps up 72% vs the same period last year.

A handwritten signature in black ink, appearing to read "John Fernandes".

**John Fernandes**  
Chairman

A handwritten signature in black ink, appearing to read "Tony Wai".

**Tony Wai**  
CEO

**[ENDS]**

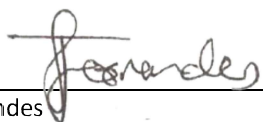
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# FINANCIAL STATEMENTS

### **Approval and issue of Condensed Consolidated Financial Statements**

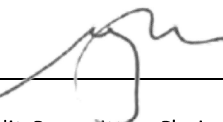
The Directors are pleased to present the Condensed Consolidated Financial Statements of Third Age Health Services Limited and its subsidiaries (the "Group") for the six-months ended 30 September 2024.

The Board of Directors of the Group authorised the Condensed Consolidated Financial Statements, set out on pages 7 to 24 for issue on 25 October 2024.



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John Fernandes  
Chairman



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Wayne Williams  
Director and Audit Committee Chair

**Third Age Health Services Limited and subsidiaries**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the six months ended 30 September 2024**

		30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
	<b>Notes</b>		
<b>Revenue</b>	4	<b>9,413</b>	<b>7,341</b>
Cost of services	5	(4,554)	(3,841)
<b>Gross profit</b>		<b>4,859</b>	<b>3,500</b>
Other income		30	51
Employees and contractors	7	(1,673)	(1,460)
Professional and consulting fees	8	(284)	(238)
Other expenses	9	(679)	(553)
<b>Operational expenses</b>		<b>(2,636)</b>	<b>(2,251)</b>
<b>EBITDA</b>		<b>2,253</b>	<b>1,300</b>
Depreciation on right of use assets	14	(182)	(185)
Depreciation on plant, property and equipment		(18)	(18)
Amortisation of intangibles		(207)	(158)
Finance costs	10	(195)	(190)
<b>Profit before income tax</b>		<b>1,651</b>	<b>749</b>
Income tax expense		(497)	(212)
<b>Profit for the period</b>		<b>1,154</b>	<b>537</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>1,154</b>	<b>537</b>
<b>Profit and total comprehensive income attributable to:</b>			
Shareholders of the parent		1,026	544
Non-controlling interests		128	(7)
<b>Profit for the period</b>		<b>1,154</b>	<b>537</b>
<b>Earnings per share (note 12)</b>			
Basic earnings per share (cents)		10.25	5.45
Diluted earnings per share (cents)		10.25	5.45

These consolidated financial statements are to be read in conjunction with the accompanying notes.

**Third Age Health Services Limited and subsidiaries**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2024**

		30 September 2024 (Unaudited) \$000	31 March 2024 (Audited) \$000
	Notes		
<b>Current assets</b>			
Cash and cash equivalents		1,661	1,695
Trade and other receivables	13	1,015	775
Other assets		168	81
Accrued revenue		249	319
<b>Total current assets</b>		<b>3,093</b>	<b>2,870</b>
<b>Non-current assets</b>			
Property, plant and equipment		172	123
Right-of-use-assets	14	2,359	2,514
Intangible assets		5,137	4,191
Financial assets		20	20
<b>Total non-current assets</b>		<b>7,688</b>	<b>6,848</b>
<b>Total assets</b>		<b>10,781</b>	<b>9,718</b>
<b>Current liabilities</b>			
Trade and other payables		1,947	1,594
Employee benefits		452	336
Current tax liabilities		196	346
Bank Loan		56	1,342
Lease liabilities	14	320	306
<b>Total current liabilities</b>		<b>2,971</b>	<b>3,924</b>
<b>Non-current liabilities</b>			
Provisions		22	22
Bank loan		1,155	-
Other payables		1	1
Lease liabilities	14	2,263	2,399
Deferred tax liability		726	459
<b>Total non-current liabilities</b>		<b>4,167</b>	<b>2,881</b>
<b>Total liabilities</b>		<b>7,138</b>	<b>6,805</b>
<b>Net assets</b>		<b>3,643</b>	<b>2,913</b>
<b>Equity</b>			
Share capital	17	594	596
Share based payment reserve		666	657
Retained earnings		2,122	1,704
<b>Equity attributable to the Parent</b>		<b>3,382</b>	<b>2,957</b>
Non-Controlling Interests (NCI)		261	(44)
<b>Total Equity</b>		<b>3,643</b>	<b>2,913</b>

These consolidated financial statements are to be read in conjunction with the accompanying notes.



