

PEGASUS HEALTH (CHARITABLE) LIMITED

NOT FOR PROFIT ENTITY

**SEPARATE AND CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 June 2025**

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The Directors are pleased to present the financial statements of Pegasus Health (Charitable) Ltd for the year ended 30 June 2025.

REGISTERED OFFICE Pegasus Health (Charitable) Ltd
401 Madras Street
Christchurch

DIRECTORS Mr B J Bragg - Chair
Mr B M Chambers
Dr C M Christie - Deputy Chair
Ms J C Huria (ceased 31.10.2024)
Mr B P Kepes
Mr G J Muir
Dr R A Rawstron
Dr H R H Royal
Ms B Sinclair
Dr L J Whiteley

AUDITOR BDO Christchurch Audit Limited

LEGAL ADVISORS Dentons

SHAREHOLDERS Mr B J Bragg
Mr B M Chambers
Dr C M Christie
Ms J C Huria (ceased 31.10.2024)
Mr B P Kepes
Mr G J Muir
Dr R A Rawstron
Dr H R H Royal
Ms B Sinclair
Dr L J Whiteley

NUMBER OF SHARES 12,000

1 Company Objects

The purpose of the Company is to apply and utilise the assets and investments of the Company in furtherance of the exclusively charitable objects of the Company (Charity registration number CC29755) (as approved and recognised by the Commissioner of Inland Revenue) which include, without limitation, the following objects:

- (a) The enhancement of health and health care and facilitation of the provision of health care to individuals, their whanau/families and all the population of Canterbury;
- (b) The improvement of the health status of individuals, their whanau and all the population of Canterbury;
- (c) The reduction of disparities between the health of Māori and other identified groups within the population of Canterbury and the reduction of barriers to the timely access to appropriate health services;
- (d) The education of the public and health care providers as to health related issues;
- (e) The greater participation of the population of Canterbury in health related issues, through proactive consultation and communication with communities and in keeping with the spirit of the Treaty of Waitangi;
- (f) The improved availability of health related information;
- (g) The improvement of integration and liaison between health care providers and others in Canterbury to ensure that health care services are coordinated around the needs of the population of Canterbury;
- (h) The creation or development of, or the enhancement of cooperation with, other entities that have similar objects.

2 Dividend

No dividend can be paid as a condition of the Company's charitable status.

3 Audit Fees

Fees paid or payable for the year for services provided by the audit firm BDO Christchurch to the Group include:-

Audit Firm's Service	Fee \$
Audit of Financial Statements	56,000
Other Services	-
Total Fee	56,000

4 Directors' Interests

As required by Section 211 of the Companies Act we disclose that the following entries were made in the Interest Register during the financial year;

- some Directors entered into an agreement to provide services to the Company as the Company may require from time to time,
- these amounts are distinct from directors' fees,
- the Directors hold an interest in the Pegasus Health Directors and Officers insurance policy.

5 Use of Company Information

No notices were received during the year.

6 Remuneration and Other Benefits - Directors' Fees

Directors' fees for their board activities totaled \$523k. Other remuneration of \$96k was paid to Directors during the year. The shareholders unanimously agree in terms of s211(3) of the Companies Act 1993 not to report on s211(f).

7 Directors' Board Meeting and Committee Attendance

Director	Board		Committee				
	Attendance	Apologies	Attendance Assurance & Risk	Attendance Clinical Governance	Attendance Commercial, Data & Digital	Attendance People & Culture	Apologies All
Mr B J Bragg - Chair *	14	-	-	-	5	3	4
Mr B M Chambers	13	1	6	-	7	-	1
Mr B P Kepes	13	1	6	-	6	-	1
Ms B Sinclair	14	-	-	4	-	5	1
Dr C M Christie - Deputy Chair	13	1	6	4	-	5	1
Mr G J Muir	14	-	-	5	-	-	-
Dr H R H Royal	13	1	5	3	-	-	3
Ms J C Huria (ceased 31.10.24) *	6	-	-	-	-	1	-
Dr L J Whiteley	14	-	-	4	-	-	1
Dr R A Rawstron	13	1	-	4	-	-	-

* Ms J C Huria's term as a Director ended in October 2024 but she continued to serve as a member of People & Culture Committee in her Board Advisor capacity. The Board Chair also attends other committee meetings in an ex officio capacity. All directors are generally entitled to attend committee meetings.

8 Share Dealing

All current Directors of the Company have a shareholding of 1200 shares each, except for the Chair who holds 2400 shares.

9 Provision of Services

Associated doctors and nurses, including directors, have been remunerated on an hourly basis for assignments carried out at the request of the company.

10 Employees

The number of employees whose remuneration and benefits are within specific bands is as follows:

Salary Bracket	<u>Number of Employees</u>
100,000-110,000	29
110,001-120,000	29
120,001-130,000	24
130,001-140,000	19
140,001-150,000	10
150,001-160,000	6
160,001-170,000	7
170,001-180,000	1
180,001-190,000	7
190,001-200,000	4
200,001-210,000	1
210,001-220,000	2
220,001-230,000	2
230,001-240,000	1
240,001-250,000	1
250,001-260,000	2
260,001-270,000	-
270,001-280,000	1
280,001-290,000	1
290,001-300,000	-
300,001-340,000	2
340,001-350,000	-
> \$350,001	1

On behalf of the Directors, 24 September 2025



B J Bragg
Chair



Dr C M Christie
Deputy Chair

Directors' Responsibility

The Financial Reporting Act 2013 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the financial position and financial performance of the parent Company and the controlled entities for that period. In preparing those Financial Statements and Notes to the Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company & its controlled entities and enable them to ensure that the financial statements comply with the Companies Act 1993. They are also responsible for safeguarding the assets of the Company along with its controlled entities and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PEGASUS HEALTH (CHARITABLE) LIMITED**

Opinion

We have audited the consolidated and separate general-purpose financial report of Pegasus Health (Charitable) Limited ("the Company") and its controlled entities (together, "the Group"), which comprises the consolidated and separate financial statements on pages 17 to 50, and the consolidated statement of service performance on pages 9 to 16. The complete set of consolidated and separate financial statements comprise the consolidated and separate statement of financial position as at 30 June 2025, the consolidated and separate statement of comprehensive revenue and expense, consolidated and separate statement of changes in net assets/equity, consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the consolidated and separate financial position of the Group as at 30 June 2025, and its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended; and
- the consolidated statement of service performance for the year ended 30 June 2025, in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods.

in accordance with Public Benefit Entity Standards ("PBE Standards") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated and separate financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (NZ AS 1) (Revised) *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the general purpose financial report, but does not include the consolidated statement of service performance and the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated statement of service performance and consolidated and separate financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated statement of service performance and consolidated and separate financial statements, our responsibility is to read the other information

and, in doing so, consider whether the other information is materially inconsistent with the consolidated statement of service performance and the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Directors' Responsibilities for the Consolidated and Separate General-Purpose Financial Report

The Directors are responsible on behalf of the Group for:

- (a) the preparation and fair presentation of the consolidated and separate financial statements and consolidated statement of service performance in accordance with PBE Standards;
- (b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present a statement of service performance that is appropriate and meaningful in accordance with PBE Standards;
- (c) the preparation and fair presentation of the statement of service performance in accordance with the Group's measurement bases or evaluation methods, in accordance with PBE Standards;
- (d) the overall presentation, structure and content of the statement of service performance in accordance with PBE Standards; and
- (e) such internal control as the Directors determine is necessary to enable the preparation of the consolidated and separate financial statements and consolidated statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the general-purpose financial report the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate General-Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole, and the consolidated statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general-purpose financial report.

A further description of the auditor's responsibilities for the audit of the general-purpose financial report is located at the XRB's website at:
<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
24th September 2025

Consolidated Statement of Service Performance – 2025

Our Visions and Values

1.1 Who We Are

Pegasus Health is a charitable organisation committed to improving health outcomes for the people of Waitaha Canterbury. We are a trusted partner in primary care, supporting general practice and the health system across Waitaha Canterbury, Te Waipounamu South Island, and beyond.

Our purpose is that by 2030, the health outcomes for people of our takiwā have improved substantially with a significant reduction in the inequities in access and health outcomes.

Our values of Inclusive, Strive, Connection and Integrity, underpinned by our guiding principle of Manaakitanga, form the fabric of who we are and how we work as an organisation.

For more than 30 years, Pegasus Health has worked alongside general practice to deliver health care that is connected, equitable, and focused on what matters most: keeping people well.

Our approach is grounded in partnership with practices, the health system, and communities. We understand the pressure across the sector, which is why we focus on practical support for general practice and invest in what works.

Together, we are building a healthcare system that is more connected, innovative, and sustainable.

Pegasus Health has a commitment to ensure that we overtly, purposefully and strategically thread equity and Te Tiriti o Waitangi through all we do and how we operate. We ensure equity is prioritised in our considerations, structures, decisions and processes so that we are able to improve the health outcomes of all people and communities in Waitaha Canterbury.

What We Do

Our work focuses on 4 key areas of activity:

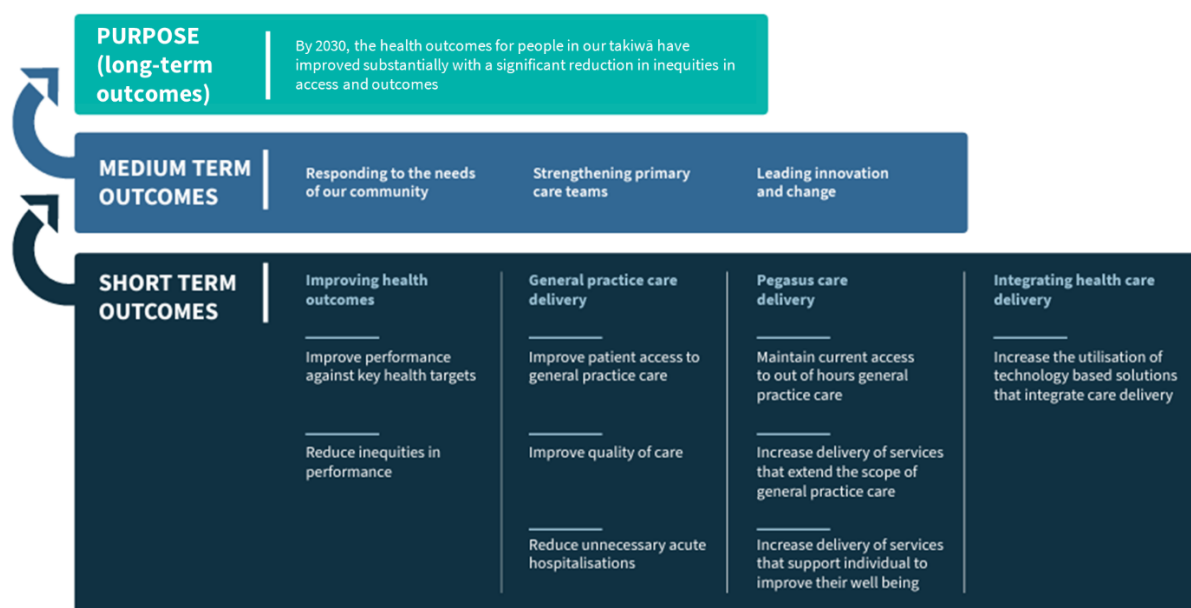
- Improving Health Outcomes**
 Together with our partners we work to identify opportunities to improve health outcomes and address health inequities. This includes activities associated with advocacy, maintaining partnerships with our community, and supporting the co-design of health and social services.
- General Practice Care Delivery**
 We support our network of affiliated general practice teams enabling them to work in ways that best use their skills and enable patients to receive the best care possible. This includes a range of activities across clinical quality and education, service co-ordination and service subsidies.
- Pegasus Health Care Delivery**
 We deliver care directly to patients, often in partnership with general practice, delivering services that extend the community-based services offered by general practice.
- Integrating Health Care Delivery**
 We partner with others to develop and manage systems that support integrated health care delivery. This includes services such as telehealth, facilitating the sharing of health information, and referrals for care.



Programme Delivery

Pegasus Health supports our affiliated general practices teams to provide health care to their communities as well as directly delivering a range of health services. The work we do aligns with our purpose, role and charitable objectives. The activities we undertake are designed to contribute to the achievement of our short and longer-term outcomes. The relationship between our outcomes and our activities are set out in the Programme Results Framework below. Short term outputs and outcomes are grouped by our key areas of activity.

