Annual Report 2020

GREEN CROSS HEALTH

Who we are

Unichem

Life Pharmacy

361 pharmacies

62 Life Pharmacy

299 Unichem

Living rewards

1.7 million loyalty members

thedoctors

321 nurses

347 doctors

267,000 enrolled patients

42 medical centres

Access community health

Total Care health services

185 clinical staff including nurses, occupational therapists & physiotherapists

42,500 clients

3.6 million home visits each year

3,000 support workers

Green Cross Health's promise is to provide the best health support, care and advice to New Zealand communities. We are passionate about supporting healthier communities through our network of pharmacies, medical centres and community health services.

Contents

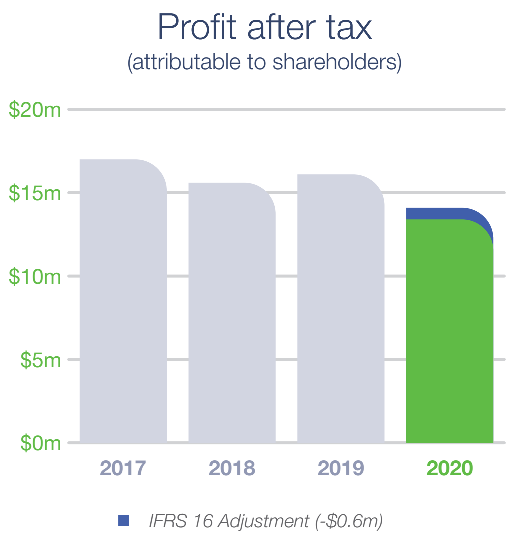
Financial summary

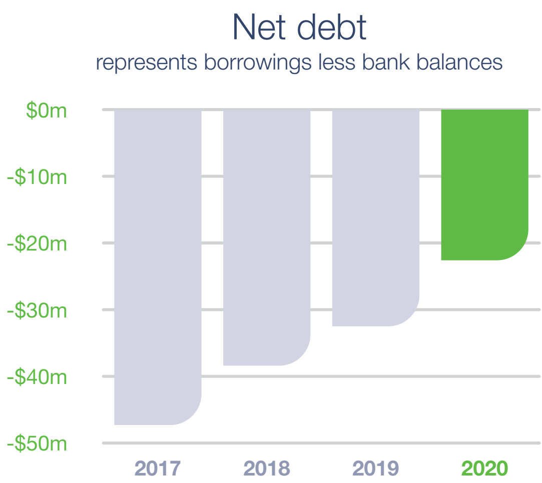
So let's start with the plain English version of our accounts. If you are interested, more details can be found in the financial statements and notes further on in this report.

	2020 $'000	2019 $'000
We generate revenue from four sources:		
Pharmacy retail and dispensary sales	298,261	304,627
Community Health fees	155,573	156,501
Medical fees	76,509	70,539
Other pharmacy and group provided services	38,188	35,569
Our costs to operate are primarily:		
Wages and salaries	261,110	263,250
Costs of products sold	195,386	198,929
Other costs (marketing, governance, communications etc)	49,867	46,817
Lease expense, depreciation and amortisation	27,719	29,741
Impairment	4,672	-
Revenue and operating costs are consistent year on year. Impairment relates to the write-down of intangibles assets of $3.3m after a strategic review of internal projects' performance and goodwill disposals of $1.4m.		
After all income and expenses we earned:		
Profit before tax	23,641	27,428
Tax expense	(6,689)	(7,339)
Profit after tax	16,952	20,089
Non-controlling interest	(3,462)	(3,984)
Profit after tax attributable to the Parent shareholders	**13,490**	**16,105**

	2020 $'000	2019 $'000
What happened to the profit and where did the cash go?		
We started the year with a bank balance of	16,652	10,754
Our profit after tax (and after adjusting for non-cash items) was	31,330*	23,908
We bought and sold various businesses	(3,572)	(2,684)
We bought fixed assets	(7,264)	(8,947)
We drew down/(repaid) bank borrowings	7,355	(105)
We paid dividends to our shareholders	(10,039)	(10,045)
We paid dividends to our minority partners	(2,333)	(1,986)
We acquired cash with the businesses we bought	40	214
Our working capital increased by	1,730	5,543
We ended the year with a bank balance of	**33,899**	**16,652**

**$31.3m includes repayment of lease principle and interest expenses under IFRS 16.*





Financial summary

(continued)

	As at March 2020 $'000	As at March 2019 $'000
So what is the equity book value?		
We have total assets of	376,610*	264,797
We have total liabilities of	(241,892)*	(130,854)
So our equity book value is	134,719	133,943
Which represents a net asset value for each share of (cents)	**94.11**	**93.57**

**Includes right-of-use assets and lease liabilities of $86.1m and $93.6m respectively.*


the doctors
te whare hāpara
kia ora, welcome
please see reception on arrival
today
DR LAURA GILDING
DR ROB WILKS LOCUM
PAULA RENOUF NP
JULIA BROOKING
NURSE JO GARDNER
NURSE JO TURNBULL
livingwell
livingwell


today
Welcome
Now Open - Huapai, Main Road
the doctors
Unichem
Huapai Pharmacy

Company report

Green Cross Health is pleased to report a solid result for the 12 months to 31 March 2020, with revenue constant year on year. At an operating level, a turnaround in the Community Health division, combined with the continued growth of the Medical division, more than offset the ongoing competitive pressure in the Pharmacy division.

We posted a revenue result of $569m for the 12 months to 31 March 2020, a result consistent with the prior year. Net Profit after Tax Attributable to Shareholders of the Parent was $13.5m, down -16.2% from the prior period. Included in the result was the adverse impact from the application of the IFRS 16 accounting standard of -$0.6m, goodwill disposals of -$1.1m and intangible asset write-offs of -$2.4m. Net Profit after Tax Attributable to Shareholders of the Parent before one-off non-cash items and application of IFRS 16 was $17.6m, an increase of +9.3% on the prior period.

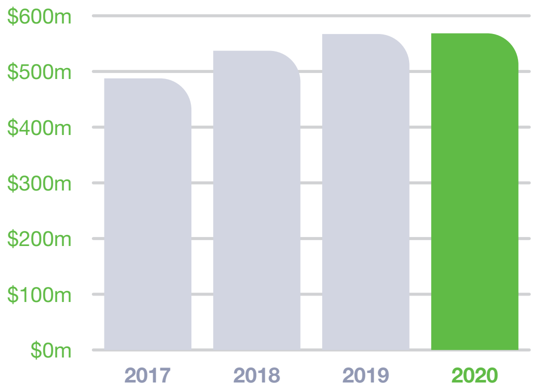
During the year, the Management team saw the arrival of Ben Doshi as Group Chief Financial Officer, Jo Tait as General Manager - Marketing and eCommerce and Rick Goebel as General Manager - Merchandise. These changes bring the skills and experience to support the Company's strategic direction, focusing on streamlining and automation of processes, protecting margin via pricing and a differentiated product range and bolstering our digital capability by leveraging our 1.7 million Living Rewards loyalty database.

Our Balance Sheet continues to have strong liquidity, which will enable the Company to traverse the next period, with challenges stemming from COVID-19 and the related impact on customer spending. It also positions the company well to selectively consider acquisitions over the medium term.

Results summary

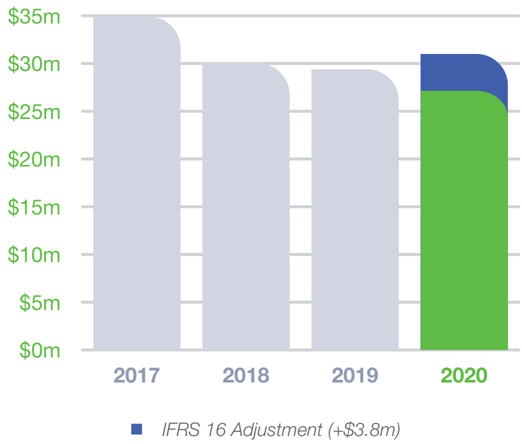
- Revenue of $569m (+0.2%)
- Operating Profit of $31.0m (+5.4%)
- Net Profit after Tax Attributable to Shareholders of the Parent of $13.5m (-16.2%)
- Pharmacy Revenue down -1.1%. Operating Profit down -$4.8m to $22.5m, with part of this decline attributable to goodwill disposals -$1.4m (before non-controlling interest portion) and write-down of intangibles of -$3.3m (before tax), partly offset by a positive impact from the application of IFRS 16 at the operating profit level of +$2.5m
- Medical Revenue up strongly at +8.5% to $76.5m. Operating Profit up +81.1% to $8.0m reflecting organic revenue growth, operational efficiency and an IFRS 16 impact of +$1.2m
- Community Health Revenue down -0.5% to $155.6m. Operating profit increase of +$2.4m to $2.5m, resulting from a focus on cost management, utilisation of technology and the exit from unprofitable contracts
- Net Debt of -$22.6m (reduction of $9.9m).

Group operating revenue



Group operating profit

before interest and tax



Pharmacy division

Unichem and Life Pharmacy division

During the year, the Pharmacy division continued to leverage our trusted brands, both through our network of 361 stores and through increasing our digital capability to support engagement with our customers in multiple channels. We continued to evolve our product range and offering as well as instilling a focus on margin management across all product categories. Our Living Rewards membership again grew year on year, and we continued to invest in gaining insights and personalising our offerings to these valuable customers.

361

stores

1.7 million

loyalty members

Of the network of 361 pharmacies, 87 are pharmacies in which we hold an equity investment. During the year, we opened our new concept, flagship Life Pharmacy Newmarket store in the Westfield Newmarket development (Auckland), as well as opening a greenfield co-located medical centre pharmacy, Unichem Parklands Medical Pharmacy (Christchurch) and re-opening Unichem Highland Park Pharmacy (Auckland), a new co-located medical centre build replacing our previously closed store.

Pharmacy Revenue declined marginally (-1.1%) in the year, reflecting some store closures in the prior year and early in FY20 (as part of our ongoing portfolio review), offset by two new pharmacies in Karori, Wellington, which were acquired in February 2020. Same store revenue was up 1.5% year on year, driven by dispensary volumes, which saw an increase in repeat prescriptions of 4.7%, highlighting the value of our automated script reminder service, which now has over 200,000 patients.

Operating Profit was down -$4.8m to $22.5m, with part of this decline attributable to goodwill on disposals of -$1.4m, write-down of intangibles of -$3.3m (before tax) and a higher depreciation charge as investments in prior periods were operationalised. Offsetting these one-off non-cash items, was a +$2.5m impact from IFRS 16 at the Operating Profit line. The write-down of intangible assets was after a strategic review of historic internal projects' performance and with impairment required for those not aligned to the division's strategic direction.

Focus continues on optimising retail margin via a differentiated pricing strategy, as well as implementing a revised product offering which meets changing customer needs and includes greater emphasis on exclusive distribution arrangements and reducing product costs. Our online offer continues to evolve, with our fulfilment capabilities and processes now well established, particularly given customer demand during the COVID-19 lockdown period.


life
Pharmacy


health
beauty
wellness
Foot Care
First Aid
Eye Care
Allergy Relief
Sinus Relief
Cold & Flu
Cough & Cold
Throat Relief
Pain Relief
Digestive Care
Hair Care
life

Pharmacy division

(continued)

Furthermore, we continue to strengthen our digital capability to leverage the 1.7 million Living Rewards loyalty membership database, obtaining insights to ensure we can personalise our offering to customers, engage with a customer segment that spends on average 40% more than non-Living Rewards members and positively influence customer purchasing behaviour.

During the year, we continued to prioritise advocacy for the removal of the Government's current pharmaceutical $5 co-payment tax, to support improved equity of access and health outcomes for New Zealanders as well as supporting the financial sustainability of the Community Pharmacy sector. This remains a strategic priority. In addition to this advocacy, we continue to actively represent our pharmacies in our role as a lead Sector Representative in the annual negotiation of the Integrated Community Pharmacy Services Agreement (ICPSA) with District Health Boards (DHBs).

This representation continues, where we have tabled concerns about ongoing workforce sustainability and wage cost pressures, along with relativity and adequacy of Government funding for vital patient services. Some of these issues have been noted in the recently released Health and Disability System Review which includes a recommendation for Government to 'ring-fence' Tier 1 (primary care) health funding, to avoid it being shifted to secondary care and hospital deficits, and that this future ring-fenced funding should grow at a faster rate than overall health funding.

In the next period, retail performance will face challenges from modified consumer spending as a result of COVID-19, coupled with ongoing competitive pressures. Priority is being placed on retail disciplines and recalibrating labour and occupancy costs, to ensure the cost structures of our pharmacies are right-sized in light of these pressures. We will continue our focus on the optimisation of our pharmacy investment portfolio, both through potential closures in addition to continuing to assess acquisition opportunities. Our national footprint and trusted Unichem and Life Pharmacy brands provide a solid foundation upon which we can successfully adapt our business to the changing market conditions.

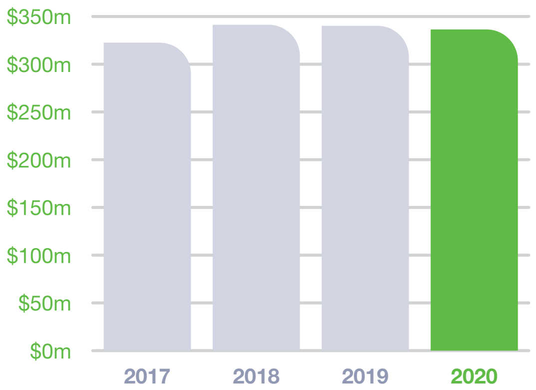
Highlights

- Same store sales growth of +1.5%, same store script numbers up +1.3%
- Year on year growth with Living Rewards loyalty programme now at 1.7 million members
- Automated script reminder service now with over 200,000 patients, increasing opportunities for customer engagement and supporting patients with medicines adherence
- Two stores acquired February 2020 in Karori, Wellington
- Rebuild of Life Pharmacy Newmarket and Unichem Highland Park Pharmacy, along with greenfield investment in Unichem Parklands Medical Pharmacy.