**Third Age Health Services Limited and subsidiaries**  
**Condensed Statement of Changes in Equity**  
**For the six months ended 30 September 2024**

	Notes	Share Capital \$000	Share Based Payments Reserve \$000	Retained earnings \$000	Non- controlling Interest \$000	Total \$000
<b>Balance at 1 April 2023 (Audited)</b>		<b>596</b>	<b>645</b>	<b>1,330</b>	<b>(27)</b>	<b>2,544</b>
Profit for the period		-	-	544	(7)	537
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>544</b>	<b>(7)</b>	<b>537</b>
Dividend	18	-	-	(420)	-	<b>(420)</b>
Share based payments		-	6	-	-	<b>6</b>
<b>Balance at 30 September 2023 (unaudited)</b>		<b>596</b>	<b>651</b>	<b>1,453</b>	<b>(34)</b>	<b>2,666</b>
<b>Balance at 1 April 2024 (Audited)</b>		<b>596</b>	<b>657</b>	<b>1,704</b>	<b>(44)</b>	<b>2,913</b>
Profit for the period		-	-	1,026	128	1,154
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>1,026</b>	<b>128</b>	<b>1,154</b>
Dividend	18	-	-	(608)	(29)	<b>(637)</b>
Share based payments		-	9	-	-	<b>9</b>
NCI on acquisition		-	-	-	206	<b>206</b>
Acquisition of treasury shares		(2)	-	-	-	<b>(2)</b>
<b>Balance at 30 September 2024 (unaudited)</b>		<b>594</b>	<b>666</b>	<b>2,122</b>	<b>261</b>	<b>3,643</b>

These financial statements are to be read in conjunction with the accompanying notes.

**Third Age Health Services Limited and subsidiaries**  
**Condensed Statement of Cash Flows**  
**For the six months ended 30 September 2024**

		<b>30 September 2024</b>	<b>30 September 2023</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>Notes</b>	<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		9,344	7,208
Payments to suppliers and employees		(7,004)	(5,948)
Interest received		22	9
Interest paid		(186)	(190)
Income taxes paid		(643)	(285)
<b>Net cash flows from operating activities</b>	<b>11</b>	<b>1,533</b>	<b>794</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(65)	(32)
Investment in developing intangible assets		(13)	-
Payments for acquisition of subsidiaries		(571)	-
<b>Net cash flows used in investing activities</b>		<b>(649)</b>	<b>(32)</b>
<b>Cash flows from financing activities</b>			
Payments for share buy-back		(2)	-
Proceeds from bank borrowing		598	-
Loan repayments on bank borrowing		(729)	(733)
Payment of lease liabilities	14	(150)	(139)
Dividend paid	18	(608)	(420)
Dividend paid to NCI		(27)	-
<b>Net cash flows (used in) / provided by financing activities</b>		<b>(918)</b>	<b>(1,292)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(34)</b>	<b>(530)</b>
Cash and cash equivalents at the beginning of the period		1,695	1,355
Cash and cash equivalents at the end of the period		<b>1,661</b>	<b>825</b>

These consolidated financial statements are to be read in conjunction with the accompanying notes.

## 1. Reporting Entity

The consolidated interim financial statements for Third Age Health Services Limited and its subsidiaries (the "Group") are for the economic entity comprising Third Age Health Services Limited (the "Company" or "Parent") and its subsidiaries. The Parent is incorporated and domiciled in New Zealand and registered under the Companies Act 1993 and is a Financial Market Conduct (FMC) entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. The Financial Statements have been prepared in accordance with each of these Acts. The Company is listed on the NZX Main Board ("NZX").

The principal trading activity of the Group is the provision of medical services to the aged care sector. Those companies included in the Group are disclosed in note 15. These condensed consolidated interim financial statements are for the 6 months ended 30 September 2024. The Group's current operations do not follow a seasonal or cyclical pattern.