Programme Results Framework



Context for programme results – Working in Partnership

Pegasus Health works within the context of the wider Waitaha Canterbury Health System, delivering a range of activities funded by the Health New Zealand | Te Whatu Ora, working in partnership with our affiliated practice network, health professionals, mana whenua, consumers, and cross sector partners. Our efforts support the delivery of:

- The New Zealand Health Strategy (Ministry of Health)
- New Zealand Health Plan | Te Pae Waenga
- He Korowai Oranga | Māori Health Strategy and Whakamaui | Māori Health Action Plan 2020-2025 (Ministry of Health).
- Health New Zealand | Te Whatu Ora Te Waipounamu and Waitaha regional and district objectives and plans.

Our Programme and Results framework will evolve over time to reflect our role in the national health system established through the Pae Ora (Healthy Futures) Act 2022, which took effect on 1 July 2022.

We also work closely with Te Tauraki, the Iwi-Māori Partnership Board for our region established to represent local Māori perspectives on the needs and aspirations of Māori with respect to planning and decision-making for health services at the local level.

Programme Results

Improving Health Outcomes

We work with our partners to improve health outcomes and address health inequities. This includes activities associated with advocacy, maintaining partnerships with our community, and supporting the co-design of health and social services.

The targets against which we measure Improving Health Outcomes are set at a national level. Nationally, regionally and for Pegasus practices, performance against these targets continues to be challenging due to ongoing pressure to whole of health system capacity which places additional demand on primary health providers.

Childhood immunisation has been a particular focus in the last 12 months, resulting in an improvement in immunisation rates overall, and a significant reduction in the equity gap between immunisation of Māori children and the population overall. The proportion of children receiving B4 School Checks continues to be close to the national target, with the proportion of Māori children receiving these checks now slightly ahead of the rate for the total population relative to being behind in FY24.

Cervical screening and breast screening rates for the total population have also improved.

The proportion of current smokers being offered Smoking Cessation services has declined over the past year due to a temporary pause of the support provided to practices by Pegasus in coordinating this service.

Service	Measure	Target	Total Population		Māori		Notes
			FY25	FY24	FY25	FY24	
Diabetes Annual Reviews	% Patients up to date for 6 core elements of diabetes care for patients diagnosed with diabetes	90%	66%	69%	63%	66%	a
Smoking	% of current Smokers aged 15-74 offered help to quit smoking in the last 15 months	90%	72%	85%	65%	82%	a
Cervical Screening	% of eligible people aged 25-69 have had a cervical smear in the last 3 years	80%	76%	72%	73%	68%	c
Breast Screening Coverage	% of eligible people aged 45-69 have had a screening mammogram in the last 2 years	70%	78%	75%	72%	72%	d
B4 School Checks	% of children receive a B4 School Check	90%	88%	91%	89%	86%	a
	% of obese children identified are offered a referral to a health professional for clinical assessment and family-based nutrition, activity and lifestyle interventions	95%	99%	99%	100%	100%	a
Immunisation	% of two-year-olds are fully immunised	95%	89%	86%	83%	77%	e

Note: Total population refers to Pegasus PHO population.

- a. Pegasus PHO
- c. National Cervical Screening Programme
- d. Breast Screen South
- e. AIR Immunisations



General Practice Care Delivery

We support our network of General Practice teams to deliver primary care. This includes a range of activities across clinical quality and education, service co-ordination and service subsidies.

The number of general practice consultations is down by 2.3% overall and the number of Māori consultations is down by 1.2% for FY25 compared to FY24.

Acute packages of care episodes in FY25 fell by 6.4% compared to FY24.

For primary care patient experience, patient satisfaction with the wait until the next available appointment has fallen by 5% over the last 12 months. The gap in patient satisfaction between Māori and the total population has improved across all measures.

Small group attendances for FY25 were slightly lower (-1.0% or 31 less attendances) than FY24.

Service	Measure	Total Population		Māori		Notes
		FY25	FY24	FY25	FY24	
General Practice Care Delivery						
First Level Services*	General Practice Consultations	1,850,498	1,894,481	171,136	173,250	a
Acute Demand	Number of acute demand episodes YTD	43,934	46,959	n/a	n/a	a
Primary Care Patient Experience*	Access to Care - Wait Times: % who did not mind the wait for the next available appointment	73%	78%	71%	78%	f
	Access to Care - Wait Times: % same day response when contacting GP/Nurse clinic for important issues	78%	78%	73%	74%	f
	Access to Care - Barriers: % who could access GP/Nurse care when needed in the last 12 months	82%	80%	75%	74%	f
Clinical Connect Peer Education Programme	Attendances	2,977	3,008	n/a	n/a	a

* Total population refers to Pegasus PHO population

a. Pegasus PHO

b. Waitaha Canterbury (Health New Zealand | Te Whatu Ora)

f. Te Tāhū Hauora Patient Experience Survey

Improve patient access to general practice care

Improve quality of care

Reduce unnecessary acute hospitalisations

Pegasus Care Delivery

We deliver care directly to patients. Often in partnership with general practice, delivering services that extend the community-based services offered by general practice.

Within Pegasus Care Delivery, approximately 3,000 more Mental Health Consultations were provided in FY25 compared to FY24. Estimates show that Māori remain approximately 12% of mental health consultations, which is slightly above the 10% share of enrolled population, but likely still represents unmet need.

There were 1,450 more attendances at the 24-Hour Surgery in FY25 compared to FY24.

Service	Measure	Total Population		Māori		Notes
		FY25	FY24	FY25	FY24	
Mental Health Consultation	Total consultations (Brief Intervention Talking Therapy, Te Tumu Waiora) in the period (includes any marked as 'did not attend' (DNA), cancelled)	81,328	78,248	9,413	9,056	a
24 Hour Surgery	Patient Attendances	79,180	77,730	5,261	7,462	a

* Mental Health Consultations under Te Tumu Waiora include Health Improvement Practitioners (HIPs), Health Coaches and Support Workers. Health Coaches and Support Workers are supported, but not funded by Pegasus.

*As 24hrs can only access Pegasus PHO register to confirm ethnicity, over 15% of visits (i.e. visits by non Pegasus patients) are not able to be mapped. Some of these are likely to be Maori, so we expect this count to be understated in the table.

a. Pegasus PHO

Maintain current access to out of hours general practice care

Increase delivery of services that extend the scope of general practice care

Increase delivery of services that support individual to improve their well being

Integrating Health Care Delivery

We partner with others to develop and manage digital systems that support integrated health care delivery. This includes services such as telehealth, facilitating the sharing of health information and referrals for care.

Over 75,000 more referrals were sent via ERMS (Electronic Request Management System) in FY25 compared to FY24.

HealthOne (shared patient record) recorded over 680,000 additional accesses in FY24 – an increase of over 15%.

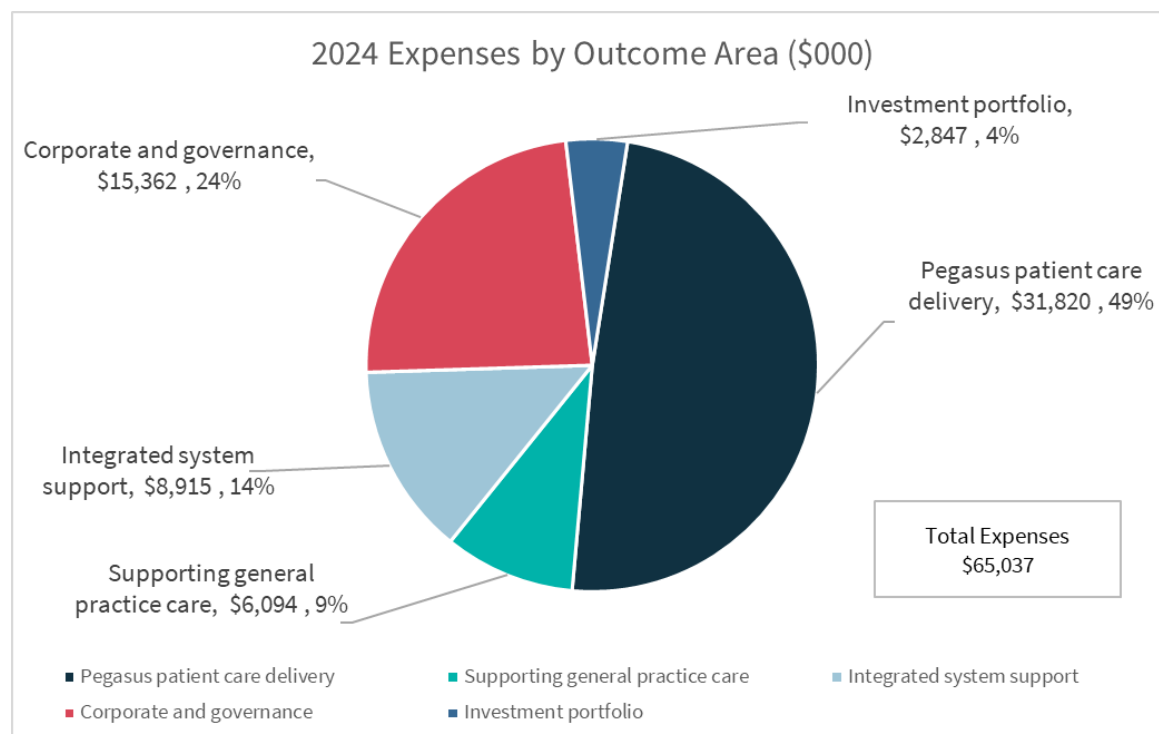
Service	Measure	Total		Notes
		FY25	FY24	
ERMS	Referrals Sent YTD	1,124,527	1,048,000	g
HealthONE	Total accesses YTD	5,172,000	4,491,300	h
Whakarongorau Aotearoa	Total Contacts (All services)	1,100,000	1,845,000	i