Future focus

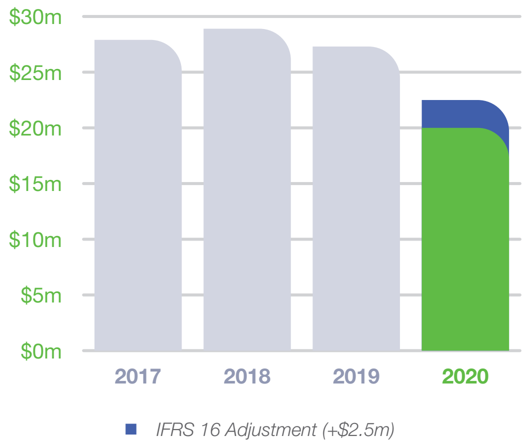
- Evolve retail offering to changing consumer behaviour post COVID-19
- Focus on margin management and core retail disciplines to further improve the customer experience
- Strong focus on reducing labour and occupancy costs
- Optimise equity store network, along with leveraging our national footprint and trusted Unichem and Life Pharmacy brands
- Further invest in our Living Rewards loyalty database to obtain insights and continue to provide expert care and advice to our customers
- Strengthen our digital and eCommerce offerings
- Advocate for removal of $5 prescription co-payment to increase accessibility and equity for all New Zealanders.

Pharmacy operating revenue



Pharmacy operating profit*

before interest and tax



**Includes goodwill on disposals of -$1.4m and write-down of intangibles of -$3.3m.*

Medical division

The Doctors

The Medical division delivered continued growth year on year in revenue and profitability. The company continues to invest to drive patient growth both organically and through selected acquisitions. We continue to focus on developing our people, processes and systems to improve capacity, and patient outcomes and experience.

4.7%

increase in enrolled patients to 267,000

42

medical centres

Medical Revenue grew +8.5% to $76.5m, with Operating Profit up 81.1% to $8.0m. This performance was the result of improved operational efficiency, organic revenue growth and an IFRS 16 impact of +$1.2m. Acquisitions in recent years have now fully integrated into the division, and nearer the end of the financial year, Drury Surgery was added, increasing the portfolio to 42 centres.

Enrolled patients at 31 March 2020 totalled 267,000, an increase of 12,000 (+4.7%) since March 2019 which includes increases from the Drury acquisition as well as the purchase of a doctor's book which was amalgamated into The Doctors Fred Thomas.

The Medical division continues to work closely with the Ministry of Health and Primary Health Organisations to ensure equitable access to primary healthcare throughout New Zealand. The initiative to increase access to health care for Community Services Card holders has improved affordable access to lower socio-economic groups.

Operationally, the Medical division improved its focus on systematic triaging of patients to improve utilisation and provide superior patient outcomes. The division commenced trialling the provision of digital health services in a number of centres prior to year-end.

Clinically, a key focus remains on delivery quality care across the network. Our Clinical Advisory Team supports our practices and actively promotes shared leadership to provide a means for all staff to continue to improve and be held accountable for the quality and safety of care. All GP sites have obtained or are working towards Cornerstone accreditation, and all Urgent Care centres maintain accreditation through their Urgent Care audits.

Going forward, the strategy remains to grow revenue organically, while further reducing the operating cost per patient and targeting compelling acquisition opportunities, whilst delivering high quality medical services.

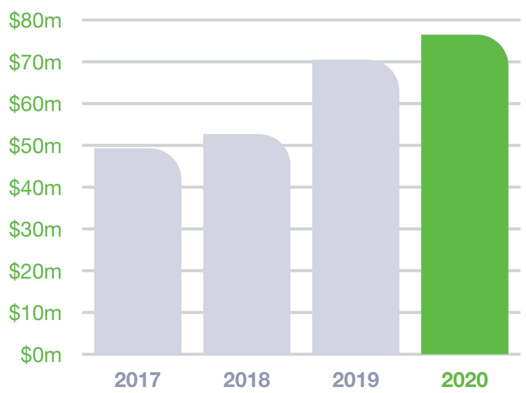
Highlights

- Medical division revenue up +8.5% to $76.5m
- Operating Profit margin increased from 6.3% to 8.9% (excluding application of IFRS 16)
- Enrolled patients grew from 255,000 to 267,000
- Ownership of 42 Medical Centre following acquisition of Drury Surgery.

Future focus

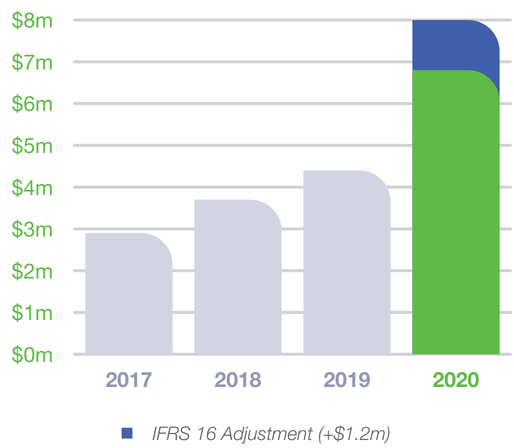
- Continue to build The Doctors brand
- Network and patient number growth through targeted acquisitions and organic revenue growth
- Deploy digital technology to increase efficiency and enhance delivery of high quality patient care
- Improve utilisation via systematic triaging of patients
- Work closely with funders to ensure equitable access for all New Zealanders.

Medical operating revenue



Medical operating profit

before interest and tax



Community Health division

Access Community Health and Total Care Health

The Community Health division substantially improved performance this year. Our strategy to focus on underlying profit drivers, rather than revenue growth has delivered. A focus on cost reduction, supported by investment in technology, has improved underlying earnings. We continue to pursue growth in the higher clinical needs segment. Further, we continue to advocate for Government to address sustainability of community health funding.

3.6million

home visits

42,500

clients

The Community Health division had a healthy increase in Operating Profit to $2.5m, an increase of +$2.4m over the comparative period. The key driver of the improvement in performance was operational efficiency with costs decreasing -3.0% on reduced revenue of -0.6%, highlighting the success of cost management and investment in technology.

Notwithstanding the improved performance, the slim operating profit margin of 1.6% exposes the division to adverse changes in the Home and Community Support sector.

With the majority of revenues from Government contracts, the funding is still insufficient to provide a sustainable return. Funding received primarily supports direct wage costs but does not adequately consider staff on-costs or infrastructure requirements to support communication and coordination of care 365 days a year. Furthermore, funding does not support recognition of pay parity in line with other Government-funded health personnel wage increase awards.

We are encouraged by the release of the Government's Health & Disability System Review that confirms the health system is significantly underfunded and recognises changes are required to both the level and method of system funding. We continue to advocate for sustainable sector funding to allow the division to deliver the care which allows patients to continue to live independently in their own homes.

Community Health has continued to focus on innovative approaches to providing care and support to our most vulnerable within the community, particularly those with complex clinical needs. During the year we have undertaken further development work, with the extension of our Access Virtual Assistant (AVA), an app designed to improve our approach to service delivery and systems efficiency, together with the launch of My Access, a portal available for our clients and client approved next of kin. Technology is being used to support "real time" information and provides enhanced communication with our community.


Access


Access
community health

Community Health division

(continued)

The ACC Integrated Home and Community Support (IHCS) business contract the division won last year is delivering results with the segment showing continued growth, particularly in supporting clients with complex care needs, providing 24/7 care where required.

Total Care Health, our specialised mobile nursing service, continues to expand both service offering and regional coverage throughout New Zealand, primarily focused on supporting complex wound management within the home, work or school.

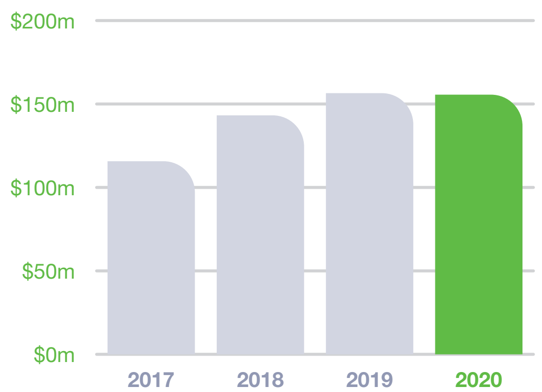
Highlights

- Cost improvements of 3%
- Operating Profit increased $2.4m to $2.5m
- Bedding in the ACC Integrated Home and Community Support business that was awarded following a successful tender at the end of last financial year
- Expansion of Total Care Health into new regions.

Future focus

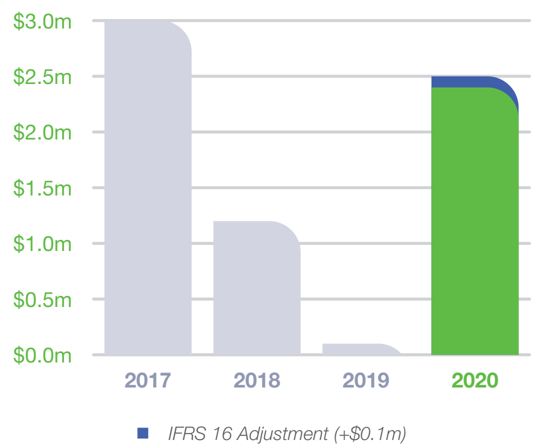
- Focus on higher clinical needs segments
- Further expand geographic coverage of Total Care Health business
- Harness technology to enhance workforce efficiency and client outcomes
- Focus on profitability of all contracts, targeting growth in higher margin areas
- Advocate for additional sector funding to ensure sustainability.

Community Health operating revenue



Community Health operating profit

before interest and tax



COVID-19, dividend and future focus

The Board recognises there is continuing uncertainty as a result of COVID-19, and whilst it has confidence in the resilience of the company to navigate this period of volatility, it is committed to maintaining a strong balance sheet in order to absorb the impact of COVID-19 and the associated economic downturn. The company has an absolute focus on preserving cash including drawing down a portion of unutilised bank facilities to shore up liquidity.

In addition to weathering the storm of lockdown this approach helps protect the company from the need for a dilutive capital raise and positions the Company to be able to capitalise on future opportunities. With this in mind, the Board has made the precautionary decision not to declare a full year dividend. Subject to liquidity, the Board expects to return to declaring dividends from November 2020.

Going forward the company remains committed to delivering to patient and customer expectations. The company is focused on right-sizing its cost base, targeting labour and occupancy cost reductions, as well reviewing the Pharmacy and Medical portfolios to determine any sites which will not be sustainable going forward.

Green Cross Health is committed to providing all New Zealanders accessible, quality primary healthcare. As part of this commitment, the company continues to advocate for the removal of the prescription co-payment Government tax and for increased funding in the Home and Community Support sector.

Thank you to our team

It has been an exceptionally busy year for us, and we are very thankful for the contribution of every member of the Green Cross Health team. The dedication and passion of our team helps ensure New Zealanders have access to quality care and advice, and we are proud of the key role we continue to play in supporting the health of New Zealand communities.

Directors' declaration

For the year ended 31 March 2020

In the opinion of the Directors of Green Cross Health Limited, the financial statements and notes, on pages 27 to 60:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Green Cross Health Limited Group as at 31 March 2020 and the results of its operations and cash flows for the year ended on that date.

- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of Green Cross Health Limited for the year ended 31 March 2020.

For and on behalf of the Board of Directors:

Kim Ellis
Chair
24 June 2020

Carolyn Steele
Director
24 June 2020

Independent auditor's report

To the shareholders of Green Cross Health Limited

Report on the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Green Cross Health Limited (the company) and its subsidiaries (the Group) on pages 27 to 60:

i. Present fairly in all material respects the Group's financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and

ii. Comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- The consolidated statement of financial position as at 31 March 2020;
- The consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- Notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Our firm has also provided other services to the Group in relation to tax compliance services. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Independent auditor's report

(continued)

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $1.3 million determined with reference to a benchmark of Group profit before tax. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter: Impairment of goodwill ($127.2 million)

Refer to note 13 of the consolidated financial statements.

The Group has grown significantly through acquisitions in its Pharmacy, Medical and Community Health business units which has resulted in the recognition of goodwill in the amount of $74.5 million, $33.7 million and $19.0 million, respectively.

In the event the business units under-perform compared to their business cases, there is a risk that the goodwill arising on acquisition may no longer be supported.

As disclosed in note 13, the Group performs an annual impairment test of goodwill and uses a discounted cash flow model to determine the recoverable amount of its business units to which goodwill has been allocated.

In performing this assessment, assumptions are made in respect of future economic and market conditions, including the impact of COVID-19. Cash flow forecasts include consideration of the Group's strategic business plan for each business unit and their impact on forecast sales and operating costs. Additionally, management determined terminal growth rates and discount rates which reflect an assessment of the time value of money and the risks specific to each business unit.

The annual impairment test performed by the Group was significant to our audit due to the magnitude of the goodwill balance and because the assessment process involved judgment about the future performance of the business units.

How the matter was addressed in our audit

Our audit procedures included:

- Ensuring the allocation of goodwill to the Group's business units is appropriate;
- Evaluating the methodology, mathematical accuracy and assumptions applied in the discounted cash flow models. We used our own valuation specialists to assist us with the consideration of terminal growth and discount rates;
- Challenging management's cash flow assumptions over projected cash flows taking into consideration COVID-19, and the expected impact of the Group's business plans for each business unit by reference to their historical performance and the internal and external factors that influence their operations;
- Performing sensitivity analysis around the key assumptions used in the models;
- Reviewing the appropriateness of related disclosures in the consolidated financial statements.

We found the judgements and assumptions used in the assessment of goodwill impairment to be balanced.

The key audit matter: Adoption of NZ IFRS 16 Leases

Refer to note 2(c) of the consolidated financial statements.

The Group has adopted NZ IFRS 16 Leases effective from 1 April 2019, using the modified retrospective approach. The new standard requires the Group to recognise its lease commitments as a liability in the consolidated statement of financial position, along with an associated right-of-use asset. Previously operating leases were not recognised in the statement of financial position. The adoption of the standard has resulted in the recognition of a right-of-use asset of $92.9 million and a lease liability of $98.5 million.

As disclosed in note 2(f), a number of judgements and estimates have been made by management in establishing the opening balances. These include:

- Incremental borrowing rates at the time of adoption;
- Lease terms, including any rights of renewal expected to be exercised, and
- Application of practical expedients adopted on transition.

The group's adoption of NZ IFRS 16 was significant to our audit due to the complexity of the judgements and assumptions involved in the calculation of the right-of-use assets and associated lease liabilities.

Independent auditor's report

(continued)

How the matter was addressed in our audit

Our audit procedures included:

- Assessing the Group's process relating to the recording, recognition, and measurement of leases;
- Assessing the Group's judgements made in applying practical expedients against the requirements of NZ IFRS 16;
- Engaging our valuation specialist to assess the appropriateness of the incremental borrowing rates used;
- Testing completeness of the identified lease contracts by checking leased stores, medical centres and offices, to a breakdown of rental expense and property listings;
- Selecting a sample of leases and examining the calculation of the associated lease liability and right-of-use asset. For each lease selected we performed the following:
  - Agreed key inputs such as commencement date, expiry date, rent amount, and rent payment frequency to the underlying lease agreement;
  - Reviewed assumptions used to determine the lease term including rights of renewal and assessed whether they were supported by current business plans;
  - Recalculated the lease liability and right-of-use asset based on key inputs;
  - Checked the appropriateness of the classification of the lease liability between current and non-current based on the remaining term of the lease.
- Assessing the disclosures in the consolidated financial statements against the requirements of NZ IFRS 16.