## 2. Significant Accounting Policies

### 2.1. Statement of compliance and reporting framework

These unaudited condensed consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalent to International Accounting Standard 34 ("NZ IAS 34") Interim Financial Reporting. For the purposes of complying with NZ GAAP, the Group is a for-profit entity.

The interim financial statements do not include all of the information required for full year financial statements and should be read in conjunction with the Company's audited annual financial report for the year ended 31 March 2024. Consistent accounting policies with the full financial statements for the year ended 31 March 2024 have been applied in preparation of these interim financial statements.

### 2.2. Basis of preparation

The consolidated interim financial statements for the six months ended 30 September 2024 and comparatives for the six months ended 30 September 2023 are unaudited. The consolidated annual financial statements for the year ended 31 March 2024 were audited and form the basis for the comparative figures for that period in these statements.

The consolidated interim financial statements have been prepared in accordance with the going concern basis of accounting, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

### 2.3. Use of accounting estimates and judgements

The preparation of the financial statements in conformity with NZ IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements are as follows:

**Fair value of assets acquired in business combination**

On 1 April 2024 Third Age Health Services Limited acquired a 70% share of Hub Aged Care Limited, a Wellington based primary care provider to aged residential care facilities for a value of \$0.7m. The consolidated financial statements are based on the Company's best estimate at the date of preparation owing to a proportion of the purchase price being deferred contingent consideration.

**Carrying of value of intangible assets**

The company has reviewed the carrying value of intangible assets allocated to each cash generating unit for indications of significant impairment since the end of the most recent financial year being 31 March 2024. The Company has noted no indications of impairment.

### **3. Significant Events and Transactions**

#### **3.1 Acquisition of Hub Aged Care Limited**

On 1 April 2024 Third Age Health Services Limited acquired a 70% share of Hub Aged Care Limited, a Wellington based aged residential care provider for a value of \$0.7m. Refer note 15.2 for further details.

### **4. Revenue**

Revenue has been categorised as consultation revenue, capitation revenue and other revenue.

**Consultation revenue**

The Group earns revenue from the provision of medical consultation services. Each consultation performed is a separate performance obligation satisfied at a point in time. The price for each consultation is a fixed amount based on an agreed rate card with the customer. Revenue is recognised once the consultation service has been provided. Revenue claims from contracts like ACC and MOH (General medical, maternity and immunisation claims) with customers are measured at the fair value of the consideration received or receivable and may be reduced for rebates and other similar allowances.

**Capitation revenue**

The Group provides various medical services on a 'stand ready' basis on behalf of Primary Health Organisations (PHOs). This capitation revenue is recognised monthly based on the number of enrolled patients and the agreed rate for the particular patient. The agreed rate will be affected by the characteristics of the patient, for example, their age or gender. Revenue is recognised on an over time basis measured in arrears.

**Other revenue**

Other revenue is made up of claims related to vaccinations and other claims recognised on a point in time basis once the services have been given to the patient as well as interest revenue. Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts.

**Third Age Health Services Limited and subsidiaries**  
**Notes to the condensed consolidated financial statements**  
**For the six months ended 30 September 2024**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Capitation revenue		
Aged medical care services	1,495	1,060
General practice medical services	2,042	1,954
Consultation revenue		
Aged medical care services	4,113	2,736
General practice medical services	1,389	1,308
Other revenue		
Aged medical care services	85	19
General practice medical services	289	264
<b>Total revenue from contracts with customers</b>	<b>9,413</b>	<b>7,341</b>

## 5. Cost of services

Cost of services line include direct costs of doctors, nurses and medical supplies as well as other direct costs.

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Practitioners (GPs and nurses)	4,439	3,723
Medical supplies	115	118
<b>Total cost of services</b>	<b>4,554</b>	<b>3,841</b>

## 6. Segment Information

### Products and services from which reportable segments derive their revenue

The Group's reportable segments are as follows:

- Aged medical care services, being the provision of medical care services to the aged care sector.
- General practice medical services, being the provision of general medical care services to the community.