g. Sourced from ERMS team

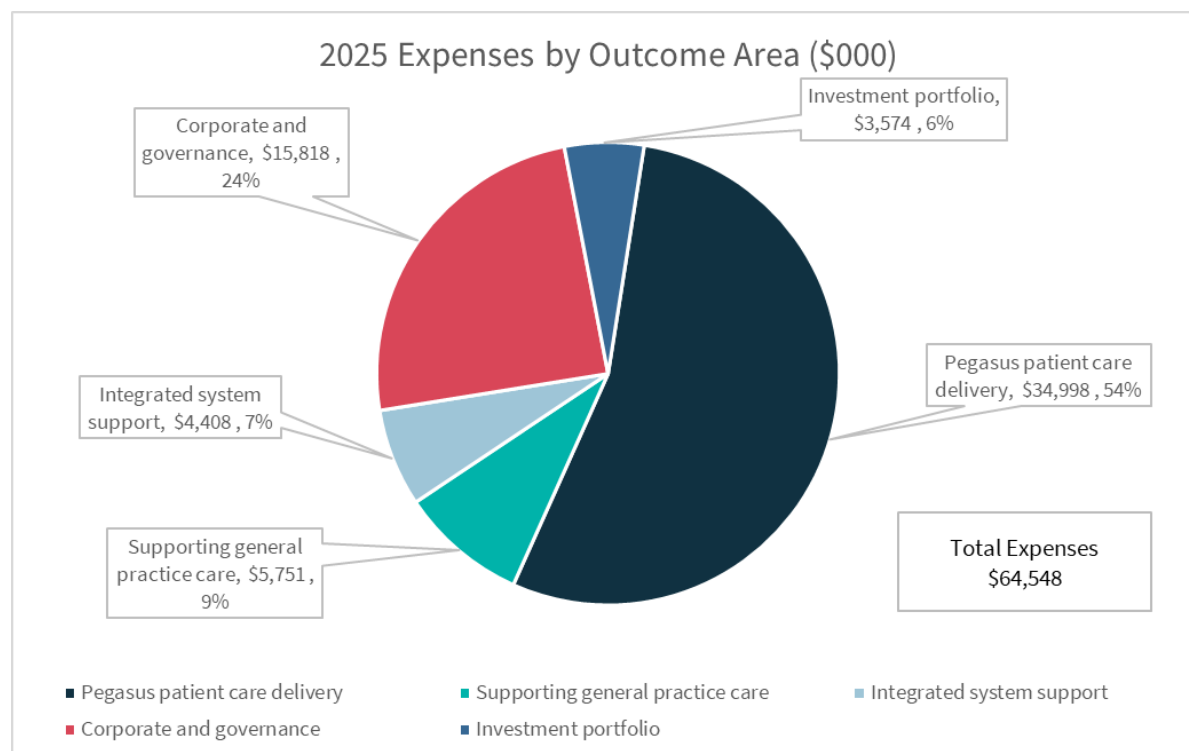
h. Sourced from HealthOne team

i. Sourced from Whakarongorau

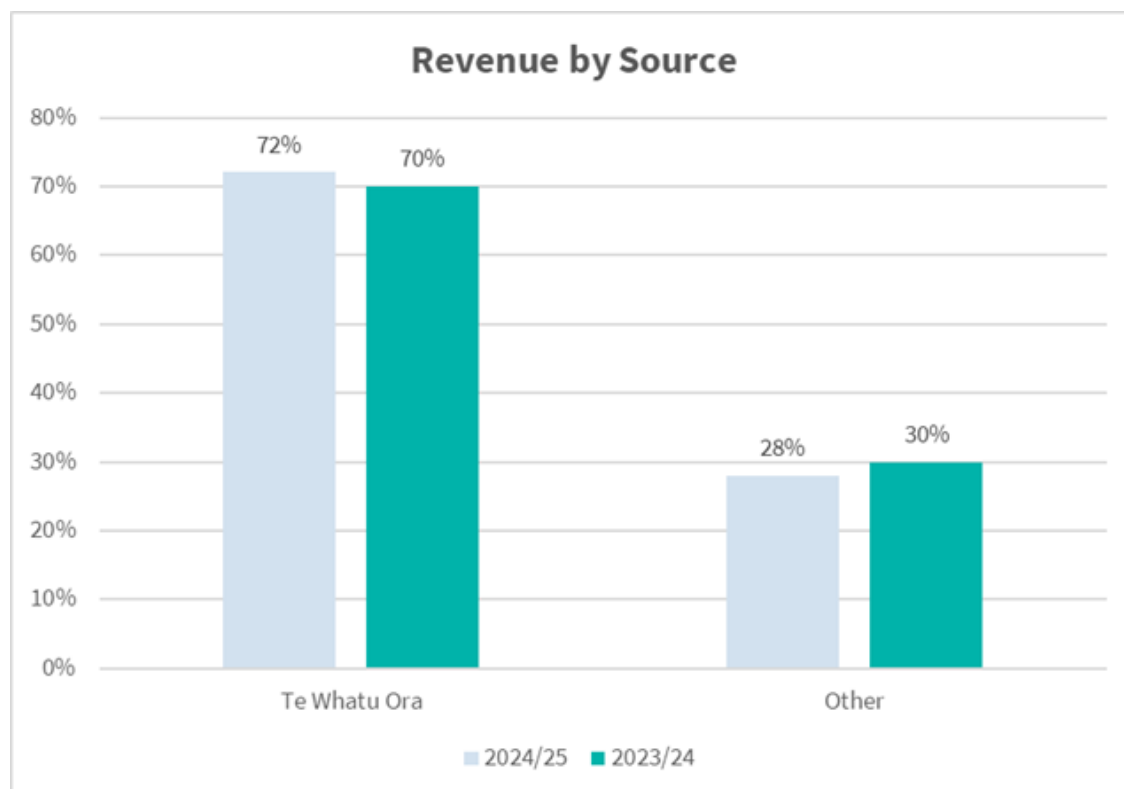
Programme Expenses



* We have reclassified the 2024 subsidised procedure costs from the Supporting General Practice category to the Integrated System Support category so that they are grouped with the other Canterbury Clinical Network initiatives.

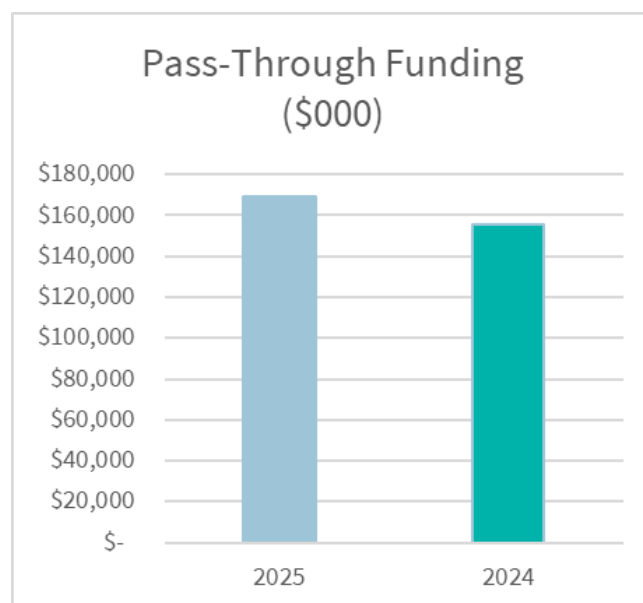


Funding Sources



Pass-Through Funding

Pass-through funding reflects funds paid to primary and community providers by Pegasus as payment agent for organisations such as Health New Zealand | Te Whatu Ora, ACC and Ministry of Social Development. This includes capitation payments made to general practice.



Judgements

In compiling the Group's Statement of Service Performance report, Management has made judgements in relation to which outcomes and outputs best reflect the achievement of our performance for the Group's vision.

The Group delivers targeted outputs in accordance with its programme strategy, service contracts, and budget. Our purpose is that all people living in Canterbury lead healthy lives, and our role is 'together making Canterbury the best place to receive and provider care'. Our activities are designed to contribute to achievement of our intermediate and long-term outcomes, with a particular focus on addressing health inequities.

Reporting the patient focused outcomes or the impacts of our activities are difficult to measure and attribute to the work of Pegasus or General Practice alone. Measures have therefore been included within the results framework on the following basis:

- Health New Zealand | Te Whatu Ora (as our main funder) and the People of Canterbury are the primary audience for this report.
- Provide measurement across dimensions of activity (the volumes of service delivered), equity and access.
- Reflect those measures that are important indicators of health outcomes or services that utilise significant resources in their delivery.
- Service performance information is primarily based on the goods and services delivered with the objective of improving performance against these measures utilising our historical performance as a baseline for comparative purposes.
- This framework will evolve over time in response to goals and objectives that result from the health reforms and as our performance monitoring systems mature.

Outputs and outcomes are aggregated from information reported from Pegasus Health systems, affiliated general practice teams and Health New Zealand | Te Whatu Ora. Where available we have utilised data collected directly from Health Care Provider systems as we believe its context for collection being aligned with the delivery of care. Where data is not directly available from a Health Care provider system, we have sourced data from trusted system partners such as Health Quality and Safety Commission, Health New Zealand | Te Whatu Ora and Manatū Hauora (Ministry of Health). In utilising the data from trusted partners, we have made the judgement that these data sources will continue to be available in future periods.

Variation in Performance – explanations are provided for material variations (greater than 10%) in the current year versus last year or the specified target.

Some measures have been removed in the 2025 Statement of Service Performance report, and the categories within the expenses by outcome graph have changed. Management made these changes to simplify the report and align the measures and outcomes with internal structures and reporting.

PEGASUS HEALTH (CHARITABLE) LIMITED
STATEMENTS OF COMPREHENSIVE REVENUE AND EXPENSE
For the year ended 30 June 2025



		Group		Company	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue	8	64,382	66,514	64,529	66,364
Operating Expenses	9	(64,336)	(65,104)	(64,548)	(65,037)
Net operating surplus/(deficit)		46	1,410	(19)	1,327
Dividend Received		-	-	1,589	-
Share of surplus/ (deficit) from Associates	16	(1,867)	1,125	25	(12)
Finance Revenue (on financial assets at amortised costs)		43	134	42	132
Finance Expenses (on financial liabilities at amortised costs)		(312)	(443)	(312)	(443)
		(2,136)	816	1,344	(323)
Surplus/(Deficit) for the year attributable to the equity holders of PEGASUS HEALTH (CHARITABLE) LIMITED		(2,090)	2,226	1,325	1,004
Other comprehensive revenue and expense					
Gain/ (Reversal) on revaluation of land and buildings	13	2,071	(3,972)	2,071	(3,972)
Other comprehensive revenue and expense for the year		2,071	(3,972)	2,071	(3,972)
Total comprehensive revenue and expense for the year attributable to the equity holders of PEGASUS HEALTH (CHARITABLE) LIMITED		(19)	(1,746)	3,396	(2,968)

The above statements of comprehensive revenue and expense should be read in conjunction with the accompanying notes

PEGASUS HEALTH (CHARITABLE) LIMITED
STATEMENTS OF FINANCIAL POSITION
As at 30 June 2025



		Group		Company	
	Note	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and Cash Equivalents	10	4,156	6,563	3,888	6,140
Receivables	12	8,059	10,286	7,808	8,672
Loan receivable	16	-	-	283	703
Inventories		23	18	23	18
Prepayment		776	760	776	754
Total current assets		13,014	17,627	12,778	16,287
Non-current assets					
Property, Plant and Equipment	13	25,115	22,854	25,115	22,830
Intangibles	14	204	880	204	880
Investment in controlled entities	16	-	-	5,825	5,905
Investment in equity accounted investees	16	7,511	9,280	498	474
Total non-current assets		32,830	33,014	31,642	30,089
Total assets		45,844	50,641	44,420	46,376
Liabilities					
Current liabilities					
Payables	17	7,236	9,876	7,237	9,879
Employee benefit liability		4,013	4,032	4,013	3,981
Leases	22	63	14	63	14
Provision	15	-	50	-	50
Advance from controlled entities	16	-	-	-	623
Total current liabilities		11,312	13,972	11,313	14,547
Non-current liabilities					
Loans	18	3,400	5,400	3,400	5,400
Provision	15	-	50	-	50
Funds Held in Trust		600	668	600	668
Total non-current liabilities		4,000	6,118	4,000	6,118
Total liabilities		15,312	20,090	15,313	20,665
Net assets		30,532	30,551	29,107	25,711
Equity					
Share Capital	19	12	12	12	12
Reserves		3,611	1,540	3,611	1,540
Accumulated revenue and expense		26,909	28,999	25,484	24,159
Total equity		30,532	30,551	29,107	25,711

FOR AND ON BEHALF OF THE BOARD,

B J Bragg
Chair

Dr C M Christie
Deputy Chair

24 September 2025

The above statements of financial position should be read in conjunction with the accompanying notes

PEGASUS HEALTH (CHARITABLE) LIMITED
STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2025



<u>Group</u>	<u>Note</u>	<u>Share capital</u>	<u>Revaluation reserve</u>	<u>Accumulated revenue and expense</u>	<u>Total</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance as at 1 July 2023		12	5,512	26,773	32,297
Surplus/(Deficit) for the year		-	-	2,226	2,226
Other comprehensive revenue and expense for the year	13	-	(3,972)	-	(3,972)
Total comprehensive income for the year		-	(3,972)	2,226	(1,746)
Closing balance 30 June 2024		12	1,540	28,999	30,551
Surplus/(Deficit) for the year		-	-	(2,090)	(2,090)
Other comprehensive income for the year	13	-	2,071	-	2,071
Total comprehensive income for the year		-	2,071	(2,090)	(19)
Balance as at 30 June 2025		12	3,611	26,909	30,532

<u>Company</u>	<u>Note</u>	<u>Share capital</u>	<u>Revaluation reserve</u>	<u>Accumulated revenue and expense</u>	<u>Total</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance as at 1 July 2023		12	5,512	23,155	28,679
Surplus/(Deficit) for the year		-	-	1,004	1,004
Other comprehensive revenue and expense for the year	13	-	(3,972)	-	(3,972)
Total comprehensive income for the year		-	(3,972)	1,004	(2,968)
Closing balance 30 June 2024		12	1,540	24,159	25,711
Surplus/(Deficit) for the year		-	-	1,325	1,325
Other comprehensive income for the year	13	-	2,071	-	2,071
Total comprehensive income for the year		-	2,071	1,325	3,396
Balance as at 30 June 2025		12	3,611	25,484	29,107

The above statements of changes in equity should be read in conjunction with the accompanying notes

PEGASUS HEALTH (CHARITABLE) LIMITED
STATEMENTS OF CASH FLOWS
For the year ended 30 June 2025