We found the methodology used by the Group in transitioning to NZ IFRS 16 to be appropriate. We consider the judgements and assumptions used to be balanced.

Other information

The Directors, on behalf of the Group, are responsible for the other information included in the entity's Annual Report. Other information includes the Directors Declaration and the other information included in the Annual Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated 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 financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have received the Directors Declaration and have nothing to report in regards to it. The Annual Report is expected to be made available to us after the date of this Independent Auditor's Report and we will report the matters identified, if any, to the Directors.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- The preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- Implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Independent auditor's report

(continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- To obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- To issue an independent 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 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Aaron Woolsey.

For and on behalf of

KPMG

KPMG
Auckland
24 June 2020

Group financial statements

Consolidated statement of comprehensive income

For the year ended 31 March 2020

	Note	2020 $'000	2019 $'000
Operating revenue	4	568,531	567,236
Operating expenditure	6.2	(509,888)	(530,306)
Depreciation and amortisation	11,13	(8,565)	(8,431)
Depreciation - leases	12	(15,629)	-
Impairment	13	(4,672)	-
Share of equity accounted net earnings	15	1,216	874
Operating profit before interest and tax		**30,992**	**29,373**
Interest income		114	44
Interest expense		(1,787)	(1,989)
Interest expense - leases	12	(5,678)	-
Net interest expense		**(7,351)**	**(1,945)**
Profit before tax		**23,641**	**27,428**
Income tax expense	7	(6,689)	(7,339)
Profit after tax for the year		**16,952**	**20,089**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**16,952**	**20,089**
Attributable to:			
Shareholders of the Parent		13,490	16,105
Non-controlling interest		3,462	3,984
Attribution of profit and comprehensive income to shareholders and non controlling interest		**16,952**	**20,089**
Earnings per share:			
Basic earnings per share (cents)	8	9.42	11.25
Diluted earnings per share (cents)	8	9.41	11.22

The accompanying Statement of Accounting Policies and notes to the Financial Statements on pages 32 to 60 form part of the Financial Statements.

Consolidated statement of changes in equity

For the year ended 31 March 2020

	Note	Share capital $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 April 2018		90,609	27,886	7,108	125,603
Profit for the year			16,105	3,984	20,089
Total comprehensive income for the year			**16,105**	**3,984**	**20,089**
Transactions with owners, recorded directly in equity					
Dividends to shareholders	9		(10,021)	-	(10,021)
Distribution to non-controlling interests			-	(2,026)	(2,026
Impact of other transactions with non-controlling interest			(128)	422	294
Balance at 31 March 2019		**90,609**	**33,843**	**9,489**	**133,940**
Balance at 1 April 2019		90,609	33,843	9,489	133,940
Impact on application of IFRS 16 - net of tax			(2,167)	(419)	(2,586)
Restated as at 1 April 2019		90,609	31,676	9,070	131,354
Profit for the year			13,490	3,462	16,952
Total comprehensive income for the year			**13,490**	**3,462**	**16,952**
Dividends to shareholders	9		(10,039)	-	(10,039)
Distribution to non-controlling interests			-	(2,333)	(2,333)
Impact of other transactions with non-controlling interest			(1,324)	108	(1,216)
Balance at 31 March 2020		**90,609**	**33,803**	**10,308**	**134,719**

The accompanying Statement of Accounting Policies and notes to the Financial Statements on pages 32 to 60 form part of the Financial Statements.

Consolidated statement of financial position

As at 31 March 2020

	Note	2020 $'000	2019 restated $'000
Equity			
Share capital		90,610	90,610
Retained earnings		33,802	33,843
Total equity attributable to shareholders of the Parent		124,412	124,453
Non-controlling interest		10,308	9,490
Total equity		**134,719**	**133,943**
Current assets			
Cash and cash equivalents		33,899	16,652
Trade and other receivables	10	43,107	36,076
Inventories		34,720	32,804
Total current assets		**111,726**	**85,532**
Non-current assets			
Property, plant and equipment	11	22,227	22,291
Right-of-use assets	12	86,090	-
Intangible assets	13	133,524	137,664
Deferred tax asset	14	16,055	12,912
Equity accounted group investments	15	6,988	6,398
Total non-current assets		**264,884**	**179,265**
Total assets		**376,610**	**264,797**
Current liabilities			
Payables and accruals	16	90,652	79,975
Income taxes payable	16	1,186	1,760
Borrowings	17	3,359	5,556
Lease liability - current	12	13,705	-
Total current liabilities		**108,902**	**87,291**
Non-current liabilities			
Borrowings	17	53,114	43,563
Lease liability - non current	12	79,875	-
Total non-current liabilities		**132,989**	**43,563**
Total liabilities		**241,892**	**130,854**
Net assets		**134,719**	**133,943**

The accompanying Statement of Accounting Policies and notes to the Financial Statements on pages 32 to 60 form part of the Financial Statements.

Consolidated statement of cash flows

For the year ended 31 March 2020

	Note	2020 $'000	2019 restated $'000
Cash flows from operating activities			
Dividend received	15	653	706
Receipts from customers		561,500	568,525
Interest received		114	44
Payments to suppliers and employees		(498,510)	(525,636)
Income taxes paid		(9,456)	(12,199)
Net cash inflow from operating activities	18	**54,301**	**31,440**
Cash flows from investing activities			
Purchase of property, plant, equipment and software intangibles		(7,264)	(8,947)
Acquisition of interests in equity accounted investments		(26)	-
Acquisition of interests in subsidiaries and non-controlling interests	5	(3,546)	(3,372)
Proceeds from sale of shares in subsidiary		-	688
Net cash outflow from investing activities		**(10,835)**	**(11,631)**
Cash flows from financing activities			
Proceeds from borrowings		19,299	19,575
Repayment of borrowings		(11,944)	(19,680)
Payment of lease liabilities	12	(13,778)	-
Interest expense	12	(1,787)	(1,989)
Interest expense - leases	12	(5,678)	-
Distribution to non-controlling interest		(2,333)	(1,986)
Dividends paid		(10,039)	(10,045)
Net cash outflow from financing activities		**(26,259)**	**(14,125)**
Net increase in cash and cash equivalents		**17,207**	**5,684**
Add opening cash and cash equivalents		16,652	10,754
Cash acquired: business combinations	5	40	214
Closing cash and cash equivalents		**33,899**	**16,652**
Reconciliation of closing cash and cash equivalents to the consolidated statement of financial position:			
Cash and cash equivalents		33,899	16,652
Closing cash and cash equivalents		**33,899**	**16,652**

The accompanying Statement of Accounting Policies and notes to the Financial Statements on pages 32 to 60 form part of the Financial Statements.

Notes to the financial statements

For the year ended 31 March 2020

1. Reporting entity

Green Cross Health Limited (the "Parent" or the "Company") is a New Zealand company registered under the Companies Act 1993 and is an FMC entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. The Financial Statements have been prepared in accordance with these Acts. The Company is listed on the NZX Main Board ("NZX").

The consolidated financial statements of Green Cross Health Limited comprise the Parent, its subsidiaries, and its interest in associates and joint ventures (together referred to as the "Group").

2. Basis of preparation of financial statements

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, and authoritative notices as appropriate for a Tier one for profit entity. They also comply with International Financial Reporting Standards.

The financial statements were approved by the Board of Directors on 24 June 2020.

(b) Basis of measurement

The financial statements of the Group are prepared under the historical cost basis unless otherwise noted within the specific accounting policies below.

(c) Changes in accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidation financials statements, except as mentioned below.

NZ IAS 1 Amendment

The Group has early adopted Amendments to IAS 1 Classification of liabilities as current or non-current in the current year. The impact of adoption on these consolidated financial statements has been outlined in the table below.

31 March 2020	NZ IAS 1 (Old) $'000	Impact $'000	NZ IAS 1 (New) $'000
Statement of financial position			
Current borrowings	38,254	(34,895)	3,359
Non-current borrowings	18,220	34,895	53,114
31 March 2019			
Statement of financial position			
Current borrowings	25,556	(20,000)	5,556
Non-current borrowings	23,563	20,000	43,563
31 March 2018			
Statement of financial position			
Current borrowings	16,310	(9,000)	7,310
Non-current borrowings	32,914	9,000	41,914

NZ IAS 7 Statement of cash flows

The Group has also voluntarily changed its accounting policy under NZ IAS 7 Statement of cash flows, where interest expense is now classified as a financing cash flow instead of an operating cash flow.

The Group has applied this change in accounting policy retrospectively by adjusting the comparative amounts disclosed for the comparative period as if the new classification has always been applied. The impact on the current period and the comparative period is summarised below.

31 March 2020	Original $'000	Adjustment $'000	Restated $'000
Statement of cash flows			
Cash flows from operating activities			
Interest expense	(1,787)	1,787	-
Net cash inflow from operating activities	52,514	1,787	54,301
Cash flows from financing activities			
Interest expense	-	(1,787)	(1,787)
Net cash outflow from financing activities	(24,472)	(1,787)	(26,259)
Net increase/(decrease) in cash and cash equivalents		-	
31 March 2019			
Statement of cash flows			
Cash flows from operating activities			
Interest expense	(1,989)	1,989	-
Net cash inflow from operating activities	29,451	1,989	31,440
Cash flows from financing activities			
Interest expense	-	(1,989)	(1,989)
Net cash outflow from financing activities	(12,136)	(1,989)	(14,125)
Net increase/(decrease) in cash and cash equivalents		-	

NZ IFRS 16 Leases

The Group has initially adopted NZ IFRS 16 Leases from 1 April 2019. NZ IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied NZ IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2019 has not been restated for the affects of adoption of NZ IFRS 16, i.e. it is presented, as previously reported, under NZ IAS 17 and related interpretations. See note 12.

2. Basis of preparation of financial statements (continued)

(d) Comparatives

Where appropriate, comparative information has been reclassified to conform to the current period's presentation.

(e) Functional and presentation currency

These financial statements are presented in New Zealand dollars ($), which is the functional currency of the entities of the Group. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

(f) Significant estimates and judgments

The preparation of financial statements in conformity with NZ IFRS requires the Directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of some assets and liabilities. Actual results may differ from these estimates.

In authorising the financial statements for the year ended 31 March 2020, the Directors have ensured that the specific accounting policies necessary for the proper understanding of the financial statements have been disclosed, and that all accounting policies adopted are appropriate for the Group's circumstances and have been consistently applied throughout the year for all Group entities for the purposes of preparing the consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Information about the significant areas of judgment exercised or estimation in applying accounting policies that have had a significant impact on the amounts recognised in the financial statements are described as follows:

(i) Classification of investments

Classifying investments as either subsidiaries, associates or joint ventures requires the Directors to assess the degree of influence which the Group holds over the investee. In arriving at a conclusion the Directors take into account the constitutional structure of the investee, governance arrangements, current and future representation on the Board of Directors, and all other arrangements which might allow influence over the operating and financial policies of the investee.

(ii) Impairment of goodwill and indefinite life intangible assets

The carrying values of goodwill and intangible assets with an indefinite useful life, are assessed at least annually to ensure that they are not impaired. This assessment requires the Directors to estimate future cash flows to be generated by cash generating units to which goodwill and intangible assets with indefinite useful lives have been allocated. Estimating future cash flows entails making judgments including the expected rate of growth of revenues and expenses, margins and market shares to be achieved, and the appropriate rate to apply when discounting future cash flows. Note 13 of these financial statements provides more information on the assumptions the Directors have made in this area and the carrying values of goodwill and indefinite life intangible assets. As the outcomes in the next financial period may be different to the assumptions made, it is impracticable to predict the impact that could result in a material adjustment to the carrying amount.

(iii) Accounting for leases under NZ IFRS 16

A number of judgements and estimates have been made by management in establishing the opening balances of the right-of-use asset and lease liability. These include determining the applicable incremental borrowing rates at the time of adoption, assessment of the lease terms, including any rights of renewal and whether it is reasonably certain they will be exercised, and application of certain practical expedients adopted on transition. See note 12.

(iv) COVID-19 pandemic

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19.

Following this, on Wednesday 25 March 2020 the New Zealand Government raised its Alert Level to 4 (full lockdown of non-essential services) for an initial 4 week period. A number of the Group's pharmacies, medical centres and its homecare operations continued to operate in a reduced capacity during Level 4 due to the essential nature of their activities and the service they provide to the community. The Group's activities have progressively returned to full operation as the country reduced its Alert Levels. A recovery in the sales to normal levels is expected throughout Level 1, however, the impact of COVID-19 on the economy remains uncertain.

The Group reforecast its cash flows and considered the impact of COVID-19 on the valuation of intangibles and the Group's ability to comply with the terms of its debt facilities. Management do not consider that COVID-19 will have a material effect on the valuation of the Group's assets or its ability to comply with debt covenants.

(g) Subsidiaries

Subsidiaries are entities that are controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. Power arises when the Group has existing rights to direct the relevant activities of the investee, i.e. those that significantly affect the investee's returns. Control is assessed on a continuous basis.

The Group consolidates the results of its subsidiaries from the date that control commences until the date on which control ceases. At such point as control ceases, it derecognises the assets, liabilities and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The Group's ownership interests in subsidiaries ranges from 25% to 100% (2019: 25% to 100%). The Group consolidates 29 out of 40 entities where it holds less than half of the voting rights. This is on the basis that the Group's contractual arrangements with these entities result in them meeting the definition of being subsidiaries as set out above.

(h) Non-controlling interests

Non-controlling interests are present ownership interests and are initially measured at either fair value or the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is determined on a transaction-by-transaction basis. Under the proportionate interest method, goodwill is not attributed to the non-controlling interest and the Group recognises only its share of goodwill whereas under fair value, the non-controlling interest includes its proportionate share of goodwill.

Changes in the Group's interest in a subsidiary that do not result in a change in the control conclusion are accounted for as transactions with equity-holders in their capacity as equity holders.

While the group has 44 (2019: 43) subsidiaries with non-controlling interests, there are no subsidiaries with individually material non-controlling interest.

(i) Transactions eliminated on consolidation

Intra-group balances, 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 investees 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.

(j) Goods and services tax (GST)

The statement of comprehensive income has been stated so that all components are exclusive of GST. All items in the statement of financial position are stated net of GST with the exception of receivables and payables, which include GST invoiced.