## Segment revenues and profit before tax

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

<b>Segment revenue</b>	<b>30 September 2024</b> <b>(Unaudited)</b> <b>\$000</b>	<b>30 September 2023</b> <b>(Unaudited)</b> <b>\$000</b>
Aged medical care services	5,693	3,815
General practice medical services	3,720	3,526
<b>Total for continuing operations</b>	<b>9,413</b>	<b>7,341</b>

<b>Segment profit before tax</b>	<b>30 September 2024</b> <b>(Unaudited)</b> <b>\$000</b>	<b>30 September 2023</b> <b>(Unaudited)</b> <b>\$000</b>
Aged medical care services	1,322	722
General practice medical services	329	27
<b>Total for continuing operations</b>	<b>1,651</b>	<b>749</b>

Segment profit includes the following items:

<b>For the six months ended 30 September 2024</b>	<b>Aged care</b> <b>medical services</b> <b>\$000</b>	<b>General practice</b> <b>medical services</b> <b>\$000</b>
EBITDA	1,396	857
Depreciation	(6)	(194)
Amortisation of intangibles	(44)	(163)
Interest expense on leases	-	(96)
Interest on bank Loan	(24)	(75)
<b>Profit before tax</b>	<b>1,322</b>	<b>329</b>
Income tax expense	(413)	(84)
<b>Profit for the period</b>	<b>909</b>	<b>245</b>

**Third Age Health Services Limited and subsidiaries**  
**Notes to the condensed consolidated financial statements**  
**For the six months ended 30 September 2024**

**For the six months ended 30 September 2023**

	<b>Aged care medical services \$000</b>	<b>General practice medical services \$000</b>
EBITDA	723	577
Depreciation	(1)	(202)
Amortisation of intangibles	-	(158)
Interest expense on leases	-	(105)
Interest on bank Loan	-	(85)
<b>Profit before tax</b>	<b>722</b>	<b>27</b>
Income tax expense	(200)	(12)
<b>Profit for the period</b>	<b>522</b>	<b>15</b>

EBITDA represents profit before tax excluding amounts for depreciation and amortisation expenses, interest expenses and interest income.

Segment profit before tax for the General practice medical services in 2023 includes \$85,349 of finance costs from the ANZ loan facility (note 10). This cost is allocated to this segment, as the loan facility was utilised to fund the acquisition of general practices.

**Segment assets and liabilities**

<b>Segment assets</b>	<b>30 September 2024 (Unaudited) \$000</b>	<b>31 March 2024 (Audited) \$000</b>
Aged medical care services incl support functions	3,949	2,638
General practice medical services	8,205	8,281
<b>Total segment assets</b>	<b>12,154</b>	<b>10,919</b>
Intercompany elimination	(1,371)	(1,201)
<b>Total segment assets</b>	<b>10,783</b>	<b>9,718</b>

<b>Segment liabilities</b>	<b>30 September 2024 (Unaudited) \$000</b>	<b>31 March 2024 (Audited) \$000</b>
Aged medical care services incl support functions	1,889	1,461
General practice medical services	6,620	6,545
<b>Total segment liabilities</b>	<b>8,509</b>	<b>8,006</b>
Intercompany elimination	(1,371)	(1,201)
<b>Total segment liabilities</b>	<b>7,138</b>	<b>6,805</b>

**7. Costs of employees and contractors includes:**

	30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
Salaries and wages	1,335	1,197
Short term incentives	148	105
Defined contribution (KiwiSaver)	71	57
Share based payments expense	9	-
<b>Employee benefit expense</b>	<b>1,563</b>	<b>1,359</b>
Contractors	110	101
	<b>1,673</b>	<b>1,460</b>

Total employee costs are split between costs associated with operations that existed in the prior period and new acquisitions since October 2022.

	30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
Existing operations	1,673	1,235
New acquired subsidiaries	-	225
	<b>1,673</b>	<b>1,460</b>

**8. Professional and consulting fees**

	30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
Fees payable to auditor	65	47
Accounting and taxation services	30	20
Legal expenses	33	14
Directors' fees	90	90
Listing and share registry costs	20	26
Other consultancy costs	46	41
	<b>284</b>	<b>238</b>

Legal fees include \$19,853 (2023: \$49,900) of fees in respect of work undertaken on acquisitions.