		Group		Company	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash flows from operating activities					
Proceeds from cash receipts from customers		64,855	66,505	64,425	66,649
Payments to suppliers and employees		(64,156)	(62,577)	(63,897)	(61,489)
Net proceeds from customers and suppliers		699	3,928	528	5,160
Finance Revenue		43	134	42	132
Agency Receipts		168,941	155,643	168,941	155,643
Agency payments		(168,941)	(155,643)	(168,941)	(155,643)
Net cash from operating activities	11	742	4,062	570	5,292
Cash flows from investing activities					
Payment for purchase of business, net of cash acquired	15	-	(499)	-	(499)
Investment in controlled entities		-	-	-	(2,800)
Investment in equity accounted investees		-	(2,800)	-	-
Payments for purchase of property, plant and equipment	13	(841)	(561)	(831)	(559)
Increase in intangible assets	14	(5)	(10)	(5)	-
Proceeds from disposal of property, plant and equipment	13	30	-	-	-
Dividends received		-	-	972	-
Net cash (used in)/from investing activities		(816)	(3,870)	136	(3,858)
Cash flows from financing activities					
Drawdown/ (repayment) of borrowings	10	(2,000)	3,400	(2,000)	3,400
Net of Finance Lease/ Intercompany Loan receivable		(21)	(23)	(646)	(1,324)
Finance Expense		(312)	(443)	(312)	(443)
Net cash (used in)/from financing activities		(2,333)	2,934	(2,958)	1,633
Net (decrease)/increase in cash and cash equivalents		(2,407)	3,126	(2,252)	3,067
Cash and cash equivalents at the beginning of the financial year		6,563	3,437	6,140	3,073
Cash and cash equivalents at the end of the financial year	10	4,156	6,563	3,888	6,140

The above statements of cash flows should be read in conjunction with the accompanying notes

Note 1. Reporting Entity

Pegasus Health (Charitable) Limited is a Tier 1 Public Benefit Entity (the 'controlling entity') and a charity registered under the Charities Act 2005. The entity is domiciled in New Zealand, and is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013. The controlling entity's registered office and principal place of business is 401 Madras Street, Christchurch. The controlling entity is a Tier 1 entity as it is publicly accountable for funds held in a fiduciary capacity as part of its primary business, and it is considered large as it has total expenses over \$33 million.

These separate and consolidated financial statements comprise two sets of accounts for the year ended 30 June 2025. These include the controlling entity (referred to as the 'Company') and the consolidated financial statements (referred to as the 'Group') which include the Company and its controlled entities and the Group's share of profits and losses in its equity accounted investees.

Pegasus Health (Charitable) Limited is principally involved in the delivery of health services as well as delivering the function of a Primary Health Organisation (PHO) across Canterbury.

The Group financial statements incorporate the activities of the following associates and controlled entities (hereafter referred to as "the Group"):

- Pegasus Health (LP) Limited - Controlled entity
- Pegasus Health (Health One) Limited - Controlled entity
- Bealey Nominee 3 Limited - Controlled entity
- Pegasus Health Holdings Limited - Controlled entity
- Health One (General Partner) Limited - Associate
- HealthOne (2021) Limited Partnership - Associate
- Practice Plus Limited Partnership - Associate
- Canterbury Community Care Trust Limited - Associate
- Whakarongorau Aotearoa New Zealand Telehealth Services LP - Associate
- Whakarongorau Aotearoa New Zealand Telehealth Services (GP) Ltd - Associate
- Te Whata Limited - Associate
- Lincoln Medical (2024) Limited - Associate

Note 2. Basis of Preparation

(a) Statement of compliance

The separate and consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards ("PBE Standards"), as appropriate for Tier 1 not-for-profit public benefit entities.

These financial statements were authorised for issue by the Board of Directors on 24 September 2025.

(b) Measurement basis

The separate and consolidated financial statements have been prepared on the historical cost basis except for the following material item in the statements of financial position, which are measured at fair value:

- Land and Buildings under the revaluation model

(c) Functional and presentation currency

The separate and consolidated financial statements are presented in New Zealand dollars (\$) which is the controlling entity's functional and Group's presentation currency, rounded to the nearest thousand. There has been no change in the functional currency of the Group during the year.

Note 3. Use of Judgements and Estimates

The preparation of the separate and consolidated financial statements 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 those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described as follows:

(a) Judgements

In the process of applying the entity's accounting policies, the Directors have made the following judgements that have had the most significant effect on the amounts recognised in the financial statements:

- The Directors have judged that the Company is a public benefit entity. They believe that the charitable objects of the Company are consistent with the public benefit entity requirements. Any equity has been provided with a view to supporting these charitable objects rather than for a financial return to equity holders.
- The Directors have judged that where part of a property is used in the supply of services and part is rented out, a more than insignificant portion is held for use in the supply of services and therefore the property is classified as property, plant and equipment, rather than as investment property.
- The Directors have judged that the Group is a going concern.
- The Directors have judged that in the case of certain entities set out in note 16 that even though a 50% shareholding is held, the entities do not have any binding arrangement requiring such joint unanimous decision making (as per PBE IPSAS 36). These entities are therefore accounted as Investment in Associates. They do not have a quoted market price in an active market and are measured at cost (PBE IPSAS 36). The results (share of loss or profit) of the associates are equity accounted as detailed in note 16.

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2025 include the following:

Area of estimate or judgement	Refer
Valuation of land and buildings	note 13
Impairment of intangibles	note 14
Investment	note 16 and note 23

Note 4. Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the separate and consolidated financial statements and have been applied consistently by the Group except where disclosed in note 5.

Accounting policies are disclosed within each of the applicable notes to the financial statements and are designated by blue highlighted text. Where a note is not required, the applicable accounting policy is disclosed in note 6.

Note 5. Changes in Accounting Policy

During the year the Group adopted the amendment of PBE IPSAS 1 'Presentation of Financial Reports' requiring an entity to describe the services provided by its audit firm and to disclose the fees incurred by the entity for each service. This amendment has been applied to the separate and consolidated financial statements of the Group.

Note 6. Other Accounting Policies

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Indefinite life intangible assets (e.g. goodwill) are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the surplus or deficit.

Note 6. Other Accounting Policies (continued)

(a) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

(b) Income tax

As the Company and some of its controlled entities are registered charities or non-trading (Pegasus Health (Charitable) Limited charity registration number CC29755; Pegasus Health (LP) Limited charity registration number CC50324; Pegasus Health (Health One) Limited charity registration number CC58898, Pegasus Health (Holdings) Limited charity registration number CC62156, Canterbury Community Trust charity registration number CC22657 and Bealey Nominee 3 Limited (formerly Kiasma Health Limited) charity registration number CC62422, they are not required to pay income tax.

The Company has three associates: Canterbury Community Care Trust Ltd, Health One (General Partner) Limited and Whakarongorau Aotearoa New Zealand Telehealth Services (GP) Limited, which are tax paying entities. Deferred tax is calculated as part of the value of the investments.

(c) Impairment of non-derivative financial assets classified at amortised cost

Financial assets not subsequently measured at fair value through surplus or deficit are assessed for any change in the credit profile of the financial asset and impairment is measured based on an Expected Credit Loss (ECL) model. Group's financial assets carrying any significant credit risk comprise mainly of Trade Receivables. An impairment allowance has been made at each ageing bracket for debtors and the expected credit loss estimates are based on historical loss rates, current and projected information. The balance of the movement in impairment has been recognised in net surplus and deficit for the current financial year.

(d) Agency payments

The Company acts as agent for various funding parties and in that capacity pays a variety of claims to general practices and other parties, for which it is reimbursed. These receipts and payments do not flow through the statements of comprehensive revenue and expenses but are included in the operating cash flows. Agency payments are shown gross in the statements of cashflow.

(e) Funds held in trust

Funds are held in trust where they have been received by the Group for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the statements of comprehensive revenue and expenses. The Group holds sufficient funds to enable the funds to be used for their intended purpose at any time. These funds are restricted cash in nature.

(f) Employee benefits liability

i. Short-term employee benefits liability

Short-term employee benefits are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided wholly within 12 months of the reporting date and are measured on an undiscounted basis and are expensed as the related service is provided. Accrual is recognised for the amount expected to be paid under outstanding annual leave balances if the Group or Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

ii. Defined contribution plans liability

Contributions to defined contribution pension schemes are charged to the statements of comprehensive revenue and expense in the year to which they relate.

iii. Long-term employee benefits

Long-term employee benefit obligations are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided beyond 12 months of reporting date.

iv. Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of

Note 6. Other Accounting Policies (continued)

voluntary redundancy, it is probable that the offer would be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Note 7. Accounting Standards Issued Not Yet Effective

At the date of authorisation of the separate and consolidated financial statements of Pegasus Health (Charitable) Limited for the year ended 30 June 2025, no new Accounting Standards were issued.

Note 8. Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

Delivery of Health Services, IT & Other Services

Revenue from health services rendered is recognised at the fair value of consideration received or receivable, including related profits or losses in proportion to the stage of completion of the transaction at the reporting date. The services revenue includes the delivery and provision of health care, PHO related services, education, software, IT support services, HR consulting services and occupational health services.

The Group and Company operate within the health services sector. The stage of completion of different types of revenue is assessed as follows:

- Where the service involves an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that another method better represents the stage of completion.
- Where the contract delivery is subject to significant seasonality variations, the revenue is recognised on the basis of service delivery patterns. Revenue that compensates for expenses incurred is recognised on a systematic basis matching the pattern of the related expenses.

Rental Income

Rental income is recognised in surplus or deficit on a straight-line basis over the term of the lease.

Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For the sales of vaccines, transfer occurs when the product is dispatched from the Group entity's facility.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return. With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow. Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

Note 8. Revenue (continued)

- It is probable that an outflow of resources embodying future economic benefit or service potential is required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

Delivery of Health Services, IT Services & Other Services

The recognition of non-exchange revenue from delivery of health services, IT services & other services depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a liability, which results in the immediate recognition of revenue.

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<u>Revenue from Exchange transactions</u>				
Delivery of health services	13,539	12,545	13,509	12,375
IT services	7,084	7,454	7,084	7,454
Sale of vaccines	-	324	-	324
Other services	600	559	613	559
Rental income	56	168	56	168
Rental income from sub-lease of operating leases	168	157	168	157
Gain on sale of investment	86	-	250	-
<u>Revenue from Non-exchange transactions</u>				
Delivery of health services	42,844	45,185	42,844	45,205
Other Services	5	122	5	122
Total Revenue	64,382	66,514	64,529	66,364

The Company delivers a further range of services primarily funded by Health New Zealand | Te Whatu Ora. These include services focused on integration of primary and secondary care, support for the provision of 24 Hour Acute Care in the community, the provision of services to residents of Child Youth and Family Residences.

Health New Zealand | Te Whatu Ora also provides funding towards the development and delivery of a comprehensive clinical education programme to doctors, nurses and pharmacists working in primary care in Canterbury. In addition, Health New Zealand | Te Whatu Ora also funds a programme which supports general practices in developing their integrated family health services capacity and capability, and a number of sector wide information systems initiatives. The majority of these services are funded on a one to two years basis whilst some elements are funded on an annual basis.

The Revenue for FY25 includes \$150k gain from the sale of ERMS platform to HealthOne (2021) Limited Partnership which is discussed under 'note 16 'Investment in Other Entities'. The Revenue for this year also includes a gain of \$100k from the reversal of provision held on account of the contingent consideration (Earn Out Pay) to be paid out to the vendors of the OH Well business operation which is discussed under 'note 15 'Business combinations'.

Note 9. Operating Expenses

Expenses by Nature	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Employee benefits - short term employee benefits	47,860	46,782	46,975	45,453
Employee benefits - defined contribution plans	1,138	1,060	1,116	1,028
Depreciation	555	568	551	563
Amortisation	107	185	107	146
Non-cancellable operating lease payments	460	383	364	323
Audit	58	55	58	55
Director Fees	523	530	523	530
Software licences	2,351	2,123	2,318	2,095
Medical supplies / consumables & vaccines	1,325	1,352	1,325	1,352
Clinical advice	747	818	747	818
Programme Service Costs	2,055	4,782	2,055	4,782
Member salaries	1,158	825	1,158	825
Provision/ Write-off Expense	640	163	1,910	1,636
Other Expenses	5,359	5,478	5,341	5,431
Total Operating expenses	64,336	65,104	64,548	65,037

The current year Company provision/ write off expenses includes \$1.270M from the write off of Bealey Nominee 3 Limited (formerly Kiasma Health Limited) loan receivables and the investment in Kiasma (refer note 16 'Investment in Other Entities') along with impairment/ write off of \$640k Assets related to OH Well business operations as a result of the impairment analysis carried out (refer note 14 'Intangibles'). While the current year Group expenses includes only the OH Well related impairment/ write off expense for \$640k.