(k) Statement of cash flows

The statement of cash flows has been prepared using the direct method subject to the netting of certain cash flows.

Cash flows in respect of investments and borrowings that have been rolled-over under arranged banking facilities have been netted in order to provide meaningful disclosures.

2. Basis of preparation of financial statements (continued)

(k) Statement of cash flows (continued)

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Operating activities include all cash received from all revenue sources and all cash disbursed for all expenditure sources including taxation refunds or payments and other transactions that are not classified as investing or financing activities.

Investing activities reflect the acquisition and disposal of property, plant and equipment and intangibles, loans to associates, and investments in associates, subsidiaries and joint ventures.

Financing activities reflect changes in borrowings and equity.

(l) Inventory

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on a weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

3. New standards and interpretations issued and not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2020. These have been assessed for applicability to the Group and the Directors have concluded that they will not have a significant impact on future financial statements, except for amendments to NZ IAS 1 which the Group has elected to adopt early.

4. Segment reporting

The Group has three reportable segments: pharmacy services, medical services and community health.

The Group's main operations are in the pharmacy industry providing pharmacy services through consolidated stores, equity accounted investments and franchise stores. The medical services segment includes fully owned and equity accounted medical centres, and support services provided to these medical centres, as well as medical centres outside the Group. The community health segment provides services direct to the community to support independent living.

The Board monitors the various revenue streams within each reportable segment separately however, they do not meet the criteria for separate disclosure due to the following:

- Aggregation of the operating segments within each reportable segment is consistent with the core principal of NZ IFRS 8, i.e. aggregating will not distort the interpretation of the financial statements for the users;
- The operating segments within each reportable segment share the same economic characteristics; and
- The nature of the products and services, and the nature of the regulatory environment are the same for the operating segments.

Operating segments

Information about reportable segments

March 2020	Note	Pharmacy Services $'000	Medical Services $'000	Community Health $'000	Corporate $'000	Total $'000
External revenues	6.1	336,449	76,509	155,573	-	568,531
Total revenue		**336,449**	**76,509**	**155,573**	**-**	**568,531**
Cost of products sold		(195,386)	-	-	-	(195,386)
Employee benefit expense		(61,256)	(54,494)	(145,361)	-	(261,110)
Lease expenses		(2,897)	(392)	(237)	-	(3,525)
Other expenses		(32,637)	(10,197)	(5,040)	(1,992)	(49,867)
Depreciation and amortisation		(6,323)	(1,330)	(913)	-	(8,565)
Depreciation - leases		(11,097)	(2,957)	(1,575)	-	(15,629)
Impairment		(4,672)	-	-	-	(4,672)
Share of equity accounted net earnings		314	902	-	-	1,216
Segment Profit		**22,495**	**8,042**	**2,447**	**(1,992)**	**30,992**
Interest income						114
Interest expense						(1,787)
Interest expense - leases						(5,678)
Profit before tax						**23,641**
Tax expense						(6,689)
Profit after tax						16,952
Non-controlling interest						(3,462)
Net profit attributable to the shareholders of the Parent						**13,490**
Reportable segment assets		294,818	59,843	30,236	(8,287)	376,610
Equity accounted investments		2,439	4,549	-	-	6,988
Capital expenditure		5,823	935	686	-	7,444
Reportable segment liabilities		169,235	54,176	26,768	(8,287)*	241,892

**Intersegmental elimination.*

4. Segment reporting (continued)

Operating segments (continued)

March 2019	Note	Pharmacy Services $'000	Medical Services $'000	Community Health $'000	Corporate $'000	Total $'000
External revenues	6.1	340,196	70,539	156,501	-	567,236
Total revenue		**340,196**	**70,539**	**156,501**	**-**	**567,236**
Cost of products sold		(198,929)	-	-	-	(198,929)
Employee benefit expense		(61,459)	(51,768)	(149,273)	(750)	(263,250)
Lease expenses		(16,025)	(4,108)	(1,177)	-	(21,310)
Other expenses		(30,633)	(9,674)	(4,843)	(1,667)	(46,817)
Depreciation and amortisation		(6,106)	(1,168)	(1,157)	-	(8,431)
Depreciation - leases		-	-	-	-	-
Impairment		-	-	-	-	-
Share of equity accounted net earnings		256	618	-	-	874
Segment profit		**27,301**	**4,439**	**51**	**(2,417)**	**29,373**
Interest income						44
Interest expense						(1,989)
Profit before tax						**27,428**
Tax expense						(7,339)
Profit after tax						20,089
Non-controlling interest						(3,984)
Net profit attributable to the shareholders of the Parent						**16,105**
Reportable segment assets		211,121	36,529	29,814	(12,668)	264,797
Equity accounted investments		2,287	4,111	-	-	6,398
Capital expenditure		5,119	3,706	945	-	9,770
Reportable segment liabilities		92,638	22,963	27,921	(12,668)*	130,854

**Intersegmental elimination.*

5. Business combinations

Business combinations acquired during the year include; Centre City Pharmacy (2004) Limited, Waiuku Medical Pharmacy (2010) Limited, Karori Pharmacies (2020) Limited, Drury Surgery Limited. None of these acquisitions are individually material to the Group's result.

Identifiable assets acquired and liabilities assumed	**Carrying value $'000**	**Fair value $'000**
Total assets	1,828	1,828
Total liabilities	(208)	(208)
Identifiable net assets	**1,620**	**1,620**
Consideration transferred		
Satisfied by:		
Cash consideration		3,546
Deferred consideration		-
Total consideration		**3,546**
Less cash acquired (included in assets above)		(40)
Net cash consideration		**3,505**
Goodwill		
Goodwill recognised as a result of the acquisitions are as follows:		
Total consideration		3,546
Identifiable net assets		(1,620)
Goodwill		**1,926**

The amount of revenue included in the consolidated statement of comprehensive income is $8.1 million with a net profit after tax of $0.6 million in respect of the entities acquired during the year.

6. Operating performance

6.1 Revenue	2020 $'000	2019 $'000
Revenue from contracts with customers:		
Pharmacy retail and dispensary	298,261	304,627
Other pharmacy revenue	38,188	35,569
Medical fee income	76,509	70,539
Home care	155,573	156,501
	568,531	**567,236**

Disaggregation of Contract Revenue	Reportable segments			
	Pharmacy Services $'000	Medical Services $'000	Community Health $'000	Total $'000
Year ended 31 March 2020				
Timing of revenue recognition				
Transferred at a point in time	324,159	35,315	108,393	**467,867**
Transferred over time	12,290	41,194	47,180	**100,664**
	336,449	**76,509**	**155,573**	**568,531**
Year ended 31 March 2019				
Timing of revenue recognition				
Transferred at a point in time	331,120	35,726	105,899	**472,745**
Transferred over time	9,076	34,813	50,602	**94,491**
	340,196	**70,539**	**156,501**	**567,236**

Pharmacy retail and dispensing services

Pharmacy retail and dispensary services include retail sales, dispensing, professional advisory and care services. For all these services control is considered to pass to the customer at the point when the customer can use or otherwise benefit from the goods and services. For retail sales, control passes at point of sale. Retail sales are predominantly by credit card, debit card or in cash.

The Group operates its own Living Rewards loyalty programme. When a retail sale is made and points are earned, the resulting revenue is allocated between the loyalty programme and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the points are redeemed under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Other pharmacy revenue

These mainly include franchise fees and supplier income. Control for franchise services pass over time as the services are delivered over the term of the franchise agreement. Payment terms for franchise fees is generally 20 to 30 days. Supplier income is earned, as promotional services are rendered over a specified time period by the Group. Payment terms are generally 20 to 30 days.

Medical services

Medical services include capitation and health services and patient fees. Control for capitation and health services passes over time as the healthcare services are delivered to the patient over a certain time period. Payment terms are generally 20 to 30 days. Patient fees are earned at a point in time. Control passes to the customer when service has been delivered to a customer. Patient fees are predominantly by credit card, debit card or in cash.

Homecare services

Homecare services consist primarily of community health and support services. Control passes to the customer as the services are delivered and simultaneously consumed by the customer. Payment terms are generally 30 to 60 days.

Contract assets and contract liabilities

Current contract assets represent revenue where the service has been provided but not yet invoiced to the customer. When the customer has been invoiced, any outstanding balances are included in receivables. Contract liabilities reflect payments received for services that have not yet been provided and the payments will be recognised as revenue over time.

Costs directly related to the acquisition of a contract or renewal of an existing contract are capitalised and amortised over the life of the contract. Cost relating to fulfilling a contract are only capitalised if they meet the recognition criteria under NZ IFRS 15. Costs incurred in obtaining a contract are only capitalised to the extent they are incremental.

Contract balances

The following table provides information, about receivables, contract assets and contract liabilities from contracts with customers:

	31 Mar 2020 $'000	31 Mar 2019 $'000
Trade receivables which are included in trade and other receivables	25,257	21,466
Contract assets	14,273	11,561
Contract liabilities	(6,019)	(5,072)

Significant changes in the contract assets and the contract liabilities during the period are as follows:

	2020		2019	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	5,072	-	5,831
Transfer from contract assets recognised at the beginning of the period to receivables	11,561	-	11,816	-

As at 31 March 2020, the amount of revenue deferred and recognised as a contract liability for the loyalty programme is $6.0m. This will be recognised as revenue as the loyalty points are redeemed or expire, which is expected to occur over the next fifteen months.

6. Operating performance (continued)

6.2 Operating expenditure	2020 $'000	2019 $'000
Cost of products sold	195,386	198,929
Employee benefit expense	261,110	263,250
Lease expenses	3,525	21,310
Other expenses	48,224	46,351
Audit fees	233	185
Other services provided by auditors	140	123
Directors' fees in respect of the Parent company	431	453
Directors' fees in respect of the subsidiary companies	244	235
Bad debts written off and movement in doubtful debt provision	594	(530)
	509,888	**530,306**
Auditor's remuneration to KPMG comprises:		
Annual audit of financial statements	233	185
Annual audit of financial statements – prior year	-	-
	233	**185**
Other services provided by auditors:		
Taxation services	140	113
Other services	-	10
	140	**123**

Tax services relate to compliance and related services.

7. Income tax expense

	2020 $'000	2019 $'000
Current tax expense	(8,829)	(9,078)
Deferred tax expense (see note 14)	2,140	1,739
Total income tax expense	**(6,689)**	**(7,339)**
Imputation credit account:		
Available for use in subsequent periods $10.1m (2019: $1.2m).		
Numerical reconciliation between tax expense and pre-tax accounting profit		
Profit before tax	23,641	27,428
Income tax expense at 28%	(6,620)	(7,680)
(Add)/Deduct the tax effect of adjustments		
Non deductible write-offs	(385)	-
Other	316	341
	(6,689)	**(7,339)**

Taxation accounting policy

Income tax expense is charged to profit and loss and comprises current tax and deferred tax, unless it relates to an item recognised in other comprehensive income or equity in which case it is recognised in other comprehensive income or equity.

Current tax is the estimated tax payable on the current period's taxable income using current tax rates, adjusted for any under or over accrual in respect of prior periods.

Deferred tax is recognised using the balance sheet liability method, allowing for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the carrying amounts for tax purposes. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefit will be realised.

8. Earnings and assets per share

The earnings per share, and dividend per share is calculated using the Group's result divided by the weighted average number of shares for the listed entity, Green Cross Health Limited.

	2020 cents per share	2019 cents per share
Basic earnings per share	9.42	11.25
The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and a weighted average number of ordinary shares issued during the year of 143,152,759 (2019: 143,152,759).		
Diluted earnings per share	9.41	11.22
The calculation of diluted earnings per share is based on the profit attributable to equity holders of the parent and a weighted average number of ordinary shares issued during the year after adjustment for the effects of all dilutive ordinary shares of 143,394,426 (2019: 143,485,759).		
Net tangible (liabilities)/assets per share	(10.38)	(11.62)
The calculation of net tangible assets per share is based on net assets less deferred tax and intangible assets (refer note 13 and note 14) and the closing number of ordinary shares at the end of the year.		
Net assets per share	94.11	93.57
The calculation of net assets per share is based on net assets and the closing number of ordinary shares at the end of the year.		

9. Dividends to shareholders of the Parent company

	2020 cents per share	2019 cents per share
Dividends per share	7.00	7.00

In December 2019 Green Cross Health Limited paid an interim dividend of 3.5 cents per qualifying ordinary shares to shareholders, which was fully imputed to 28%.

In June 2019 Green Cross Health Limited paid a final dividend for the March 2019 year of 3.5 cents per qualifying ordinary shares to shareholders, which was fully imputed to 28%.

10. Trade and other receivables

	2020 $'000	2019 $'000
Trade receivables	25,257	21,466
Contract assets	14,273	11,561
Accrued income	2,534	1,176
Other receivables and prepayments	2,113	2,743
Provision for doubtful debts	(1,070)	(870)
	43,107	**36,076**

11. Property, plant and equipment

	2020 $'000	2019 $'000
Opening cost	75,112	68,044
Acquisitions through business combinations	146	1,698
Additions	5,010	8,195
Disposals	(949)	(2,825)
Closing cost	**79,319**	**75,112**
Opening accumulated depreciation	53,143	47,128
Acquisitions through business combinations	-	1,133
Depreciation for the period	6,029	6,036
Disposals	(505)	(1,154)
Closing accumulated depreciation	**58,667**	**53,143**
Closing book value	20,652	21,969
Work in progress	1,575	322
Total property, plant and equipment	**22,226**	**22,291**

Property, plant and equipment accounting policy

Property, plant & equipment owned by the Group consists primarily of leasehold improvements and is stated at cost less accumulated depreciation and any impairment losses. Property, plant & equipment acquired in stages is not depreciated until the asset is ready for its intended use.

Depreciation is provided on a straight-line basis on all property, plant & equipment components to allocate the cost of the asset (less any residual value) over its useful life or if it relates to assets in a leased premises, the life of the lease if shorter. The residual values and remaining useful lives of asset components are reviewed at least annually.

Current estimated useful lives of property, plant and equipment are between two and twelve years.

Subsequent expenditure that extends or expands the useful life of property, plant & equipment or its service potential is capitalised. All other costs are recognised in the profit and loss as expenditure when incurred.

Any resulting gain or loss on disposal of an asset is recognised in the profit and loss in the period in which the asset is disposed of.