**Third Age Health Services Limited and subsidiaries**  
**Notes to the condensed consolidated financial statements**  
**For the six months ended 30 September 2024**

**9. Other expenses**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Technology / IT	341	278
Marketing & PR	17	16
Travel & Entertainment	17	13
Professional operational services	94	70
Office & General	210	176
	<u>679</u>	<u>553</u>

Total other expenses are split between costs associated with operations that existed in the prior period and new acquisitions since October 2022.

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Existing operations	672	362
New acquired subsidiaries	7	177
	<u>679</u>	<u>539</u>

**10. Finance costs**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Interest expense on leases	96	105
Interest on bank loan	99	85
	<u>195</u>	<u>190</u>

## 11. Reconciliation of profit before tax to net cash from operating activities

	30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
Profit before income tax	1,651	749
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	200	203
Amortisation of intangibles	207	158
Share based payments expense	9	6
Other non-cash adjustments	(3)	-
<b>Working capital adjustments:</b>		
Trade and other receivables	(240)	(254)
Trade and other payables	352	137
Loan receivable repayment	-	80
Income tax paid	(643)	(285)
<b>Net cash from operating activities</b>	<b>1,533</b>	<b>794</b>

## 12. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### Reconciliation of earnings used in calculating earnings per share

	30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
Net profit attributable to the ordinary shareholders of the Group	1,026	544
Earnings used in the calculation of basic earnings per share	1,026	544

### Weighted average number of shares used as the denominator

	Shares 000's	Shares 000's
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	10,003	9,993

**Third Age Health Services Limited and subsidiaries**  
**Notes to the condensed consolidated financial statements**  
**For the six months ended 30 September 2024**

	Shares 000's	Shares 000's
Adjustments for calculation of diluted earnings per share:	-	-
Employee share options		
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<b>10,003</b>	9,993
From continuing operations:	Cents per share	Cents per share
Basic earnings per share	10.25	5.44
Diluted earnings per share	10.25	5.44

Share options issued under ESOP plans are considered as antidilutive.

### 13. Trade and other receivables

#### Current

	30 September 2024 (Unaudited) \$000	31 March 2024 (Audited) \$000
Trade receivables	1,046	763
Less provision for doubtful debts	(51)	(26)
	<b>995</b>	<b>737</b>
Other receivables	20	38
	<b>1,015</b>	<b>775</b>

As at 30 September 2024 93% of the Group's trade receivables are current (31 March 2024: 90%). Short-term receivables from customers (excluding Health NZ funding) are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated using a simplified approach based on a lifetime ECL. Current provision recorded is immaterial.

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 September 2024 (Unaudited) \$000	31 March 2024 (Audited) \$000	30 September 2024 (Unaudited) \$000	31 March 2024 (Audited) \$000	30 September 2024 (Unaudited) \$000	31 March 2024 (Audited) \$000
Current (<30 days)	0%	0%	923	665	-	-
30 to 60 days	0%	0%	24	22	-	-
30 to 60 days	24%	0%	30	9	2	-
Over 90 days	74%	38%	69	67	49	26
			<b>1,046</b>	<b>763</b>	<b>51</b>	<b>3</b>

#### 14. Right of use assets and leases liabilities

The following tables show the movement in right of use assets and lease liabilities.

Movements in the amounts recognised in the statement of financial position as at 30 September 2024 and the prior corresponding period:

##### Right-of-use-asset

	30 September 2024 (Unaudited) \$000	31 March 2024 (Audited) \$000
<b>Opening balance at beginning of period (Audited)</b>	<b>2,514</b>	<b>2,967</b>
Additions	-	-
Lease reassessments	27	(93)
Depreciation	(182)	(360)
<b>Closing balance</b>	<b>2,359</b>	<b>2,514</b>

##### Lease liabilities

	30 September 2024 (Unaudited) \$000	31 March 2024 (Audited) \$000
<b>Opening balance at beginning of period (Audited)</b>	<b>2,705</b>	<b>3,038</b>
Additions	-	-
Lease reassessments	28	(50)
Interest	96	204
Lease repayments	(246)	(487)
<b>Closing balance</b>	<b>2,583</b>	<b>2,705</b>
Current	320	306
Non-current	2,263	2,399
	<b>2,583</b>	<b>2,705</b>

Amounts recognised in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2024:

	30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
Depreciation of right-of-use assets property	182	186
Interest expense (included in finance cost)	96	105
Short term office rent (included in office & general)	55	51

The total cash outflow for leases in the 6-month period ended September 2024 was \$245k (2023: \$243k).  
The future minimum rentals payable under non-cancellable operating leases are \$1,115k (2023: \$1,337k).