Note 10. Cash and Cash Equivalents

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash on hand	2	2	2	2
Cash at bank	4,154	6,261	3,886	6,138
Deposits at Bank	-	300	-	-
Cash and cash equivalents in the statements of cash flows	4,156	6,563	3,888	6,140

As at as at 30 June 2025 there were no Term Deposits (2024 : Term Deposit for \$300k was in place for Bealey Nominee 3 Limited (formerly Kiasma Health Limited) with a term of one month (expiring 19/07/24) at an interest rate of 4.89% p.a.)

(a) Applicable Interest Rates

Per annum annual interest rate ranges applicable to components of cash and cash equivalent:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Bank Current Account Savings	0.05%	2.30%	0.05%	2.30%
Bank Term deposit	-	4.89%	-	4.89%
Bank overdrafts	8.30%	10.65%	8.30%	10.65%

A General Security Agreement is in place over all the assets of the Company to secure the borrowings from the Westpac Bank (note 18). The Group maintains sole banking with Westpac Bank.

Note 10. Cash and Cash Equivalents (continued)

(b) Reconciliation of financial liabilities to financing cash flows

	Interest payable on loans & borrowings \$'000	Current loans & borrowings (Note 18) \$'000	Non-current loans & borrowings (Note 18) \$'000	Total
As at 1 July 2023	-	-	2,000	2,000
Cash flows				
Repayment of loans and borrowings	16	-	3,400	3,416
Non - Cash flows	-	-	-	-
As at 30 June 2024	16	-	5,400	5,416
Cash flows				
Repayment of loans and borrowings	(16)	-	(2,000)	(2,016)
Non - Cash flows	-	-	-	-
As at 30 June 2025	-	-	3,400	3,400

Note 11. Reconciliation of surplus/(deficit) for the year to net cash from/(used in) operating activities

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Surplus/(Deficit) for the year	(2,090)	2,226	1,325	1,004
Adjustments for:				
Depreciation and amortisation	662	753	658	708
Impairment / Provisions	71	143	71	1,636
Write off of assets	569	20	1,838	-
Share of loss - associates	532	352	(24)	14
Dividends received - non-cash	-	-	617	-
Finance expense	312	443	312	443
Change in operating assets and liabilities:				
Decrease/(increase) in receivables	3,534	(3,284)	(655)	(1,776)
Increase in related party receivables	-	-	(617)	-
Decrease/(increase) in inventories	(5)	10	(5)	10
Increase in prepayments	(16)	(104)	(22)	(99)
Decrease/(increase) in other operating assets	(1,725)	2,150	(1,680)	2,073
Increase/(decrease) in payables	(983)	932	(1,180)	894
Increase/(decrease) in employee benefits	(19)	421	32	385
Decrease in other provisions	(100)	-	(100)	-
Net cash from operating activities	742	4,062	570	5,292

Note 12. Receivables

Company has applied the simplified approach using provision matrix to calculate Expected Credit Losses (ECLs). Trade and Receivables are recognised initially at fair value and subsequently at amortised cost, less recognition of ECLs. Bad debts are written-off when they are considered to have become uncollectable.

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net trade receivables from exchange transactions	701	634	701	605
Net trade receivables from non-exchange transactions	6,290	6,610	6,290	6,610
Sundry receivables	1,068	3,042	817	1,457
Total Receivables	8,059	10,286	7,808	8,672

(a) Ageing of Net Receivables

The Credit risk weighted ageing of Net Trade Receivable based on ECL model:

<u>Company</u>	30 June 2025				30 June 2024			
	Estimated Gross amount at default \$'000	ECL Rate % %	Impairment \$'000	Net Receivable \$'000	Estimated Gross amount at default \$'000	ECL Rate % %	Impairment \$'000	Net Receivable \$'000
Current	5,457	-	-	5,457	6,280	-	-	6,280
30 days	855	0.12%	1	854	165	0.40%	1	165
60 days	55	3.64%	2	53	155	1.70%	3	152
over 90 days	718	12.67%	91	627	657	6.00%	39	618
	7,085		94	6,991	7,257		43	7,215

<u>Group</u>	30 June 2025				30 June 2024			
	Estimated Gross amount at default \$'000	ECL Rate % %	Impairment \$'000	Net Receivable \$'000	Estimated Gross amount at default \$'000	ECL Rate % %	Impairment \$'000	Net Receivable \$'000
Current	5,457	-	-	5,457	6,287	-	-	6,287
30 days	855	0.12%	1	854	165	0.40%	1	165
60 days	55	3.64%	2	53	177	1.50%	3	174
over 90 days	718	12.67%	91	627	657	6.00%	39	618
	7,085		94	6,991	7,286		43	7,244

During the year ended 30 June 2025, there were no trade receivables written off (2024: \$83k).

No Credit risk is assumed on receivables from Health New Zealand | Te Whatu Ora or other Government related receivables due to 100% recovery of dues in the past. Therefore, ECL rates mostly cover probable losses from other receivables.

(b) Credit terms for customers and interest on overdues

The average credit term on invoiced amounts is 30 days and is interest free (2024: 30 days and was interest free).

Note 12. Receivables (continued)

(c) Impairment allowance

Impairment allowance is calculated using a forward looking ECL model based on historic loss rates on Trade receivables. The ECL model has not created a material additional impact based on current ECL rates. The establishment and release of impaired receivables has been included in the operating costs in the statements of comprehensive revenue and expenses. Movements in the impairment allowance are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
As at 1 July	43	43	43	43
Allowance for receivables impairment	51	83	51	83
Receivables written off during the year as uncollectable	-	(83)	-	(83)
Balance of the allowance account as at 30 June	94	43	94	43

Note 13. Property, Plant and Equipment

i. Recognition and measurement

Items of property plant and equipment are initially measured at cost which includes expenditure directly attributable to the acquisition of the asset. These are subsequently measured either under the:

* Cost model: Cost less accumulated depreciation and impairment (all property, plant and equipment except land and buildings).

* Revaluation model: Fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation (land and buildings).

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation surplus reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment; however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of credit balance of the revaluation surplus for that class of property, plant and equipment are recognised in surplus or loss as impairment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statements of comprehensive revenue and expense.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus to accumulated surplus.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

iii. Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, are depreciated separately. Depreciation is recognised in the statements of comprehensive revenue and expenses on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land and assets under construction

Note 13. Property, Plant and Equipment (continued)

are not depreciated. The estimated straight line depreciation rates are:

	2025	2024
Buildings	2.00%	2.00%
Plant and equipment	6.67% - 50.00%	6.67% - 50.00%
Motor Vehicles	20.00% - 120.00%	20.00% - 50.00%
Fixtures, Furniture and fittings	5.00% - 25.00%	5.00% - 20.00%
Leasehold improvements	7.00% - 20.00%	7.00% - 20.00%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Company								\$'000
Net Book Value	Land and building	Plant and equipment	Finance lease	Motor vehicles	Fixtures and fittings	Leasehold improvements	Work in progress	Total
Balance at 1 July 2023	25,121	951	11	46	464	178	3	26,774
Additions	-	551	-	-	13	-	(3)	561
Additions through business acquisitions (note 15)	-	17	-	2	-	11	-	30
Revaluation surplus	(3,972)	-	-	-	-	-	-	(3,972)
Depreciation expense	-	(378)	(9)	(22)	(132)	(22)	-	(563)
Balance at 30 June 2024	21,149	1,141	2	26	345	167	-	22,830
Additions	-	626	70	6	93	36	-	831
Revaluation surplus	2,071	-	-	-	-	-	-	2,071
Impairment of assets	-	(20)	-	(3)	(8)	(35)	-	(66)
Transfers in/(out)	-	-	-	-	11	(11)	-	-
Depreciation expense	-	(375)	(16)	(19)	(118)	(23)	-	(551)
Balance at 30 June 2025	23,220	1,372	56	10	323	134	-	25,115

Note 13. Property, Plant and Equipment (continued)

Group								\$ '000
Net Book Value	Land and building	Plant and equipment	Finance lease	Motor vehicles	Fixtures and fittings	Leasehold improvements	Work in progress	Total
Balance at 1 July 2023	25,121	968	11	46	472	175	9	26,802
Additions	-	558	-	-	13	-	(9)	562
Additions through business acquisitions (note 15)	-	17	-	2	-	11	-	30
Revaluation surplus	(3,972)	-	-	-	-	-	-	(3,972)
Depreciation expense	-	(382)	(10)	(22)	(132)	(22)	-	(568)
Balance at 30 June 2024	21,149	1,161	1	26	353	164	-	22,854
Additions	-	632	71	6	93	39	-	841
Additions through business acquisitions (note 15)	-	-	-	-	-	-	-	-
Disposals	-	(21)	-	-	(9)	-	-	(30)
Revaluation surplus	2,071	-	-	-	-	-	-	2,071
Impairment of assets	-	(20)	-	(3)	(8)	(35)	-	(66)
Transfers in/(out)	-	-	-	-	11	(11)	-	-
Depreciation expense	-	(379)	(16)	(19)	(118)	(23)	-	(555)
Balance at 30 June 2025	23,220	1,373	56	10	322	134	-	25,115

(a) Security held over items of property plant and equipment

At reporting date, all assets of the Company are subject to a General Security Agreement and land and buildings to first mortgages to secure bank borrowings (see note 18).

(b) Revaluation / (devaluation) of Land and buildings at 401, Madras Street

As per Company policy of revaluing property at 401 Madras Street every two years, it was last revalued in June 2024 by registered valuer, GR Sellars FNZIV FPINZ at Colliers International. Colliers have valued the property at \$21,149k as at 30 June 2024, assuming the following:-

Market Analysis

Colliers have stated in their report that higher interest rates and global geopolitical tension adding to uncertainty and potential inflationary pressures, has resulted in a marked softening in investor sentiment over the previous two years, with value write downs having occurred across all property segments and price points.

Rental and Leasable Analysis

In estimating the fair value of land and buildings at 401 Madras Street, the comparable sales method was used, which incorporated the use of the following significant assumptions:

- Significant Assumption 1 – The valuer assessed the rental utilising the comparable rental approach and supporting market leasing evidence
- Significant Assumption 2 – The Colliers International database of comparable rental and sales evidence was utilised
- Significant Assumption 3 - Pegasus continues to occupy the property in the long term

Water Ingress Remediation work

The valuation assumes that all water ingress remediation work has been completed in accordance with plans, specifications and statutory requirements. It has also taken into account costs to complete the remediation works.

Increase in Valuation in FY 2025

As per Colliers valuation done in FY 2024, the Market Value of the land & building was assumed at \$23,220k once the water ingress remediation work was complete as expected. Upon completion of the work in FY 2025, the value of the land & building was increased by \$2,071k to \$23,220k in line with the Colliers recommendation in the valuation.

Note 13. Property, Plant and Equipment (continued)

The Revaluation at \$23,220k resulted in a gain on Revaluation of \$2,071k in FY 2025 which was added to the opening Revaluation Reserve balance of \$1,540k. The gain on the Revaluation is transferred through other comprehensive revenue and expense increasing the revaluation reserve (closing balance of Revaluation Reserve \$3,611k).

(c) Impairment and write off of Fixed Assets

In FY 2024, Pegasus Health Charitable Ltd acquired the business operation of OH Well Limited, a private occupational health services provider. Assets acquired as part of this business acquisition are shown under 'Additions through business combinations' which is discussed further in note 15 'Business Combinations'.

The Assets acquired at the purchase of the OH Well business were tested for impairment in FY 2025 and as a result of the impairment analysis, total assets acquired under the business acquisition carrying a book value of \$640k as at 30 June 2025 were impaired/ written off (Fixed Assets - \$66k, Intangible Assets : Trademark - \$5k and Goodwill - \$569k). The total impairment / write off is recognised the statements of comprehensive revenue and expense.

Additionally, due to the wind up of the business operations, total Fixed Assets of Bealey Nominee 3 Limited (formerly Kiasma Health Limited) were disposed of in FY 2025. The write-off was fully provided for in FY 2024.