12. Leases

As a lessee

The Group's leased assets include property leases for pharmacies, medical centres and offices. The lease terms of these leases typically range from 6 to 30 years (inclusive of any renewal options). Some leases provide for additional rent payments that are based on changes in CPI or market rental rates. The Group also leases motor vehicles and equipment, which typically run for a period of 3 to 5 years. Previously, the Group classified all its leases as operating leases under NZ IAS 17.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under NZ IFRS 16, the Group recognises right-of-use assets and lease liabilities for the majority of its leases – i.e. these leases are on-balance sheet.

The carrying amounts of right-of-use assets and lease liabilities are as below:

	Property $'000	Motor Vehicles $'000	Equipment $'000	Total $'000
Right-of-use assets				
Balance at 1 April 2019	88,933	2,015	1,959	92,907
Balance at 31 March 2020	83,705	1,345	1,040	86,090
Depreciation	14,202	734	694	15,630

Additions to property of $11.4m have been made to right-of-use assets during the current year.

	Property $'000	Motor Vehicles $'000	Equipment $'000	Total $'000
Lease liabilities				
Balance at 1 April 2019	94,574	2,015	1,959	98,548
Balance at 31 March 2020	91,093	1,407	1,080	93,580

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is:

- A change in future lease payments arising from a change in an index or rate; or
- A change in the estimate of the amount expected to be payable under a residual value guarantee; or
- Changes in assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised; or
- Any other change in the future lease payments or the lease term due to a lease modification that's not accounted for as a separate lease.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impact the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(i) Transition

On transition to NZ IFRS 16, the Group elected to perform a reassessment of its contracts to determine which of its contracts are now identified as leases under NZ IFRS 16. Therefore, the definition of a lease under NZ IFRS 16 has been applied to both contracts as at 1 April 2019 and contracts entered into or changed on or after 1 April 2019.

At transition, for leases classified as operating leases under NZ IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either:

- Their carrying amount as if NZ IFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all other leases.

The Group used the following practical expedients when applying NZ IFRS 16 to leases previously classified as operating leases under NZ IAS 17.

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (motor vehicles leases and equipment leases).
- Relied on previous assessments of whether leases are onerous applying NZ IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of remaining lease term at the date of initial application.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight, such as in determining the lease term for contracts that contain options to extend or terminate a lease.

On transition to NZ IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	1 April 2019 $'000
Right-of-use assets	92,907
Deferred tax asset	1,003
Lease liabilities	(98,545)
Lease incentives in advance (presented as part of "payables and accruals")	2,055
Non-controlling interest	419
Retained earnings	2,167

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 6.27%.

12. Leases (continued)

	1 April 2019 $'000
Operating lease commitments at 31 March 2019 as disclosed in the Group's consolidated financial statements	75,995
Contracts reassessed as leases as defined under NZ IFRS 16	5,543
Effect of discounting using incremental borrowing rates at 1 April 2019	(13,026)
- Recognition exemption for leases with less than 12 months of remaining lease term at transition	(1,923)
- Extension options reasonably certain to be exercised	31,956
Lease liabilities recognised at 1 April 2019	98,545

(ii) Impacts for the period

The impact for the period is summarised below, by comparing the affected financial statement line items accounted for under the old leases accounting standard NZ IAS 17 against the amounts accounted for under the new leases accounting standard NZ IFRS 16.

31 March 2020	NZ IAS 17 (Old) $'000	Impact $'000	NZ IFRS 16 (New) $'000
Statement of financial position			
Right-of-use assets	-	86,090	86,090
Deferred tax asset	13,958	2,097	16,055
Lease liabilities - current	-	(13,705)	(13,705)
Lease liabilities - non current	-	(79,875)	(79,875)
Payables and accruals*	(92,538)	1,886	(90,652)
Effect on net assets/(liabilities)	**-**	**(3,507)**	**-**

** Movement is due to derecognition of lease incentives previously accounted for as income in advance under NZ IAS 17.*

31 March 2020	NZ IAS 17 (Old) $'000	Impact $'000	NZ IFRS 16 (New) $'000
Statement of comprehensive income			
Operating expenditure	(529,343)	19,456	(509,888)
Depreciation and amortisation	(8,565)	(15,629)	(24,195)
Interest expense - leases	-	(5,678)	(5,678)
Tax effect	-	1,094	1,094
Effect on profit/(loss)	**-**	**(758)**	**-**

31 March 2020	NZ IAS 17 (Old) $'000	Impact $'000	NZ IFRS 16 (New) $'000
Maturity analysis of contractual undiscounted cash flows			
Less than one year	-	17,474	-
Two to five years	-	46,536	-
More than five years	-	60,124	-
Total	**-**	**124,134**	**-**

31 March 2020	NZ IAS 17 (Old) $'000	Impact $'000	NZ IFRS 16 (New) $'000
Statement of cash flows			
Payments to suppliers and employees	(517,966)	19,456	(498,510)
Interest expense	(1,787)	-	(1,787)
Interest expense - leases	-	(5,678)	(5,678)
Payments of lease liabilities	-	(13,778)	(13,778)
Effect on cash inflow/(outflow)	**-**	**-**	**-**

For the impact of NZ IFRS 16 on segment information, see note 4.

As a lessor

The Group sub-leases some of its properties. Under NZ IAS 17, the head lease and sub-lease contracts were classified as operating leases. On transition to NZ IFRS 16, the right-of-use assets recognised from the head leases are measured at cost on transition to NZ IFRS 16. The sub-lease contracts are classified as operating leases under NZ IFRS 16.

13. Intangible assets

	Note	2020 $'000	2019 $'000
Software and other intangible assets			
Opening cost		20,276	19,564
Acquisitions through business combinations	5	-	16
Additions		1,261	1,574
Disposals		(321)	(878)
Assets written-off		(3,529)	-
Closing cost		**17,687**	**20,276**
Opening accumulated amortisation		9,105	7,385
Amortisation for the period		2,536	2,395
Disposals		(3)	(675)
Assets written-off/impairment		(233)	-
Closing accumulated amortisation		**11,405**	**9,105**
Closing book value		**6,282**	**11,171**
Goodwill			
Opening cost		126,492	123,017
Other acquired goodwill		200	234
Additions	5	1,926	3,241
Disposals		(1,376)	-
Closing cost		**127,242**	**126,492**
Total intangible assets		**133,524**	**137,664**

Intangible assets accounting policy

Intangible assets recognised by the Group are stated at cost less accumulated amortisation and any impairment losses with the exception of goodwill (see below).

Intangible assets acquired in stages are not amortised until the asset is ready for its intended use.

Amortisation is provided on a straight-line basis for software to allocate the cost of the asset (less any residual value) over its useful life. The residual values and remaining useful lives of software are reviewed at least annually. Other intangible assets represent franchisee store rebranding costs and have an indefinite life.

Estimated useful lives of the asset classes are:

Software 3 - 5 years

Subsequent expenditure that extends or expands the useful life of an intangible asset or its service potential is capitalised. All other costs are recognised in the profit and loss as expenditure when incurred.

Any resulting gain or loss on disposal of an intangible asset is recognised in the profit and loss in the period in which the intangible asset is disposed of.

Intangible assets disclosed in the financial statements relate to computer software, trademarks and other indefinite life intangible assets. Indefinite life intangible assets are tested annually for impairment.

Internally developed software in the amount of $3.3m was impaired in the current year as a result of a strategic review of existing projects.

Goodwill accounting policy

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the purchase consideration over the fair value of the net identifiable tangible and intangible assets at the time of acquisition.

Goodwill is allocated to the relevant cash generating units expected to benefit from the acquisition and tested for impairment annually, or earlier at any interim reporting dates if there are indicators of impairment.

If the recoverable amount is less than the carrying amount of the cash generating unit then an impairment loss is recognised in profit and loss and the carrying amount of the asset is written down. Recoverable amount is calculated as the greater of the fair value less cost to sell and value in use.

The relative value of the goodwill allocated to the relevant cash generating unit is included in the determination of any gain or loss on disposal.

Impairment testing

Discounted cash flow (DCF) models have been based on three-year forecast cash flow projections. The budget for the year-ending 31 March 2021 is the basis for the first year's projections and projections for subsequent periods have been based on the Group's three-year outlook. Terminal cash flows are projected to grow in-line with the New Zealand long-term inflation rate.

	Impairment test assumptions 2020		
	Pharmacy Services	Medical Services	Community Health
Discount rate – post tax	9.43%	7.93%	9.50%
Terminal growth rate	1.50%	1.50%	1.50%
Carrying amount of goodwill allocated to the unit ($000)	74,513	33,667	19,061
Carrying value of other intangible assets with indefinite useful lives ($000)	2,048	-	-

	Impairment test assumptions 2019		
	Pharmacy Services	Medical Services	Community Health
Discount rate - post tax	9.85%	8.35%	9.90%
Terminal growth rate	1.8%	1.8%	1.8%
Carrying amount of goodwill allocated to the unit ($000)	75,068	32,363	19,061
Carrying value of other intangible assets with indefinite useful lives ($000)	2,048	16	-

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. Within pharmacy and medical, whilst a cash generating unit (CGU) may be an individual store or medical centre, goodwill is allocated across all operations within a division that have similar economic characteristics and collectively benefit from acquisitions that increase the Group's portfolio.

13. Intangible assets (continued)

Sensitivities

No impairment was identified for Pharmacy or Medical services as a result of this review, nor under any reasonable possible change, in any of the key assumptions described above.

The estimated recoverable amount of the Community Health CGU exceeds its carrying value by $6.7m. The projected EBIT for the Community Health CGU is forecast to remain at current levels over the forecast period. The projected EBIT would need to decrease by 32% for the recoverable amount to be equal to the carrying value of the Community Health CGU.

14. Deferred tax asset

The movement in deferred tax asset during the year is made up of the following:

	Opening restated $'000	Recognised in profit or loss $'000	Closing $'000
Group – 2020			
Property, plant and equipment	2,257	31	2,288
Provisions and accruals	7,004	(219)	6,785
Tax losses	3,650	1,235	4,885
Right-of-use assets*	(26,589)	2,484	(24,105)
Lease liabilities	27,593	(1,391)	26,202
	13,915	**2,140**	**16,055**

**Opening balance includes the deferred tax impact of IFRS 16 adoption.*

	Opening restated $'000	Recognised in profit or loss $'000	Closing $'000
Group – 2019			
Property, plant and equipment	2,061	196	2,257
Provisions and accruals	7,145	(141)	7,004
Tax losses	1,967	1,683	3,650
	11,173	**1,738**	**12,912**

15. Equity accounted group investments

	Note	2020 $'000	2019 $'000
The movement in equity accounted investments comprises:			
Opening carrying amount		6,398	6,264
Investment in associates and joint ventures		26	50
Disposal of associates and joint ventures		-	(84)
Share of net earnings		1,216	874
Dividend	21	(653)	(706)
		6,988	**6,398**

There are no individually material associates or joint ventures.

	2020 $'000	2019 $'000
Amount of goodwill within the carrying amount of equity accounted group investments:		
Opening carrying amount	4,024	4,058
(Disposal)/investment in associates and joint ventures	-	(34)
	4,024	**4,024**

Summary associate and joint venture financial information

The aggregate results of the associates and joint venture financial position and current year's profit are as follows:

	Assets $'000	Liabilities $'000	Revenue $'000	Net profit after tax $'000
As at and for the year ended 31 March 2020	15,790	8,614	52,498	3,269
As at and for the year ended 31 March 2019	11,357	5,727	41,063	2,405

Reporting dates

The controlled entities and all associates have a 31 March reporting date.

15. Equity accounted group investments (continued)

Investments in associates and joint ventures accounting policy

An associate is an investee over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but not to control or jointly control those policies.

A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of the arrangement which only exists when decision about the relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated into the financial statements of the Group using the equity method of accounting. Under the equity method, the initial investment in the Group financial statements is measured at cost and adjusted thereafter for the Group's share of profit and loss and other comprehensive income of the associate and joint venture. Any goodwill arising on the acquisition of an associate or joint venture investment is included in the carrying amount of the investment net of dividends received. Where the Group's share of losses of the associate of joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of losses unless it has a legal or constructive obligation to continue doing so. The equity method is discontinued where the Group ceases to exert significant influence over the investee.

Accounting policies adopted by associates and joint ventures are generally consistent with those of the Group. Where a material difference does exist, appropriate adjustments are applied to ensure congruence with the policies of the Group, the most significant of these being the recognition of deferred tax.

16. Trade and other payables and income taxes payable

	2020 $'000	2019 $'000
Trade payables	39,478	33,599
Payable to non-controlling interest	2,941	3,024
Contract liabilities	6,019	5,072
Accruals	18,409	13,938
Employee entitlements	23,805	24,342
	90,652	**79,975**
Income tax payable	1,186	1,760
	91,838	**81,735**

Employee entitlements accounting policy

Employee entitlements for salaries, bonuses, long service, alternate and annual leave are provided for and recognised as a liability when benefits are earned by employees but not paid at the reporting date.

17. Borrowings

	2020 $'000	2019 restated $'000
Current	3,359	5,556
Non-current	53,114	43,563
	56,474	**49,119**

The Group's interest rate on outstanding loans is calculated based on BKBM or cost of funds plus a margin. The current interest rate is between 2.50% and 4.66% (2019: 4.14% - 5.54%). A 0.5% increase/decrease in the effective interest rate would result in a decrease/increase in after tax profit of $203,000.

Green Cross Health Limited and all its subsidiaries provided guarantees and indemnities in favour of BNZ covering all loans held by the parent and subsidiary companies. Loans within partnership subsidiaries are covered by a GSA agreement over the individual business assets.

Security has also been provided by Green Cross Health Limited in favour of ANZ in relation to one Pharmacy subsidiary.

The Group's primary lender is the BNZ. As at balance date, the Group has undrawn banking facilities of $10m (2019: $18m). The maturity of the debt facility with BNZ is 22 August 2022.

As at balance date, two subsidiaries are in breach of covenanted ratios in respect of their bank borrowings. All debt in breach amounting to $0.7m has been classified as current in these financial statements.

Borrowings and advances accounting policy

Borrowings and advances are initially recognised at fair value, including directly attributable transaction costs. Subsequent to initial recognition, borrowings and advances are measured at amortised cost using the effective interest method, less any impairment losses on advances.

18. Operating cash flows reconciliation

	2020 $'000	2019 restated $'000
Profit after tax for the year	16,952	20,089
Add/(deduct) non-cash items:		
Depreciation, amortisation and impairment	28,867	8,431
Other non-cash items	6,752	(2,623)
Add/(deduct) changes in working capital items:		
Receivables and accruals movement	(7,031)	655
Inventory	(1,916)	1,395
Payables and accruals movement	10,677	3,493
Net cash inflow from operating activities	**54,301**	**31,440**

19. Shares on issue

	2020 '000	2019 '000
Shares authorised and on issue		
Opening number of shares	143,486	143,486
Shares issued – fully paid	-	-
Shares issued – partly paid	-	-
Shares cancelled – partly paid	(183)	-
	143,303	**143,486**
Shares held as treasury stock	(150)	(333)
	143,153	**143,153**

All ordinary shares carry equal rights in terms of voting, dividend payments and distribution upon winding up.