## 15. Business combinations

### 15.1 Group composition

The parent entity is Third Age Health Services Limited, a company incorporated in New Zealand. The Group had the following subsidiaries as of 30 September 2024. The current reporting period includes results from new subsidiary that was not part of the group for the same period last year.

Subsidiary name	Country of incorporation	30 September 2024 Ownership	31 March 2024 Ownership
Hawkes Bay Wellness Centre Limited	New Zealand	100%	100%
Belmont Medical Centre Limited	New Zealand	100%	100%
Ponsonby Medical (Third Age Health) Limited	New Zealand	100%	100%
Devonport Family Medicine (Third Age Health) Limited	New Zealand	100%	100%
EastMed St Heliers Limited	New Zealand	67%	67%
Third Age Employee Share Purchase Plan Trust	New Zealand	100%	100%
Hub Aged Care Limited (acquired 01 April 2024)	New Zealand	70%	-

On 9<sup>th</sup> August 2024, the Company sold their 10% share back to Phoenix Health Hub Limited for the nominal value of \$1. The Company had not invested any funds and had a nil fair value as at 31 March 2024.

### 15.2 Acquisitions

On 1 April 2024 Third Age Health Services Limited acquired a 70% share of Hub Aged Care Limited, a Wellington based primary care provider to aged residential care facilities. The acquisition supports Third Age Health Services Limited's future growth strategy in the Wellington region, an essential part of expanding our national coverage and continuing to develop the model of healthcare for older people.

The complete results of the company since acquisition are included in these Consolidated Financial Statements for the period ended 30 September 2024, contributing \$733k to Group revenues and \$354k to Group EBITDA.

Details of the fair value of identifiable assets and liabilities acquired purchase consideration and goodwill are as follows:

	Hub Aged Care \$000
Cash	624
Contingent consideration at Fair Value	118
<b>Total fair value of consideration transferred</b>	<b>742</b>
<b>Fair value of NCI on acquisition</b>	<b>206</b>
<b>Current assets</b>	
Cash and receivables	52
Trade receivables	122
<b>Non-current assets</b>	
Property, plant and equipment	2
Intangible Assets (excluding goodwill)	880
<b>Total assets acquired</b>	<b>1,056</b>

**Third Age Health Services Limited and subsidiaries**  
**Notes to the condensed consolidated financial statements**  
**For the six months ended 30 September 2024**

	<b>Hub Aged Care</b>
	<b>\$000</b>
<b><i>Current liabilities</i></b>	
Trade and other liabilities	(13)
Accrued expenses	(66)
GST & Income Tax	(43)
<b><i>Non-current liabilities</i></b>	
Deferred tax liability on intangibles	(246)
<b>Total Liabilities acquired</b>	<b>(368)</b>
<b>Total net assets acquired</b>	<b>688</b>
<b>Goodwill</b>	<b>260</b>

The total nominal consideration transferred or to be transferred to the vendors is as follows:

- \$598,000 in cash paid on 1 April 2024.
- \$26,090 in cash paid on 31 May 2024 as a working capital adjustment being 50% of current assets less current liabilities at acquisition date per the sale and purchase agreement.
- \$130,000 in deferred contingent consideration considered payable on 1 April 2025, if certain conditions are met (discussed below).

The \$130,000 in total deferred contingent consideration is payable to two of the vendors if the following conditions are met:

- The patient numbers after 12 months are the same or greater than the forecast confirmed and agreed by the parties.
- Net profit is maintained or greater for the 12 months post completion.

The fair value of the deferred consideration under IFRS 13 has been calculated using net present value at the incremental borrowing rate of 10.3%. No risk portion calculation is deemed necessary. The fair value of the \$130,000 deferred contingent consideration is \$117,860. The total difference of \$11,140 interest expense is recorded over 1 year expensed monthly until 1 April 2025.