Note 14. Intangibles

i. Recognition and measurement

Intangible assets are initially measured at cost. All of the Group's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment, except for the following items which are not amortised and instead tested for impairment:

- Intangible assets not yet available for use,
- Intangible assets with indefinite useful lives.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed intangible assets includes the following:

- the cost of materials and direct labour,
- costs directly attributable to bringing the assets to a working condition for their intended use.

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive revenue and expenses as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in statements of comprehensive revenue and expenses as incurred.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statements of comprehensive revenue and expenses as incurred.

iv. Amortisation

Amortisation is recognised in the statements of comprehensive revenue and expenses, on a straight-line basis over the estimated useful lives of each amortisable intangible asset. The estimated straight-line amortisation rates are:

	<u>2025</u>	<u>2024</u>
Software	10.00% - 20.00%	10.00% - 25.00%

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The Group is required to assess, on an annual basis, whether internally generated intangible assets with an indefinite useful life have indications of impairment. The value in use is based on the ability of those assets to be used, and evidence that assets developed are owned by the Company. Where the clarity of contracts regarding ownership of software being developed is not clear, management estimates the level of impairment relating to that software.

Note 14. Intangibles (continued)

Company					\$ '000
Net Book Value	Goodwill	Software	Trademark and domain names	Intangibles under construction	Total
Balance at 1 July 2023	-	413	38	6	457
Additions	-	-	6	-	6
Additions through business combinations (note 15)	569	-	-	-	569
Transfers	-	-	-	(6)	(6)
Amortisation expense	-	(146)	-	-	(146)
Balance at 30 June 2024	569	267	44	-	880
Additions	-	-	5	-	5
Impairment of assets	-	-	(5)	-	(5)
Write off of assets	(569)	-	-	-	(569)
Transfers	-	-	-	-	-
Amortisation expense	-	(107)	-	-	(107)
Balance at 30 June 2025	-	160	44	-	204

Group					\$ '000
Net Book Value	Goodwill	Software	Trademark and domain names	Intangibles under construction	Total
Balance at 1 July 2023	10	598	37	4	649
Additions	-	-	14	-	14
Additions through business combinations (note 15)	569	-	-	-	569
Impairment of assets	-	(143)	-	-	(143)
Write off of assets	(10)	-	(10)	-	(20)
Transfers	-	-	-	(4)	(4)
Amortisation expense	-	(185)	-	-	(185)
Balance at 30 June 2024	569	270	41	-	880
Additions	-	-	5	-	5
Additions through business combinations (note 15)	-	-	-	-	-
Impairment of assets	-	143	(5)	-	138
Write off of assets	(569)	(143)	-	-	(712)
Transfers	-	-	-	-	-
Amortisation expense	-	(107)	-	-	(107)
Balance at 30 June 2025	-	163	41	-	204

Note 14. Intangibles (continued)

(a) Amortisation

Within software, there are assets with remaining amortisation periods of between 5 to 10 years.

(b) Security and restrictions

All intangible assets are subject to the Company's General Security Agreement.

(c) Intangible assets under construction

Intangible assets under construction are tested annually for impairment by comparing costs incurred to the respective stages of the software being developed. As a result of the testing performed, there were no indicators of impairment identified. There were no intangibles under construction as at 30 June 2025 (2024: Nil).

(d) Impairment of intangibles

During FY 2024, due to changes in the economic environment in which Bealey Nominee 3 Limited (formerly Kiasma Health Limited) operates and the latest forecast showing a deterioration from previous forecasts, management tested Software IP gained on acquisition, Goodwill and Trademarks for impairment. An impairment loss of \$163k was recognised as a result. In FY 2025, Software assets for \$143k were fully written off and was set off against the impairment provision which was recognised in FY 2024.

In FY 2025, an impairment analysis was carried out on the Assets acquired and recorded under the OH Well business and as a result of the analysis, Trademark costs for \$5k was impaired and the carrying amount of the Goodwill at \$569k was written off as detailed below.

(e) Goodwill

The conditions in the market OH Well operates has significantly changed negatively impacting the expected revenue growth and economic performance from this business segment. The factors identified support the result of the impairment assessment which warrants full impairment of the Goodwill that was derived at the acquisition of the OH Well business operation and all other Fixed Assets and 'OH Well' trademark related costs as at 30 June 2025 totaling to \$640k.

The impairment analysis was based on a Discounted Cash Flow (DCF) method carrying a five year forecast using the FY 2026 forecast and best judgements on other revenue and costs factors in determining the recoverable amount indicated by the DCF method. In this case the recoverable amount was significantly less than the carrying amount of the total Assets attributed to the OH Well business operation. As per *IP SAS 26 Impairment of Cash-Generating Assets*, the Goodwill and all other Assets pertaining to OH Well was impaired. As per IP SAS 26, an impairment loss recognised for Goodwill cannot be reversed in subsequent periods, therefore the carrying amount of the Goodwill as at 30 June 2025 at \$569k was written off.

Note 15. Business combinations

Business combinations are recognised as per PBE IPSAS 40 on PBE Combinations and accounted for using the acquisition method as at the acquisition date, which is the date business operation and/ or control was transferred to the Group.

The Group defines control of an entity or business operation when it has the power to govern the financial and operating policies of the acquired business to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

The sum of:	The fair value of consideration transferred (including any contingent consideration)
	The recognised amount of any non-controlling interests in the acquiree, and
	The fair value of any pre-existing equity interest in the acquiree.

Less:	The fair value of the net identifiable assets acquired and liabilities assumed.
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Any gain on bargain purchase is recognised at reporting date through surplus or deficit. Transaction costs related to a business combination incurred by the Group, other than those associated with the issue of debt or equity securities, are expensed through surplus or deficit account. Any contingent consideration payable is measured at fair value at the acquisition date. The previously held equity for any staged acquisitions is remeasured against its acquisition date fair value and any resulting gain or loss is recognised through the profit and loss account.

Note 15. Business combinations (continued)

OH Well business operation

On 1 December 2023 (acquisition date) the Company, Pegasus Health Charitable Limited (PHCL) acquired assets and business operations of OH Well Limited for a total net consideration of \$599k. OH Well Limited was a provider of occupational health services and PHCL have acquired the business to continue with the provision of same services.

As per the consideration for the sale and purchase of the OH Well business, an amount of \$100k was denoted as contingent consideration (Earn Out Pay) of two equal instalments of \$50k payable at the first and second anniversary dates upon meeting performance criteria. This was recognised as a Provision in FY 2024 upon acquisition under Current and Non Current Liabilities. In FY 2025 the total Provision at \$100k was reversed due to the performance criteria being not fulfilled. Management have assessed the Provision can be reversed in view of the impairment analysis carried out (details in note 14 'Intangibles').

There have been no further business combinations in the year to 30 June 2025.

Note 16. Investment in Other Entities

i. Controlled Entities

Controlled entities are companies wholly owned and controlled by the Group, being where the Group is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the entity. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Group loses control over a controlled entity, it derecognises the assets and liabilities of that entity and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former controlled entity is measured at fair value when control is lost. Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

ii. Associates

The Group's interests in equity-accounted investees comprise interests in Associates and are entities in which the Group has significant influence. Significant influence is presumed to exist when the Group holds more than 20% of the voting power of another entity. In the cases of 50% shareholdings, the entities do not have any binding arrangement requiring any joint and unanimous decision making (as per PBE IPSAS 36), therefore are not considered to be jointly controlled. Investments in associates and jointly controlled entities are accounted for using the equity method and are recognised initially at cost.

The consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of its equity accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in its equity accounted Associates, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted associates and jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Note 16. Investment in Other Entities (continued)

(a) Investment in controlled entities

Name	Principal Activity	Shareholding 2025 %	Shareholding 2024 %	Balance Date
Pegasus Health (LP) Limited (PHLP)	Investment	100%	100%	30th June
Pegasus Health (Health One) Limited (PHH1L)	Investment	100%	100%	30th June
Bealey Nominee 3 Limited (formerly Kiasma Health Limited (KHL))	Health Apps	100%	100%	30th June
Pegasus Health Holdings Limited (PHHL)	Investment	100%	100%	30th June

Movement in carrying value of controlled entities

	Company	
	2025 \$'000	2024 \$'000
As at 1 July	5,905	3,105
Investment in Bealey Nominee 3 Limited (formerly Kiasma Health Limited)	(230)	-
Investment in Pegasus Health Holdings Limited	-	2,800
Pegasus Health (Health One) Limited	150	-
Balance at 30 June	5,825	5,905

The controlled entities operate within New Zealand. There are no contingent liabilities of the controlled entities for which the Company, Pegasus Health Charitable Limited (PHCL) is liable. The Company has 100% ownership in each of these controlled entities.

The Company, PHCL has issued an enduring letters of comfort to its controlled entities, PHLP and KHL, undertaking to provide the necessary financial support to ensure that the subsidiaries continue to be able to meet their obligations as they fall due.

Bealey Nominee 3 Limited (formerly Kiasma Health Limited) (KHL)

The Directors of KHL in FY 2025 resolved to wind up the business operation in view of the continued losses incurred and the uncertain going concern of the operations. Upon the ceasing of operations the capital investment made by Pegasus Health Charitable Limited was written off.

Pegasus Health (Health One) Limited (PHH1L)

In FY 2025, Health New Zealand (HNZ) and Pegasus Health Charitable Limited (PHCL) agreed to each transfer their 50% ownership of the ERMS IP to HealthOne (2021) Limited Partnership (H1LP). PHCL has 50% ownership in H1LP via its fully controlled entity PHH1L and HNZ has 50% ownership in H1LP via New Zealand Health Innovation Hub Ltd. The sale and purchase of the ERMS platform was considered a non-cash transaction at a purchase price of \$600k with each party's equity investment being \$300k. PHH1L's share of investment at \$300k was net-off by the elimination of 50% of the gain (refer (c) for details). Therefore, the net additional investment in PHH1L on account of the ERMS transaction is \$150k.

(b) Associates (Investment in equity accounted investees)

Name	Principal Activity	Shareholding 2025 %	Shareholding 2024 %	Balance Date
Whakarongorau Aotearoa NZ Telehealth Services LP	Telehealth services	50.0%	50.0%	30th June
Whakarongorau Aotearoa NZ Telehealth Services (GP) Ltd	Management	50.0%	50.0%	30th June
HealthOne (2021) Limited Partnership	Health Technology	50.0%	50.0%	30th June
Health One (General Partner) Limited	Management	50.0%	50.0%	30th June
Canterbury Community Care Trust Limited	Corporate Trustee	33.0%	33.0%	30th June
Practice Plus Limited Partnership	Telehealth services	16.7%	16.7%	30th June
Te Whata Limited	Investment	50.0%	50.0%	30th June

Note 16. Investment in Other Entities (continued)

Whakarongorau Aotearoa New Zealand Telehealth Services LP holds the National Telehealth Services contract with Health New Zealand | Te Whatu Ora providing New Zealanders with 24 hour, 7 days a week, access to a number of health telephone advice services which offer free health, mental health and addictions support across digital channels. It also provides clinical support for general practices after hours. The investment is recognised at cost and adjusted for the entity's share of the profit/(loss) and distributions via the partnership current account.

HealthOne (2021) Limited Partnership (H1LP) holds a contract with Health New Zealand | Te Whatu Ora to manage and develop an electronic health record system. In June 2025, H1LP purchased the ERMS IP from PHCL. The investment is recognised at cost and adjusted for the entity's share of the profit/(loss) and distributions via the partnership current account.

Practice Plus Limited Partnership provides telehealth and virtual GP appointments to patients. Shareholding in FY 2024 was at 16.7% and continues at same level in FY 2025. Management have judged that the decrease in shareholding below 20% does not remove significant influence and equity accounting remains appropriate. The prior period of Practice Plus is for 15 months since the balance date for the entity changed from March to June for FY 2024.

Te Whata Limited aims to explore opportunities to deliver equity, care and access to healthcare. Te Whata acquired 100% ownership of Lincoln Medical Centre in FY 2024. The related party transactions between PHCL and these entities are disclosed in note 23 'Related Party Transactions'.