Treasury stock

The redeemable ordinary shares held by Life Pharmacy Trustee Company Limited to satisfy the Senior Management incentive schemes have not been included in the calculation of the total number of shares issued by the Group as these shares have not been issued externally by the Group.

Share capital

Incremental costs directly attributable to the issue of ordinary shares, share options and share capital are recognised as a deduction from equity.

20. Financial instruments

The Group is party to financial instruments as part of its normal operations. Financial instruments include cash and cash equivalents, borrowings, trade and other receivables and trade and other payables.

Financial instruments are initially recognised at their fair value less transaction costs, and subsequently measured at their amortised cost. A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are recognised at amortised cost.

Risk management policies are used to mitigate the Group's exposures to credit risk, liquidity risk and market risk that arise in the normal course of operations.

Credit risk

The Group's maximum credit risk resulting from a third party defaulting on its obligations to the Group is represented by the carrying amount of each financial asset on the statement of financial position. The Group is not exposed to any material concentrations of credit risk other than its exposure within the retail pharmacy and government sectors. The Group monitors credit limits on a monthly basis. All credit facilities to external parties are provided on normal trade terms (unsecured, to a maximum of 45 days). At any one time, the Group generally has amounts owed to and amounts owed by the same counterparty, although no legal right of set-off exists. The Parent company holds direct debit authorities for amounts payable under the contractual terms of its franchise agreements. The Parent regularly monitors the credit ratings issued, and any qualifications to those ratings, to the financial institutions (and those of the ultimate parent financial institution) used by the Group.

The status of trade receivables at reporting date is as follows:

	Gross receivable 2020 $'000	Impairment 2020 $'000	Gross receivable 2019 $'000	Impairment 2019 $'000
Trade and other receivables				
Not past due	39,851	-	29,559	-
Past due 0-30 days	1,437	-	4,869	-
Past due 31-120 days	1,819	-	1,646	-
Past due more than 120 days	1,070	(1,070)	873	(870)
Total	**44,177**	**(1,070)**	**36,947**	**(870)**

20. Financial instruments (continued)

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls. The following table sets out the contractual cash flows for financial liabilities that are settled on a gross cash flow basis:

	2020				
	Carrying value $'000	Contractual cash flows $'000	Less than one year $'000	Between one year and two years $'000	Between two years and five years $'000
Borrowings	56,474	60,909	3,460	1,376	56,073
Trade and other payables	60,828	60,828	60,828	-	-
Total non-derivative liabilities	**117,302**	**121,737**	**64,288**	**1,376**	**56,073**
	2019				
Borrowings restated	49,119	52,130	7,234	28,807	16,089
Trade and other payables	49,017	49,017	49,017	-	-
Total non-derivative liabilities	**98,137**	**101,148**	**56,251**	**28,807**	**16,089**

Market risk

As interest rates change, the fair value of financial instruments may change. Refer to note 17 for details of the interest rates for the Group loans and borrowings, which are the most significant financial instruments.

Capital management

The Group's capital includes share capital and retained earnings. The Group is not subject to any externally imposed capital requirements.

The allocation of capital between its specific business segments' operations and activities is, to a large extent, driven by the optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is undertaken independently of those responsible for the operation.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

The carrying amount of the Group's on-balance sheet financial instruments including trade and other receivables, cash and cash equivalents, borrowings and trade payables, closely approximate their fair values as at 31 March 2020 and 31 March 2019. The assessment of fair value relating to borrowings was determined by reference to observable market data (level 2).

21. Related parties

During the period, there was one group director who had a shareholding in a subsidiary and also had a shareholding in the Parent company.

The Group has commercial franchise agreements with stores relating to marketing levies and franchise fees. The Group also enters into transactions on behalf of the stores which are on-charged. These transactions comprise items such as training courses, supplier agreements, central advertising campaigns, loyalty card costs, and IT related costs. The Parent has leased some equipment which is on-leased to associate companies. The Parent performs accounting services, based on commercial terms, for some of the stores.

The Parent has shareholder agreements with the other shareholders of the associates. The agreements set out the return on investment/profit sharing arrangements relating to these investments. Payable to non-controlling interests represents loans advanced to the Group.

Related party transactions for the Group:

	Note	Transaction value		Balance outstanding	
		2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Equity earnings from associates		1,216	874	-	-
Franchise fees and on-charged costs with equity accounted investments		102	39	9	7
Management service charges and on-charged costs to equity accounted investments		703	748	41	100
Dividend income		653	706	-	-
Receivable from other related parties		-	-	458	818
Payable to non-controlling interests	16	-	-	2,941	3,024

Key management personnel remuneration

The Group provides compensation to key management personnel which comprises the directors and executive officers. Some senior executives also participate in the share option scheme. Key management personnel (includes the Group CEO, the Group CFO, some senior executives and company directors) compensation comprised:

	2020 $'000	**2019 $'000**
Short-term and other employee benefits	2,415	2,642
Share vesting costs	-	2
	2,415	**2,644**

22. Share based payments

(a) Description of share-based payment arrangements

At 31 March 2020, the Group had the following share-based payment arrangements:

Redeemable ordinary shares granted to senior managers:

150,000 Redeemable Ordinary Shares (ROS) have been issued by the Parent to Life Pharmacy Trustee Company Limited as trustee of a trust that holds the shares on behalf of the employees. Each ROS is partly-paid to $0.01 and carries an entitlement to dividends and voting rights in proportion to the extent paid. On exercise, the ROS are fully paid and converted into ordinary shares. The total charged to the profit and loss in the period was $0 (2019: $0).

There were no ROS issued to key or senior managers during the 2020 or 2019 financial years.

(b) Reconciliation of outstanding ROS

in thousands	Number of instruments 2020	Weighted average exercise price 2020	Number of instruments 2019	Weighted average exercise price 2019
Outstanding at 1 April	333	$1.90	333	$1.90
Cancelled during the year	(183)	$1.26	-	-
Exercised during the year	-	-	-	-
Granted during the year	-	-	-	-
Outstanding at 31 March	**150**	**2.37**	**333**	**$1.90**
Exercisable at 31 March	150	2.37	183	2.17

Instruments outstanding at 31 March 2020 had an exercise price of $2.37(2019: $1.25 - $2.37) and a weighted average contractual life of 1 year (2019: 1.1 years). The weighted average share price at the date of exercise for ROS during the year was nil (2019: nil).

Share based payments accounting policy

Equity-settled share based payments awarded to employees are measured at fair value at the date of grant and are recognised as an employee expense, with a corresponding increase in equity, over the period from the date of grant to the date on which the employees become unconditionally entitled to the option. The fair value at grant date is determined using an appropriate valuation model.

At each reporting date, the Group revises the estimate of the number of options expected to vest. The cumulative expense is revised to reflect the revised estimate, with a corresponding adjustment to equity.

23. Subsequent events

There have been no subsequent events which require disclosure in these financial statements.

Group entities

For the year ended 31 March 2020

The current Green Cross Health Limited group structure comprises 138 companies.
The group entities are as follows:

Legal Parent	Holding	Activity
Green Cross Health Limited		Franchisor and investment
Controlled entities		
280 Queen Street (2005) Limited	43.9%	Pharmacy
Access Community Health Limited	100.0%	Community Care
Access Health Services Limited	100.0%	Non-trading
Albany Pharmacy Limited	49.0%	Pharmacy
Alexandra Pharmacy (2013) Limited	48.5%	Pharmacy
Amcal Chemists (N.Z.) Limited	100.0%	Non-trading
Apollo Pharmacy (2014) Limited	49.0%	Pharmacy
Bay of Plenty Pharmacies Limited	100.0%	Non-trading
Bayfair Pharmacy (2010) Limited	48.8%	Pharmacy
Bayfair Pharmacy Limited	100.0%	Non-trading
Baymed Group (2013) Limited	100.0%	Medical Centre
Birkenhead Pharmacy (2011) Limited	48.5%	Pharmacy
Botany Downs Pharmacy Limited	25.0%	Pharmacy
Botany Pharmacy (2016) Limited	49.0%	Pharmacy
Browns Bay Pharmacy (2018) Limited	48.5%	Pharmacy
Care Chemist Limited	100.0%	Non-trading
Care Chemist Pakuranga (2008) Limited	49.0%	Pharmacy
Centre City Pharmacy (2004) Limited	46.4%	Pharmacy
Chemist Express Limited	49.0%	Pharmacy
Christchurch Pharmacy (2015) Limited	49.0%	Pharmacy
Coastlands Pharmacy (2018) Limited	49.0%	Non-trading
Davies Corner Pharmacy Limited	25.0%	Pharmacy
Discovery Pharmacy (2016) Limited	49.0%	Pharmacy
Dispensaryfirst Limited	100.0%	Non-trading
Drury Surgery Limited	60.0%	Medical Centre
Endeavour Pharmacy (2016) Limited	49.0%	Pharmacy
Fred Thomas Pharmacy (2015) Limited	49.0%	Pharmacy
Gascoigne Medical Services Limited	71.2%	Medical Centre
Glenfield Mall Pharmacy Limited	48.5%	Pharmacy
Green Cross Health Direct Limited	100.0%	Non-trading
Green Cross Health Distribution Limited	100.0%	Pharmacy
Green Cross Health Investment Limited	100.0%	Non-trading
Green Cross Health Medical Limited	100.0%	Investment
Green Cross Health Medical Solutions Limited	100.0%	Services to medical centres
Green Cross Health Primary Limited	100.0%	Medical Centre
Green Cross Health Workplace Limited	100.0%	Health services

Group entities

(continued)

Controlled entities	Holding	Activity
Guthries Pharmacy Limited	49.0%	Pharmacy
Harbour City Pharmacy (2011) Limited	48.7%	Pharmacy
Hastings Pharmacy (2013) Limited	49.0%	Pharmacy
Hawkes Bay Pharmacies Limited	49.0%	Pharmacy
Health Services Limited	100.0%	Investment
Helensville Pharmacy (2008) Limited	48.5%	Pharmacy
Highland Park Pharmacy (2009) Limited	48.5%	Pharmacy
Hurstmere Pharmacy (2008) Limited	49.0%	Pharmacy
Hutt Valley Pharmacies 2014 Limited	48.5%	Pharmacy
J-Mall Pharmacy Limited	49.0%	Pharmacy
Karori Pharmacies (2020) Limited	49.6%	Pharmacy
Knox Pharmacy 2010 Limited	48.5%	Pharmacy
Lake Taupo Pharmacy (2008) Limited	48.5%	Pharmacy
Levin Pharmacy (2005) Limited	100.0%	Non-trading
Life Pharmacy Albany Limited	49.0%	Pharmacy
Life Pharmacy Centre Place (2009) Limited	49.0%	Pharmacy
Life Pharmacy Limited	100.0%	Non-trading
Life Pharmacy Sylvia Park Limited	49.0%	Pharmacy
Life Pharmacy Trustee Company Limited	100.0%	Non-trading
Life Pharmacy Wall Street Dunedin Limited	49.1%	Pharmacy
Manawatu Pharmacies Limited	49.0%	Pharmacy
Manners Pharmacy (2016) Limited	49.0%	Pharmacy
Manukau Pharmacy (2011) Limited	49.1%	Pharmacy
Moorhouse Pharmacy 2003 Limited	25.0%	Pharmacy
Motueka Medical (2013) Limited	54.8%	Medical Centre
Neptune Pharmacy (2017) Limited	49.0%	Pharmacy
New Lynn Pharmacy (2015) Limited	48.8%	Pharmacy
New Plymouth Pharmacy (2015) Limited	48.5%	Pharmacy
Northlands Pharmacy (2003) Limited	49.6%	Pharmacy
Onehunga Medical 2012 Limited	100.0%	Medical Centre
Palms Pharmacy (2013) Limited	48.5%	Pharmacy
Parklands Pharmacy (2015) Limited	49.0%	Pharmacy
Peak Primary Limited	100.0%	Non-trading
Plimmer Steps Pharmacy (2018) Limited	49.0%	Pharmacy
Pharmacy 277 Limited	49.1%	Pharmacy
Pharmacy B102 Limited	48.5%	Pharmacy
Pharmacy G101 Limited	49.0%	Pharmacy
Pharmacy J104 Limited	49.0%	Non-trading
Pharmacy K103 Limited	49.0%	Pharmacy

Controlled entities	Holding	Activity
Pharmacy L105 Limited	49.0%	Pharmacy
Pharmacy N106 Limited	49.0%	Pharmacy
Pharmacy Management Limited	100.0%	Investment
Pharmacy Store Holdings Limited	100.0%	Investment
Pharmacybrands Limited	100.0%	Non-trading
Pharmacybrands On-line Limited	100.0%	Non-trading
Queen Street Pharmacy (2015) Limited	49.0%	Non-trading
Radius Medical Limited	100.0%	Non-trading
Radius Medical Solutions Limited	100.0%	Non-trading
Radius Pharmacy Greenmeadows Limited	49.0%	Pharmacy
Radius Pharmacy Limited	100.0%	Franchisor and Investment
Radius Pharmacy Napier Limited	48.8%	Pharmacy
Radius Pharmacy Riccarton Limited	49.0%	Pharmacy
Radius Pharmacy Te Rapa Limited	48.8%	Pharmacy
Radius Pharmacy Upper Hutt Limited	49.5%	Pharmacy
Radius Pharmacy Waikanae Limited	48.5%	Pharmacy
Radius Pharmacy Wanganui Limited	49.0%	Pharmacy
Radius Ti Rakau Limited	100.0%	Medical Centre
Radius Medical Whakatane Properties Limited	100.0%	Medical Centre Property
Riccarton Mall Pharmacy 2000 Limited	49.0%	Pharmacy
RPG Medicine Management Limited	25.0%	Pharmacy
Russell Street Pharmacy Hastings (2015) Limited	48.5%	Pharmacy
Shirley Pharmacy Limited	100.0%	Non-trading
Shore City Pharmacy (2010) Limited	48.5%	Pharmacy
Shore City Pharmacy Limited	100.0%	Non-trading
Smart Pharmacy Limited	100.0%	Non-trading
St Heliers Health Centre Limited	100.0%	Medical Centre
St James Pharmacy (2015) Limited	100.0%	Non-trading
St Lukes Pharmacy Holdings Limited	49.0%	Pharmacy
Stokes Valley Pharmacy (2009) Limited	48.5%	Pharmacy
Timaru Pharmacy (2013) Limited	48.5%	Non-trading
Trident Pharmacy (2017) Limited	49.0%	Pharmacy
The Doctors (Coastcare) Limited	100.0%	Medical Centre
The Doctors (DFM) Limited	100.0%	Non-trading
The Doctors (Hastings) Limited	71.2%	Medical Centre
The Doctors (Huapai) Limited	100.0%	Medical Centre
The Doctors (New Lynn) Limited	53.7%	Medical Centre
The Doctors (Whangaparaoa) Limited	100.0%	Medical Centre