The total fair value of all consideration is \$741,950.

The \$598,000 cash paid was fully financed through an ANZ loan Facility at 10.3%. The working capital adjustment was settled through available cash at bank.

The expenses relating to the acquisition of Hub Aged Care are the following:

- \$19,853 in legal fees have been included in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2024 (note 8).
- \$11,140 in interest costs over 12 months from discounting the contingent consideration payable 1 April 2025 to fair value at acquisition date. \$5,570 in interest costs have been included in the Condensed Consolidated Statement of Comprehensive Income in the 6 months ending 30 September 2024 (note 10).

At acquisition date the company held trade receivables with a book and fair value of \$122,091. All contracted cash flows were expected to be collected on all receivables and no bad debts were recorded.

An assessment of goodwill is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill recognised will not be deductible for tax purposes. Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the purchase consideration over the fair value of the net identifiable tangible and intangible assets at the time of acquisition. Management has used its past established experience of sales growth and synergistic savings to determine their expectations for the future. The goodwill incorporates the expected synergies from local knowledge and contacts with our national know-how and proven best practice. Deferred tax liability of 28% on intangible assets is calculated at the time of acquisition, the minority interest portion is considered immaterial.

The value of the NCI is based on the fair value of net identifiable assets acquired based on the portion of net identifiable assets owned by the NCI.

With this method, we have included the intangibles recognised on consolidation which cannot be recognised in the separate financial statements (PHO Contract and Patient Enrolled Register). The total NCI of \$206,242 is made up on the following:

- 30% of the book value of all the net balance sheet assets as at 31 March 2024 (30% of \$53,758)
- 30% of the Patient Enrolled Registered (30% of \$732,212)
- 30% of the PHO contract (30% of \$147,950)
- 30% of deferred tax liability on intangibles (30% of \$246,446).

## 16. Bank loan

On 1 April 2024, a \$598k loan drawdown was completed for the purchase of Hub Aged Care Limited. During the period ended 30 September 2024, a total of \$729k was repaid to reduce the principal amounts of our bank loans including the loan related to Hub Aged Care. Total fees and interest charged on the loan in the period was \$99k (2023: \$85k). Security for the loan is a first ranking security over the Company and the Group which includes cross guarantees and indemnity of debt. TAH have complied with banking covenants for the period ending 30 September 2024.

## 17. Share capital

All ordinary shares rank equally with one vote attached to each fully paid share. Total issued share capital is 10,003,099 ordinary shares (2024: 10,004,149).

## 18. Dividend paid during the period

<b>Dividends declared and paid during six month period ended 30 September 2024:</b>	<b>Cents per share</b>	<b>\$000</b>
Final dividend for the year ended 31 March 2024	2.80	280
Interim dividend (Quarter 1)	3.28	328
		<b>608</b>
<b>Dividends declared and paid during six month period ended 30 September 2023:</b>	<b>Cents per share</b>	<b>\$000</b>
Final dividend for the year ended 31 March 2023	2.58	258
Interim dividend (Quarter 1)	1.62	162
		<b>420</b>

## Related party transactions

### Transactions with related parties

Name of related party	Nature of relationship	Transaction	30 September 2024 (Unaudited) \$000	30 September 2023 (Unaudited) \$000
John Fernandes	Director & Shareholder	Director fees	31	31
Bevan Walsh	Director & Shareholder	Director fees	18	18
Wayne Williams	Director	Director fees	23	23
Steffan Crausaz (appointed 1 December 2023)	Director	Director fees	19	-
Norah Barlow (resigned 1 December 2023)	Director & Shareholder	Director fees	-	19

Directors' fees for John Fernandes, Steffan Crausaz and Wayne Williams for the period ended 30 September 2024 also include fees as members of the Audit Committee. Wayne Williams, Chairman of the Audit Committee, received a fee of \$5,000, John Fernandes received a fee of \$1,250 and Steffan Crausaz a fee of \$1,250.

## 19. Subsequent event

### Interim dividend declared

Subsequent to the period end, the Board have declared a fully imputed interim dividend (Quarter 2) of 3.55 cents per share.



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