The Company's interest in Whakarongorau Aotearoa New Zealand Telehealth Services LP is held by the controlled entity Pegasus Health (LP) Limited (PHLP). Likewise, the Company's interest in HealthOne (2021) Limited Partner is held by the controlled entity Pegasus Health (HealthOne) Limited (PHH1L). The Company's interest in Practice Plus Limited Partnership (PPLP) is held by itself (PHCL). The Company's interest in Te Whata Limited is held by controlled entity Pegasus Health Holdings Limited (PHHL).

PHLP, PHH1L, and PHCL being limited partners, and PHHL being a party in a joint venture do not exercise control over the activity of their respective limited partnerships/ joint venture as per their Limited Partnership/ Joint Venture Agreements. The Limited Partners have no right or authority to act for the Limited Partnership neither can they take part in or in any way interfere in the conduct or management of the Limited Partnership or vote on matters relating to that. However, PHLP, PHH1L, PHHL, and PHCL do have significant influence over the respective Limited Partnerships as they can aid in the strategic decision making process, and therefore they are required to be equity accounted each year.

Canterbury Community Care Trust Limited (CCCTL) is a non-trading entity with no material transactions to account for. Similarly, Whakarongorau Aotearoa New Zealand Telehealth Services (GP) Limited and Health One (General Partner) Limited have no material transactions to account for.

The following is the financial position and performance of the four Associates that have significant and material financial transactions namely Whakarongorau Aotearoa New Zealand Telehealth Services LP, HealthOne (2021) Limited Partnership, Te Whata Limited and Practice Plus Limited Partnership:

	Group	
	2025	2024
	\$'000	\$'000
Current Assets	32,186	37,532
Non-Current Assets	13,398	14,435
Current Liabilities	(24,230)	(27,037)
Non-Current Liabilities	(358)	(1,138)
Net Assets	20,996	23,792
Revenue	73,891	79,206
Expenses	(74,840)	(79,943)
Net Surplus/ (Deficit)	(949)	(737)

Note 16. Investment in Other Entities (continued)

Movement in carrying value of other associates

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance as at 1 July	9,280	6,833	474	489
Investment in Te Whata Limited	-	2,800	-	-
Distribution of funds	(8)	(6)	(1)	(3)
Share of surplus/ (deficit) from Whakarongorau Aotearoa	(1,168)	(472)	-	-
Share of surplus/ (deficit) from Practice Plus Limited Partnership	25	(12)	25	(12)
Share of surplus/ (deficit) from HealthOne (2021) Limited Partnership	209	(17)	-	-
Share of surplus/ (deficit) from Te Whata Limited	410	154	-	-
Dividends Paid by Whakarongorau Aotearoa	(971)	-	-	-
Dividends Paid by Te Whata Limited	(266)	-	-	-
Balance as at 30 June	7,511	9,280	498	474

Share of Associates and Partnership surplus/ (deficit)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Share of surplus/ (deficit) from Whakarongorau Aotearoa	(1,168)	(472)	-	-
Share of partnership surplus/ (deficit) adjustment IFRS 15	706	448	-	-
Share of partnership surplus/ (deficit) adjustment IFRS 16	(2,049)	1,024	-	-
Share of surplus/ (deficit) from Practice Plus Limited Partnership	25	(12)	25	(12)
Share of surplus/ (deficit) from HealthOne (2021) Limited Partnership	209	(17)	-	-
Share of surplus/ (deficit) from Te Whata Limited	410	154	-	-
Share of Associates and Partnership surplus/ (deficit)	(1,867)	1,125	25	(12)

Whakarongorau Aotearoa NZ Telehealth Services LP applies NZ IFRS 15 & 16 which are treated differently under Public Benefit Entity Accounting Standings. The core principle of NZ IFRS 15 is to recognise revenue as a transfer of promised goods and services to customers in an amount that reflects the consideration to which the organisation expects to be entitled in exchange for those goods and services. The core principle of NZ IFRS 16 is to recognise the majority of leases on the balance sheet as a lease liability and right-of-use-asset. Public Benefit Entity Accounting Standards have different revenue and leasing principles which will result in annual adjustments to the share of profit recognised. These have been disclosed above.

(c) Equity accounting treatment of HealthOne (2021) Limited Partnership

On formation of the HealthOne (2021) Limited Partnership, Pegasus Health (Charitable) Limited (PHCL) contributed capital in the form of \$500k cash and non-monetary intangible assets valued at \$2,500k. Prior to the formation, the assets transferred had nil carrying values.

In applying PBE IPSAS 36 for the treatment of downstream sales of non-monetary assets, gains are recognised only to the extent of the other Limited Partner's interest. The share of the gain relating to PHCL's interest (50%) is therefore eliminated. The same was applied to the gain of \$300k from the sale and purchase of the ERMS IP from PHCL in June 2025.

Due to this treatment, the investment in HealthOne (2021) LP shown in these financial statements will not align with PHCL's share of the Limited Partnership's net assets. A reconciliation of this difference is set out as follows:

Note 16. Investment in Other Entities (continued)

	Company	
	2025 \$'000	2024 \$'000
HealthOne (2021) Limited Partnership Net Assets	5,910	4,905
50% share of Net Assets	2,955	2,452
Elimination of downstream gains on formation	(1,250)	(1,250)
Elimination of downstream gains on subsequent investments (ERMS)	(150)	-
Investment in HealthOne (2021) Limited Partnership	1,555	1,202

d) Investments held at fair value through surplus and deficit

Name	Principal Activity	Shareholding 2025 %	Shareholding 2024 %	Balance Date
Early Start Project Ltd	Family welfare service	14.29%	14.29%	30th June
ScreenSouth Limited	Screening services	50.00%	50.00%	30th June

PHCL have no rights to distributions or to the assets upon wind up of Early Start Project Ltd and ScreenSouth and therefore the Fair Value has been assessed as 'Nil' for both investments (2024: nil).

Under PBE IPSAS 41(43), a financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortised cost (1) or fair value through other comprehensive revenue and expense (2).

A financial asset shall be measured at amortised cost if both the following conditions are met:

- (a) The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (the 'SPPI test').

Whilst a financial asset may be held at fair value through other comprehensive revenue and expense if:

- (a) It is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) It passes the SPPI test mentioned above.

PHCL has previously held Early Start Project Ltd at amortised cost recognising a \$nil movement in the carrying value. Under IPSAS 41, the investment appears to fail the SPPI test thereby failing (1) and (2) above resulting in a measurement at fair value through surplus or deficit.

There is no movement in the current year to the fair value thus there is no financial impact recognised.

Note 16. Investment in Other Entities (continued)

(e) Loans with controlled entities

	2025 \$'000	2024 \$'000
<u>Loan Receivable:</u>		
PHLP	33	38
PHH1L	250	250
KHL	-	414
PHHL	-	1
	283	703
 Advance from subsidiary - PHLP	 -	 623

All the loans advanced to controlled entities are on an unsecured basis which is interest free and repayable on demand.

Advance from controlled entity (PHLP):

The Company received an advance from PHLP during 2020 of \$623k. This relates to a distribution received by PHLP from Whakarongorau Aotearoa New Zealand Telehealth Services LP and the differences in recognition criteria between for-profit and not-for-profit entities. Subsequent distribution from PHLP to the Company being a dividend up to the level of retained earnings held and the balance an advance. This loan was an unsecured loan, interest free and repayable on demand.

In FY 2025, a non-cash dividend was declared for an amount of \$617k which was applied to settle inter company loans (payable to PHCL - \$5k and receivable from PHCL - \$623k).

Advance to controlled entity (KHL):

In FY 2025, upon ceasing of KHL's operation it was resolved to fully write-off loan receivables by PHCL totaling \$2,675k of which \$1,635k was provided for in FY 2024. Consequently, the net impact to the PHCL (Company) from the balance in the loan receivable being written off in FY 2025 was \$1,040k.

Note 17. Payables

Trade and other payables are recognised at face value as they are generally settled within 30 days, and are measured at amortised cost.

(a) Trade payables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables from exchange transactions	864	1,020	864	1,020

(b) Maturities (based on the remaining period)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Less than 30 days (current)	861	958	861	957
Between 31 and 90 days	3	36	3	36
Between 91 and 365 days	-	26	-	27
Total trade payables	864	1,020	864	1,020

The average credit term on invoiced amounts is 30 days (30 June 2024: 30 days). Accounts payable, accruals and other liabilities are interest free (30 June 2024: interest free).

(c) Other payables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-trade payables and accrued expenses	705	846	705	846
Funding in advance	5,027	6,684	5,027	6,684
GST payable	640	1,326	641	1,329
Other Payables	6,372	8,856	6,373	8,859
Total Payable	7,236	9,876	7,237	9,879

Note 18. Loans

Group and Company:

Facility	Effective interest rate	Year of maturity	Interest rate	2025		Interest rate	2024	
				Current	Non-current		Current	Non-current
			%	\$'000	\$'000	%	\$'000	\$'000
Westpac Loan	Floating	2027	4.75%	-	3,400	7.00%	-	5,400

(a) Security held

At reporting date, the Westpac Loan was secured by a General Security Agreement over all assets and first mortgages over all items of land and buildings (note 13).

Note 18. Loans (continued)

(b) Defaults and breaches at reporting date and during the reporting period

During the reporting period, there were no defaults or breaches. During the reporting period the Group met the bank covenant in respect of the Westpac loan. The Post Drawn loan condition requiring the Group to maintain an available balance on the MOCL facility greater or equal to the remaining cost to complete the remediation works to be carried out at Company's premises at 401 Madras Street, has been withdrawn at the last renewal of the MOCL facility. Currently, there are no covenants attached to the debt facility.

(c) Loan forgiveness

During the period, no loans were forgiven.

(d) Classification of loan

As at 30 June 2025, the Westpac loan is classified as non-current. This facility is available until June 2027 therefore not expected to be payable within 12 months.

(e) Changes in loan facilities

As at 30 June 2025 a Westpac Multi Option Credit Line facility (MOCL) of \$11.8M with an expiry date of June 2027, and an uncommitted Westpac Overdraft facility (OD) of \$1.75M were available to the Company (2024 - MOCL - \$11.8M and OD - \$1.75M).

Note 19. Share Capital

Ordinary shares are classified as net assets/equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from net assets/equity.

Group and Company

	2025	2024
	No. of Shares	No. of Shares
Opening number of shares (1 July)	12,000	12,000
Closing number of shares (30 June)	12,000	12,000

All ordinary shares are issued and fully paid with no par value, with one vote per share and no rights to dividends and no other restrictions.

No ordinary shares are reserved for issue under options and other contracts.

Note 20. Financial Instrument

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument and the amounts are to be settled in cash.

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group did not hold any derivative financial instruments at the year-end and does not currently consider there to be sufficient risk involved to hedge exposure.

Note 20. Financial Instrument (continued)

Non-derivative financial instruments

Non-derivative financial instruments include cash and cash equivalents (note 10), trade and other receivables (note 12), trade and other payables (note 17), loans (note 18) and related party payables (note 23).

The Group recognises the financial instruments as follows:

(i) Cash and Cash equivalents are measured at amortised cost. These comprise cash balances held in bank accounts and/ or short term deposits with maturities of 3 months or less.

(ii) Trade and other receivables are classified as financial assets and are measured initially at fair value and subsequently at amortised cost adjusted for any expected credit losses (ECL) identified using the simplified approach.

(iii) Trade and other payables are recognised at the original invoice value due to the short period of the credit terms (30 days) and immateriality of the discounting (PBE IPSAS 41 paragraph 60).

(iv) The loans held in PHCL are interest-bearing borrowings which are initially recognised at fair value with subsequent measurement at amortised cost using the effective interest method.

Other investments

Other investments are equity investments which do not have a quoted market price in an active market and are measured at cost (as allowed under PBE IPSAS 29).

Classification and fair values of financial instruments

The following table shows the carrying amount and fair values (except those where carrying amount approximates fair value) of the Group's financial assets and financial liabilities.