Group entities

(continued)

Controlled entities	Holding	Activity
Total Care Health Services Limited	100.0%	Health services
Total Health Doctors Limited	100.0%	Medical Centre
Tower Junction Pharmacy Limited	48.5%	Pharmacy
Unichem Chemists (N.Z.) Limited	100.0%	Non-trading
Upper Hutt Health Centre Pharmacy Limited	25.0%	Pharmacy
Upper Riccarton Pharmacy Limited	25.0%	Non-trading
Waimauku Doctors Limited	100.0%	Medical Centre
Waiuku Medical Pharmacy (2010) Limited	48.7%	Pharmacy
Waiuku Pharmacy (2005) Limited	100.0%	Non-trading
Waiuku Pharmacy (2016) Limited	48.7%	Pharmacy
West City Pharmacy (2010) Limited	48.5%	Pharmacy
Wellington Pharmacy (2016) Limited	49.0%	Pharmacy
Willis Street Pharmacy Limited	25.0%	Pharmacy
Joint venture entities		
Pharmacies Instore Limited	50.0%	Retail
Associate entities		
Accident & Medical Centre Quaymed Limited	25.0%	Medical Centre
Albany Family Medical Centre Limited	50.0%	Medical Centre
Huapai Pharmacy (2017) Limited	25.1%	Pharmacy
Silverstream Health Centre Limited	49.0%	Medical Centre
Team Medical at Kapiti Limited	48.8%	Medical Centre
The Doctors (Mangere) Limited	27.6%	Medical Centre
The Doctors (Massey Medical) Limited	25.1%	Medical Centre
The Doctors (Napier) Limited	25.1%	Medical Centre
Walls & Roche Royal Oak Pharmacy Limited	25.1%	Pharmacy
Investments		
Unichem Export Limited	1.0%	Wholesale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Board of Directors

As at 31 March 2020

Kim Ellis, Independent Chair

Kim Ellis is a widely experienced Chief Executive best known for his 13 years at the helm of Waste Management NZ Ltd, culminating in the company's sale in 2006. During his tenure he led 40 acquisitions and built a successful business in Australia.

Kim's earlier career encompassed a number of market sectors including health, manufacturing, distribution, transport, property, agriculture and fashion.

Since 2006 Kim has been active in governance. Kim is currently Chair of Metlifecare and the NZ Social Infrastructure Fund; a Director of Freightways, Port of Tauranga, FSF Management Company and Ballance Agri-Nutrients; and consultant to Envirowaste Services.

Kim holds first class honours degrees in Chemical Engineering and Economics. Kim was appointed as Independent Chair of the Company in December 2019.

John (Andrew) Bagnall, Non-Executive Director

Andrew Bagnall holds a Commerce Degree from Otago University and an MBA from Michigan State University. Andrew was a significant investor in Life Pharmacy Limited and following the merger with Pharmacybrands Limited (later renamed Green Cross Health Limited) has continued to hold a significant shareholding in the merged entity.

In Andrew's earlier career, he was a leading figure in the New Zealand travel industry establishing and managing Gullivers Travel Group which became the major distributor of wholesale and retail travel services in New Zealand. Gullivers Travel Group was eventually listed on the NZX and Australian stock exchanges ("ASX"), and subsequently sold to ASX listed S8. Andrew was also involved in co-developing one of New Zealand's first commercial retirement villages.

Andrew now runs his own private investment company Segoura, which manages investments in various businesses and he maintains a keen interest in sports car racing.

Andrew was appointed as a Non-Executive Director of the Company in August 2009.

John Bolland, Non-Executive Director

John Bolland has more than 25 years business experience in private equity, senior management and corporate finance. This includes 14 years with Ernst & Young, where he had Partner level responsibility in Corporate Finance, Audit and Business Advisory. John holds a Bachelor of Commerce from the University of Auckland and is a member of the New Zealand Institute of Chartered Accountants.

John was appointed as a Non-Executive Director of the Company in August 2009.

Peter Merton, Non-Executive Director

Peter Merton, an Otago University Pharmacy graduate, has been involved in the pharmaceutical industry in New Zealand and overseas since the early 1980s. His involvement with the Group goes back to the late 1990s, and he played an active part in the initial industry consolidation when Amcal and Unichem brands merged to form Pharmacybrands Limited (later renamed Green Cross Health Limited).

Following the merger of Life Pharmacy Limited with Pharmacybrands Limited in 2009, Peter assumed the role of Chair of the Group, which he relinquished in December 2019. He is also a significant shareholder in the Company through his interest in Cape Healthcare Limited.

Peter has previously held the roles of Chief Executive of the Propharma/Healthcare Logistics businesses and Director of EBOS Group Limited.

Peter Williams, Non-Executive Director

Peter Williams is an executive of the Zuellig Group which has significant health care interests in Asia Pacific. In this capacity he is a Director for a number of companies including, in New Zealand, EBOS Group Limited and C.B. Norwood Distributors Limited. Peter is also a Director of Cape Healthcare Limited.

Peter was appointed as a Non-Executive Director of the Company in May 2017.

Ken Orr, Independent Director

Ken Orr has had over 30 years as a community pharmacist and is currently a partner in a group of pharmacies in Northland. Ken was a former President of the NZ Pharmacy Guild, which represents the business interests of community pharmacies. Ken was a forming director of Manaia PHO and now serves on the Audit, Risk & Finance committee of Mahitahi Hauora that leads primary health care in Northland.

Ken joined the Board in September 2009 as an alternate Director and was appointed as an Independent Director of the Company in March 2012.

Carolyn Steele, Independent Director

Carolyn Steele is a Director of Metlifecare Limited, WEL Networks Limited, Ultrafast Fibre Limited, the chair of Halberg Foundation and a Trustee of the New Zealand Football Foundation. Until 2016, Carolyn was a Portfolio Manager at Guardians of New Zealand Superannuation, the Crown entity managing the New Zealand Superannuation Fund. Prior to joining the Guardians in 2010, Carolyn spent ten years in investment banking at Forsyth Barr and Credit Suisse/First NZ Capital.

Carolyn was appointed as an Independent Director of the Company in June 2017.


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Corporate governance

For the year ended 31 March 2020

Corporate governance and the role of the Board of Directors

The Board understands the importance of good corporate governance in maximising the value of the Company. Accordingly, the Board is working to ensure compliance with applicable regulatory requirements and best practice, including the NZX Corporate Governance Code.

The Board is responsible for the strategic direction and objectives of the Company and sets the policy framework within which Green Cross Health must operate. The Group CEO is appointed by the Board and has delegated authority for the day-to-day operations of Green Cross Health.

NZX corporate governance code

The Company has reviewed the 2019 NZX corporate governance code and is in compliance with the majority of its recommendations. The Company is working to ensure that it complies with the code where practicable.

Compliance with the principles of the code is as follows:

Principle 1: Code of ethical behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

The Company has adopted formal code of ethics, protected disclosure and securities trading policies, which are available on the Company's intranet for employees to access and are included in employee induction.

Further detail on the code of ethics and securities trading policy is provided later in this Annual Report.

The Company also has procedures in place to ensure that gifts received by employees and Directors do not result in inappropriate influence on decision making, and that conflicts of interest are disclosed and managed.

Principle 2: Board composition and performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board charters and management responsibility

The Board operates under a written charter and delegates authority to senior management, including the Group CEO to run the day-to-day operations of the Company.

Director terms of appointment

The Company does not have written terms of appointment for Directors appointed prior to December 2019, which reflects the long-standing tenure of many of the Directors. However, since December 2019, the Company has introduced a requirement that all new Directors are provided terms of appointment as they are appointed. This requirement was met for the appointment of the new Chair in December 2019.

NZX corporate governance code (continued)

Principle 2: Board composition and performance (continued)

Diversity policy

The Company and the Board confirm the commitment and core responsibilities to building diversity and inclusion of thought within the Company.

The Company is committed to attracting, developing and retaining a diverse, talented group of individuals whose collective thoughts and contributions will help the Company to be the best healthcare company in New Zealand.

The Board is proud of the wide-ranging ethnic, cultural and gender diversity across the Group that reflects the evolving makeup of New Zealand society. The Company believes that this diversity better enables the Group to meet the needs of its stakeholders, including customers, patients, clients, suppliers, funding agencies, employees and shareholders.

The Company's diversity policy is published on its website (www.greencrosshealth.co.nz/governance). At this point, the Company considers the objectives and measurement processes described within the policy are appropriate.

Disclosure of Board and key management gender diversity is provided later in this Annual Report.

Director, Board and Committee performance

Directors are expected to understand the Company's operations and determine the professional development that they require to undertake their duties. Senior management present to the Board on a regular basis on key matters affecting the Company, enabling Directors to ask for further information and explanation as required.

The Board, led by the Chair, reviews Board and Director performance biennially against the Board charter in light of the Company's changing operating conditions and make improvements to Board processes and meetings when required changes in Board focus are identified. The last review was conducted in 2019.

The Board reviews the performance of Committees annually against the Committee charters.

Chair and CEO

The Company complies with the recommendation that the Chair is not the CEO.

Principle 3: Board Committees

The Board should use Committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

Board Committees

For the year ended 31 March 2020, the Board had the following Committees:

- Audit Committee
- Finance and Risk Committee
- Nomination and Remuneration Committee.

These Committees operated under written charters. Additional information on the role and makeup of these Committees is provided elsewhere in this Annual Report.

The NZX Governance Code recommends that the composition of the Nomination and Remuneration Committee should include a majority of independent Directors. The Company complied with this requirement.

Directors who are not members of Committees are welcome to attend meetings if they wish. The Company complies with the recommendation that Management only attends Committee meetings at invitation of the Committee.

In March 2020 the Board conducted a review of Committee structures and determined the following Committees would be effective 1 April 2020:

- Audit and Risk Committee
- Nominations Committee
- Remuneration Committee
- Investment Committee.

Charters for all Committees were reviewed as a result and are available on the Company's website (www.greencrosshealth.co.nz/governance).

Takeover protocols

The Board has a takeover protocol to be followed if a takeover offer is made for the Company. In the event of a takeover proposal, the Board will immediately establish an appropriately constituted Committee to deal with matters arising from the proposal, including:

- Preparing the Company's response to the proposal
- Engaging an independent advisor to advise on the merits of the proposal
- Making a recommendation to shareholders.

Principle 4: Reporting and disclosure

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

The Board has a written continuous disclosure policy.

The Company complies with the recommendation that Board and Committee charters, code of ethics and other key governance documents are available on the Company's website. The interim and audited Annual Reports are also available on the website (www.greencrosshealth.co.nz/investors).

The Board has members with financial reporting knowledge and experience that enable the Board to be satisfied that financial matters are adequately disclosed in the Company's reporting. Some non-financial disclosures, such as the Company's approach to risk management including health and safety, are included within this Annual Report. The Board considers this level of disclosure appropriate at this time.

Principle 5: Remuneration

The remuneration of Directors and Executives should be transparent, fair and reasonable.

The Director Fee pool was last approved in 2015 and is currently capped at $500,000. Directors' fees are informally benchmarked against market precedents. Further disclosure of the details of Directors' fees is included in the other Annual Report disclosures published in this Annual Report.

The Company has a remuneration policy for Directors, Officers and all employees of the Company, which outlines its remuneration practices. The remuneration policy is available on the Company's website (www.greencrosshealth.co.nz/governance).

The Company has disclosed details of the remuneration arrangements for the Group CEO. Please refer Group CEO remuneration under other Annual Report disclosures for the year.

The Company operates a share-based incentive scheme for certain senior managers, which is disclosed further in note 22 to the Financial Statements.

NZX corporate governance code (continued)

Principle 6: Risk management

Directors have a sound understanding of the material risks faced by the issuer and how to manage them. The Board regularly verifies that the issuer has appropriate processes that identify and manage potential and material risks.

The Board is responsible for risk management and internal control and has a framework for identifying, assessing, controlling, monitoring and reporting on the key risks to the Company's people, assets, reputation and business objectives.

The Audit and Finance and Risk Committees have responsibility for ensuring that the Company's risk management framework, policies and procedures are effective and appropriate. The Company maintains a comprehensive risk register and management reports to the Board regularly on health and safety issues and progress on objectives. Risk reporting software is used to facilitate reporting by employees, capture risks, and escalate them within the Company as required. The nature of many of the Company's activities, including dispensing of drugs, operating retail stores, providing medical treatment, and caring for clients in their homes, makes managing health and safety risks a significant area of focus within the Group.

The Company is exposed to substantially the same economic, environmental, and social risks as similar businesses operating in the same sectors in New Zealand. These risks include:

- Competitive pressure from traditional and disruptive competitor business models
- Demographic changes impacting on employee availability and customer, client and patient demand
- Regulatory changes
- Changes to Government and wider health sector funding models.

Principle 7: Auditors

The Board ensures the quality and independence of the external audit process with the Audit Committee charter providing a framework for management of the relationship with the external auditor.

The Audit Committee is tasked with ensuring that the external audit process is independent and of high quality, including approving any non-audit services provided by the audit firm.

The Committee is also responsible for ensuring that the audit firm or lead audit partner is rotated at least every five years. The lead audit partner was rotated prior to the 2017 external audit.

The Company does not have an internal audit function but via the Audit and Finance and Risk Committees and the Company's external audit process, looks to maintain and improve risk management and internal controls.

The external auditor attends the Annual Meeting and is available to answer any questions from shareholders.

Principle 8: Shareholder rights and relations

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

The Company has a website to enable stakeholder access to financial and governance information. Announcements and reports are currently available at www.greencrosshealth.co.nz/investors.

Communications from the Company are available electronically through the Company's share registrar, Computershare.

The Company fully complies with the following recommendations:

- Shareholders have the right to vote on major decisions
- One vote per share
- Annual Meeting notice advised at least 20 business days prior to meeting.

Directors and Officers of the Company attend the Annual Meeting and are available to answer questions from shareholders.

Board composition and structure

The Company's current Board structure consists of 4 directors representing the 2 major shareholders (who collectively hold 64% of the Company) together with 3 independent directors.