Group	Note	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Fair value \$'000
<u>Subsequently not measured at fair value</u>				
Cash and cash equivalent (assets)	10	6,563	-	-
Receivables	12	10,286	-	-
Payables	17	-	(1,866)	-
Loans	18	-	(5,400)	-
Total as at 30 June 2024		16,849	(7,266)	-
<u>Subsequently not measured at fair value</u>				
Cash and cash equivalent (assets)	10	4,156	-	-
Receivables	12	8,059	-	-
Payables	17	-	(1,569)	-
Loans	18	-	(3,400)	-
Total as at 30 June 2025		12,215	(4,969)	-

Note 20. Financial Instrument (continued)

Company	Note	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Fair value \$'000
<u>Subsequently not measured at fair value</u>				
Cash and cash equivalent (assets)	10	6,140	-	-
Receivables	12	8,672	-	-
Payables	17	-	(1,866)	-
Loans	18	-	(5,400)	-
Total as at 30 June 2024		14,812	(7,266)	-
<u>Subsequently not measured at fair value</u>				
Cash and cash equivalent (assets)	10	3,888	-	-
Receivables	12	7,808	-	-
Payables	17	-	(1,569)	-
Loans	18	-	(3,400)	-
Total as at 30 June 2025		11,696	(4,969)	-

It is considered that none of the financial instruments fall into the fair value hierarchy in 2025. Fair value approximates carrying amount in all instances.

Note 21. Financial Risk Management

(a) Overall risk management framework

The Company's financial risk management framework is set out in a comprehensive Treasury Policy which is reviewed regularly by the Board. Adherence to this policy is formally maintained by the Assurance and Risk Committee (ARC) of the Board, on a four monthly basis. In addition ARC considers the financial statements and risk assessments of all Group companies at least annually.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from its financial assets represented by cash and cash equivalents and trade receivables.

Financial Investments are only made in liquid securities and are placed with counterparties that are registered banks with an AA- or higher credit rating, and New Zealand Corporate Debt with an AA- or higher credit rating. To ensure appropriate diversification, the total exposure limit for each counterparty is further capped. Investments are protected by the operation of the Company's Treasury Policy.

The carrying amount of the above financial assets represent the Group's maximum exposure to credit risk.

Cash and cash equivalents

The Group has a total of \$4,156k (2024: \$6,563k) of cash and cash equivalents with Westpac, which is solely the cash balance in Operating Accounts.

The Company's Treasury policy dictates the levels of investment allowed for a range of credit limits. It is also the Company's policy to ensure that no more than \$3,000,000 of registered bank term deposits are held with a single financial institution. There were no Term Deposits held as at 30 June 2025 (2024: Nil).

Note 21. Financial Risk Management (continued)

Details of the spread of the Group's cash and cash equivalents between different financial institutions are provided below:

	Credit Rating		% of cash funds held	
	2025	2024	2025	2024
Westpac New Zealand Limited (<i>Credit Rating issued by: Standard & Poor's</i>)	AA-	AA-	100%	100%

Receivables

The Group's exposure to credit risk is influenced by the specific individual characteristics of each counter party within the different sub-class of receivables presented in note 12 'Receivables'. The majority of accounts receivable relate to funding to be received from Health New Zealand | Te Whatu Ora which is considered a low credit risk. Other exposures arise in relation to the delivery of patient services. There are no concentrations of credit risk beyond these exposures.

In respect to trade receivables, terms of trade require payment 20th of the month following from the date of invoice.

At reporting date, the maximum exposure to credit risk for trade receivables is detailed in the table below:

Group	2025 \$'000	2024 \$'000
Patient fee Receivables	227	129
Other Receivables	474	505
Total	701	634

The ageing of trade receivables and credit loss rates on same, is presented in note 12 'Receivables' (a).

The movement in the impairment allowance for trade receivables is shown in note 12 'Receivables' (c).

In respect of all other advances to related parties, under the Treasury Policy, the Board must approve all amounts advanced and drawn down to related parties. Refer to note 23 'Related Party Transactions' for further details of terms and conditions.

The carrying amount of all other advances to related parties represents the maximum exposure to credit risk. Also, there are no amounts overdue nor impaired as at year end.

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group ensures that maturity profile of its short-term liquid financial assets (such as cash and cash equivalents, and trade receivables) is sufficient to meet the contractual cash flow obligations of its financial liabilities.

The Group also ensures that it has available lines of credit with sufficient amounts undrawn. The Group has a \$1,750,000 secured overdraft facility, of which all is undrawn at balance date (2024: \$1,750,000 Limit).

Note 21. Financial Risk Management (continued)

The table below details the undiscounted contractual cash flows (principal and interest) of the Group's financial liabilities:

Contractual cash flows - Group	Carrying amount	0 - 1 month	1 - 3 Months	3 - 12 Months	12 + Months	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Non-derivative financial liabilities :

Payables	9,876	9,814	36	26	-	9,876
Loans (Westpac)	5,400	-	-	-	6,226	6,226
Total 2024	15,276	9,814	36	26	6,226	16,102

Non-derivative financial liabilities :

Payables	7,236	7,233	3	-	-	7,236
Loans (Westpac)	3,400	-	-	-	3,984	3,984
Total 2025	10,636	7,233	3	-	3,984	11,220

As detailed in note 18, the Group is subject to externally imposed commitments on its loan balances, the breach of which may require the Group to repay some or all of the amounts earlier than their contractual payment dates presented above.

Interest rate risk

The Group is exposed to interest rate risk in respect of its floating rate financial liabilities. As at 30 June 2025, Group had \$3,400k (2024: \$5,400k) floating rate loan liabilities. In the event of a movement in the margin rate, the effect of a 2.50% rate fluctuation on the floating loans is demonstrated below.

	2025	2024	Surplus/ Deficit 2025	Surplus/ Deficit 2024	Equity 2025	Equity 2024
	%	%	\$'000	\$'000	\$'000	\$'000
Interest rate increase of:	2.50%	3.30%	(85)	(178)	(85)	(178)
Interest rate decrease of:	2.50%	3.30%	85	178	85	178

Note 22. Leases

Classification and treatment

Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

i. Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statements of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statements of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the statements of comprehensive revenue and expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

ii. Operating leases

Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the statements of financial position. Payments made under operating leases are recognised in the statements of comprehensive revenue and expense on a straight-line basis over the term of the lease.

Note 22. Leases (continued)

(a) Leases as lessee

The future non-cancellable minimum lease payments of operating leases as lessee at reporting date are detailed in the table below:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Less than one year	299	305	299	248
Between one and five years	954	1,075	954	946
Greater than five years	-	101	-	101
Total non-cancellable operating lease payments	1,253	1,481	1,253	1,295

PHCL, the Company, has the following operating leases: Premises at 395 Madras Street which will end in December 2029. This lease has one further right of renewal for five additional years after this date. Premises at 270A Cranford Street which expires in September 2027 with right of renewal for further three years. PHCL has a new Operating Lease for the premises at 5/303 Blenheim Road (OH Well) ending in September 2029.

(b) Leases as lessor

The future non-cancellable minimum lease payments of operating leases as lessor at reporting date are detailed in the table below:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Less than one year	160	157	160	157
Between one and five years	562	248	562	248
Greater than five years	317	-	317	-
Total non-cancellable operating lease payments	1,039	405	1,039	405

This note covers leases at 401 Madras Street and sub-leases at 395 Madras Street. Whakarongorau Aotearoa New Zealand Telehealth Services LP, a related party, subleases part of 395 Madras Street on terms identical to the head lease. Pacific Radiology Group Limited subleases part of 401 Madras Street and can exercise two rights of renewal of five years each.

(c) Finance lease

The Group has entered into finance leases for multiple photocopiers. The net carrying amount of the leased items is shown in note 13 as finance lease. The photocopier lease ends in November 2027 with no rights to renewal under the contract. Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in event of default of payment.

Note 23. Related Party Transactions

(a) Transactions with other related parties

The entities, the nature of the relationship and the types of transactions with which the Company and the Group has entered into material related party transactions during the period are detailed in the table below.

	Transaction Value		Balance outstanding	
	2025	2024	2025	2024
<u>Company</u>	\$ '000	\$ '000	\$ '000	\$ '000
Related Party Transactions with controlled entities				
Pegasus Health (LP) Ltd: receivables	(5)	-	33	38
Pegasus Health (LP) Ltd: dividends	1,589	-	-	-
Pegasus Health (LP) Ltd: advances	623	-	-	(623)
Pegasus Health (LP) Ltd: share capital	-	-	1,125	1,125
Pegasus Health (HealthOne) Ltd: share capital	150	-	1,900	1,750
Pegasus Health (HealthOne) Ltd: Loan	-	-	250	250
Bealey Nominee 3 Ltd (formerly Kiasma Health Ltd): receivables	59	99	-	11
Bealey Nominee 3 Ltd (formerly Kiasma Health Ltd): payables	(10)	-	-	-
Bealey Nominee 3 Ltd (formerly Kiasma Health Ltd): share capital	-	-	230	230
Bealey Nominee 3 Ltd (formerly Kiasma Health Ltd): Loan	(2,050)	1,300	-	2,050
Pegasus Health Holdings Ltd : loan	(1)	1	-	1
Pegasus Health Holdings Ltd : share capital	-	2,800	2,800	2,800
Group				
Screen South Ltd: directors fees	7	25	-	2
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: rental income	114	103	-	-
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: premises cost	55	66	3	18
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: virtual services	(87)	(411)	(19)	(39)
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: directors fees	50	50	5	5
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: recharges	2	3	-	-
Canterbury Community Care Trust Ltd : directors fees	-	24	-	9
Canterbury Community Care Trust Ltd : nurses services	-	2,750	-	374
Canterbury Community Care Trust Ltd : recharges	-	5	-	5
Canterbury Community Care Trust Ltd : Distribution at wind up	35	-	-	-
HealthOne (2021) Limited: Services	3,205	3,480	236	346
HealthOne (2021) Limited: Hosting and other expenses	169	132	14	13
HealthOne (2021) Limited: Other	(4)	(22)	-	(5)
HealthOne General Partner: Chair Fees	28	29	3	3
Practice Plus LP: Management fee	(30)	(11)	-	-
Practice Plus LP: investment	-	-	498	500
Practice Plus LP: other	2	-	-	-
Lincoln Medical (2014) Ltd: loan	-	331	-	-
Lincoln Medical (2014) Ltd: Management Fees	48	80	-	16
Lincoln Medical (2014) Ltd: Director Fees	47	16	-	-
Lincoln Medical (2014) Ltd: IT & other services	49	16	12	7
Lincoln Medical (2014) Ltd: Accounting Fees	7	-	4	-
Lincoln Medical (2014) Ltd: Claims paid	(2,741)	(897)	(785)	-
Lincoln Medical (2014) Ltd: other	(115)	-	-	-
Taumutu Partnerships Limited: (JV Recharges - Legal Expenses)	-	68	-	-
Paenga Kupenga: (JV Recharges - Legal Expenses)	-	68	-	-
Te Whata Ltd : Investment	-	2,800	2,800	2,800

In FY 2025, a further \$650k was advanced to Bealey Nominee 3 Ltd (formerly Kiasma Health Ltd). Out of the total loan receivables up to \$25k was repaid in FY 2025 and the balance of \$2,675k was written off. The nature and relationship of the related party transactions are presented in note 16 'Investment in Other Entities'.

Note 23. Related Party Transactions (continued)

(b) Key management personnel remuneration

The Group classifies its key management personnel into one of two classes:

- Members of the governing body
- Strategic Leadership Team members, responsible for reporting to the governing body.

Strategic Leadership Team members are employed as employees of the Company, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full-time-equivalents' (FTE's) for Strategic Leadership Team members) in each class of key management personnel is presented below:

	2025	2025	2024	2024
	Remuneration	Number of	Remuneration	Number of
	\$'000	individuals	\$'000	individuals
Members of the governing body - including directors' fees	620	10 people	761	10 people
Strategic Leadership Team	1,779	7 FTEs	1,755	8 FTEs
Total	2,399		2,516	

Note 24. Commitments and Contingencies

(a) Commitments

As at 30 June 2025, the Group has no committed contracts (2024: \$1.36M).

In FY 2024, the Company entered into a contract with HRS Construction Limited to carry out weather tightness and remedial works on the building at 401 Madras Street. The contract value is \$1.36M or greater or lesser sum payable as claimed. The remedial work was completed and the Company bears no further commitment on this contract as at 30 June 2025.

(b) Contingent liabilities

As at 30 June 2025 there is an outstanding claim for damages in relation to a previous lease of premises agreement. The Group does not believe it failed to meet obligations under the lease agreement and are disputing the claim. In the event that the Group is found to be liable, the directors have been advised that it is likely that the damages payable would be less than the total claim of \$498k. (2024: nil).

(c) Contingent assets

As at 30 June 2025, there are no contingent assets (2024: nil).

Note 25. Events after the reporting period

There are no events subsequent to balance date.