The Independent Directors are selected to ensure that the appropriate skills and experience required are available to the Company.

In response to recommendation 2.8 of the NZX corporate governance code recommending boards have a majority of independent Directors, and Green Cross Health not being compliant with this recommendation, the Board is of the view that the existing Board structure appropriately reflects the shareholding structure of the Company and represents the best interests of all shareholders.

In accordance with NZX listing rules, directors must not hold office (without re-election) past the third annual meeting following the Director's appointment or 3 years, whichever is longer. In addition a Director appointed by the Board must not hold office (without re-election) past the next annual meeting following the Director's appointment.

The Board holds regular scheduled meetings and follows procedures that ensure that all Directors have the necessary information to participate in an informed discussion on all agenda items and effectively carry out their duties. The Group CEO, Group CFO and key senior managers attend appropriate sections of Board meetings.

Board meetings

The following table outlines the number of Board meetings attended by Directors during the course of the 2020 financial year.

Director	Meetings held	Meetings attended
Kim Ellis	8	2[1]
John (Andrew) Bagnall	8	5
John Bolland	8	8
Peter Merton	8	7
Peter Williams	8	8
Anthony (Tony) Edwards	8	5[2]
Margaret Millard	8	5[3]
Kenneth Orr	8	8
Carolyn Steele	8	8

[1] *Kim Ellis was appointed on 2 December 2019 and was eligible to attend two Board meetings*
[2] *Anthony (Tony) Edwards resigned on 2 December 2019 and was eligible to attend five Board meetings*
[3] *Margaret Millard resigned on 28 February 2020 and was eligible to attend five Board meetings*

Code of ethics

The Company has established a code of ethics to govern its conduct. The code addresses ethical issues, establishes compliance standards and procedures, provides mechanisms to report unethical behaviour and provides for disciplinary actions. The code of ethics policy is available on the Company's website (www.greencrosshealth.co.nz/governance).

Shareholder relations

The Company maintains a website (www.greencrosshealth.co.nz) where investors and interested stakeholders can access financial and operational information and key corporate governance information about the Company.

The Board will ensure that shareholders are informed of major developments affecting the Company.

Information is available through the Annual Reports and shareholders are able to participate at each Annual Meeting. Any material information affecting the Company during the intervening period is announced to the financial markets via the New Zealand Stock Exchange (NZX) and the Company website under the Board's policy for continuous disclosure.

Insider trading guidelines

The Board has issued guidelines to prevent insider trading to all Directors, deemed Directors, Officers and other restricted persons of Green Cross Health. All Directors, deemed Directors, Officers and other restricted persons of Green Cross Health must formally apply for consent to trade the Company's securities from the Group CFO before undertaking any sales or purchases.

The Board reviews all consents granted at each Board meeting. The Directors, deemed Directors, Officers and other restricted persons of Green Cross Health are obliged to complete and submit disclosure notices to the NZX within five days of any trades being settled.

Board committees

For the year ended 31 March 2020, the Board operated three standing committees described as follows. The Board annually reviews the performance of the standing committees against written charters.

Nomination and Remuneration Committee

This Committee comprised two independent Directors and one non-executive Director, who met as required to:

- Review the remuneration of the Group CEO and approve remuneration of the Group CEO's direct reports
- Make recommendations to shareholders for non-executive and independent Director remuneration
- Recommend Director appointments.

Remuneration packages are reviewed annually. Market data is used as a basis for establishing competitive remuneration.

The composition of the Nomination and Remuneration Committee was John Bolland (Chair), Carolyn Steele and Ken Orr. The committee met as required.

Audit Committee

The Committee comprised two independent Directors and one non-independent Director. The Audit Committee Chair was not the Chair of the Board. All other Directors were entitled to attend the meetings.

The Group CEO and the Group CFO attended as ex-officio members and external auditors by invitation of the Chair. The Audit Committee also met privately with the external auditors, that is, without management in attendance. All Audit Committee members are financially literate, with at least one member having a financial background.

The Committee met six times during the year. Its responsibilities included:

- Reviewing the scope and outcome of the external audit
- Reviewing the annual and half yearly financial statements prior to approval by the Board
- Approving the public releases of financial information
- Assessing the performance of financial management and monitoring of material corporate risk assessments and internal controls
- Reporting the proceedings of each meeting to the Board
- Making recommendations to the Board on the appointment of the external auditors, their independence and their fees.

The composition of the Committee was Carolyn Steele (Chair), Ken Orr and John Bolland.

Director	Meetings held	Meetings attended
John Bolland	6	6
Ken Orr	6	5
Carolyn Steele	6	6

Finance and Risk Committee

The Committee comprised two independent Directors and two non-executive Directors. The Finance and Risk Committee Chair was not the Chair of the Board. All other Directors were entitled to attend the meetings.

The Group CEO and the Group CFO attended as ex-officio members. All Finance and Risk Committee members were financially literate.

The Committee met 11 times during the year. Its responsibilities included:

- Reviewing potential acquisition proposals, approving small acquisitions and making recommendations to the Board for larger acquisitions
- Reviewing the Group's annual budgets and endorsing for Board approval
- Reviewing capex proposals and making recommendations to the Board
- Reviewing risks and risk management.

The composition of the Committee was Carolyn Steele (Chair), Peter Merton, Ken Orr and John Bolland.

Finance and Risk Committee (continued)

Director	Meetings held	Meetings attended
John Bolland	11	11
Peter Merton	11	10
Ken Orr	11	11
Carolyn Steele	11	11

Organisation structure and financial control

The Board has delegated to the Group CEO the management responsibilities of the Company.

The Board satisfies itself that adequate external insurance cover is in place appropriate to the Company's size and risk profile.

Gender and diversity

The following table set out a quantitative breakdown of the gender balance of the Directors and key personnel of the Group as at 31 March 2020:

As at 31 March 2020	Directors		Key management personnel	
Female	1	14%	2	50%
Male	6	86%	2	50%
Total	**7**	**-**	**4**	**-**
As at 31 March 2019				
Female	2	25%	2	50%
Male	6	75%	2	50%
Total	**8**	**-**	**4**	**-**

Other annual report disclosures

For the year ended 31 March 2020

The total annual Directors' remuneration approved for each financial year is capped at $500,000 (last approved in 2015). The Directors holding office during the year ended 31 March 2020 and the remuneration paid or payable to the Directors is as follows:

Director	Total Fees $
Kim Ellis (appointed 2 December 2019)	40,000
John (Andrew) Bagnall	35,000
John Bolland *+#	35,000
Peter Merton #	77,916
Peter Williams	35,000
Anthony (Tony) Edwards (resigned 2 December 2019)	39,000
Margaret Millard (resigned 28 February 2020)	54,000
Kenneth Orr *+#	70,000
Carolyn Steele *+#	70,000
Total	**455,916**
Payment allocations	
Independent Chair	120,000
Non-Executive Directors	35,000
Independent Directors	60,000
Chair of Audit Committee	5,000
Chair of Finance and Risk Committee	5,000
Independent Directors on Audit Committee and Finance and Risk Committee	2,500

** = Audit Committee member*
+ = Nomination and Remuneration Committee member
 # = Finance and Risk Committee member

Group CEO remuneration

The Group CEO's package consists of a base salary, a Short Term Incentive (STI) and a Long Term Incentive (LTI). The STI is a maximum of 25% of current base salary and is based on quantitative criteria set annually for each financial year. The LTI is a maximum of 23% of current base salary and is structured as a performance share rights scheme. Rights vest based on achievement of an earnings per share target over a three year period, provided the Group CEO remains employed on the vesting date.

Employee remuneration

The number of employees or former employees of the Group, not being Directors of Green Cross Health Limited, who received remuneration and other benefits in their capacity as employees, the value of which exceeded $100,000 for the year ended 31 March 2020 is set out below:

Employee annual remuneration bands:	2020	2019
$100,000 - $109,999	47	40
$110,000 - $119,999	24	19
$120,000 - $129,999	25	18
$130,000 - $139,999	18	26
$140,000 - $149,999	15	19
$150,000 - $159,999	16	11
$160,000 - $169,999	19	18
$170,000 - $179,999	13	8
$180,000 - $189,999	11	13
$190,000 - $199,999	12	18
$200,000 - $209,999	11	10
$210,000 - $219,999	14	13
$220,000 - $229,999	8	9
$230,000 - $239,999	3	9
$240,000 - $249,999	8	2
$250,000 - $259,999	5	9
$260,000 - $269,999	2	3
$270,000 - $279,999	3	5
$280,000 - $289,999	0	1
$290,000 - $299,999	2	0
$300,000 - $309,999	2	1
$310,000 - $319,999	2	2
$330,000 - $339,999	2	0
$340,000 - $349,999	0	2
$350,000 - $359,999	0	1
$360,000 - $369,999	0	1
$370,000 - $379,999	1	1
$390,000 - $399,999	1	1
$410,000 - $419,999	1	1
$580,000 - $589,999	0	1
$600,000 - $609,999	1	0
$650,000 - $659,999	1	0
$900,000 - $909,999	0	1
Former employees included in the above bands:	20	16

Donations

The Group made donations to the value of $13,900.

Directors' shareholding and trades

The following table summarises:

(a) the number of shares in the Company held by Directors at 31 March 2020; and

(b) disclosures made by Directors, in accordance with section 148(2) of the Companies Act 1993, of acquisitions and dispositions of relevant interests in shares in the Company during the year.

Director	Holding 1 April 2019	Cancelled	Issued	Net trades in the period	Interest ceased	Holding 31 March 2020
J A Bagnall (i)	45,935,821	-	-	-	-	45,935,821
J B Bolland (ii)	45,935,821	-	-	-	45,935,821	-
P M Merton (iii)	45,840,983	-	-	-	-	45,840,983
P J Williams (iv)	45,840,983	-	-	-	-	45,840,983
K A Orr (v)	600,083	-	-	-	-	600,083
C M Steele (vi)	50,000	-	-	-	-	50,000

(i) J A Bagnall is a Director of LPL Trustee Limited and therefore holds a relevant interest of 45,935,821 fully paid ordinary shares in the company (shares are legally owned by LPL Trustee Limited).

(ii) J B Bolland was appointed Director of LPL Trustee Limited on 10 June 2013 and therefore he held a relevant interest in 45,935,821 fully paid ordinary shares in the company. This interest was ceased during the year.

(iii) P M Merton is a Director of Cape Healthcare Limited and a trustee of the Pentz Trust which is a 49% shareholder of Cape Healthcare Limited. P M Merton has a relevant interest in the 45,840,983 fully paid ordinary shares in the Company owned by Cape Healthcare Limited.

(iv) P J Williams is a Director of Cape Healthcare Limited. He has a relevant interest in the 45,840,983 fully paid ordinary shares in the Company owned by Cape Healthcare Limited.

(v) K A Orr holds a beneficial interest of 600,083 fully paid ordinary shares in the Company (shares are legally owned by Orrs Kaipara Pharmacies Limited and Orrs Pharmacies Limited).

(vi) C M Steele has a relevant interest in 50,000 fully paid ordinary shares in the Company.

Directors' insurance

Green Cross Health Limited has insured all its directors against liabilities to other parties that may arise from their positions as directors. The insurance does not cover liabilities arising from criminal actions.

Waivers

Green Cross Health relied on the class waivers from Rule 3.5.1 and 3.6.1 granted by the NZX on 19 March 2020 due to COVID-19 - which provided listed issuers an additional 30 days to prepare and release results announcements, and provided listed issuers an additional two months to prepare and release their Annual Report.

General disclosure of interest by directors

(section 140(2) of the Companies Act 1993)

The Directors of the Company named below have made a general disclosure of interest by a general notice disclosed to the Board and entered in the Company's interest register. General notices of interest were given by these directors during the financial year ended 31 March 2020:

Kim Ellis – Chair of Metlifecare and the NZ Social Infrastructure Fund; a Director of Freightways, Port of Tauranga, FSF Management Company and Ballance Agri-Nutrients; and consultant to Envirowaste Services.

John (Andrew) Bagnall – LPL Trustee Limited (Director and Shareholder), Segoura Limited (shareholder and Director), Plan B Limited (Shareholder), Waiaro Investments Limited (Director and Shareholder), major Shareholder or Director of various unlisted or privately controlled companies.

John Bolland – Segoura Limited (Consultant), Stellar Electronic Board Reporting System (Director), Shareholder or Director of various unlisted or privately controlled companies.

Peter Merton – Cape Healthcare Limited (Director and Shareholder).

Peter Williams – Director of Cape Healthcare Limited, EBOS Group Limited and C.B. Norwood Distributors Limited.

Kenneth Orr – Orrs Pharmacies Limited (Director and Shareholder), Orrs Kaipara Pharmacies Limited (Director and Shareholder), Orrs Maungaturoto Pharmacy Limited (Director and Shareholder), Orrs Rust Ave Pharmacy Limited (Director and Shareholder), Orrs Cameron Pharmacy Limited (Director and Shareholder), Orrs Ruakaka Pharmacy Limited (Director and Shareholder), Orrs Tui Pharmacy Limited (Director and Shareholder), Orrs Kaikohe Pharmacies Limited (Director and Shareholder), Trustee of Mahitahi Hauora, Member of Northland Collaboration Kaupapa (Northland DHB, Te Tai Tokerau PHO and Iwi Leaders Group), Shareholder or Director of various unlisted or privately controlled companies.

Carolyn Steele – Chair of Halberg Foundation, Director of Metlifecare Limited, WEL Networks Limited, Ultrafast Fibre Limited, Trustee of New Zealand Football Foundation.

Shareholder information

Shares and shareholding

The Company's ordinary shares are listed on the NZX using the ticker code, GXH. As at 31 March 2020 the Company had on issue 143,302,759 equity securities (as defined by the Financial Markets Conduct Act 2013) being 143,152,759 fully paid ordinary shares, and 150,000 redeemable ordinary shares payable to $0.01 and held on trust by Life Pharmacy Trustee Company Limited on behalf of senior executive employees.

The 20 largest registered holders of quoted equity securities as at 30 June 2020 were as follows:

Name	Holding	%
LPL TRUSTEE LIMITED	45,935,821	32.09
CAPE HEALTHCARE LIMITED	45,840,983	32.02
JBWERE (NZ) NOMINEES LIMITED <NZ RESIDENT A/C>	7,881,260	5.51
FNZ CUSTODIANS LIMITED	3,168,472	2.21
GANET INVESTMENTS LIMITED	1,627,979	1.14
CUSTODIAL SERVICES LIMITED <A/C 4>	1,603,316	1.12
PENINSULA INVESTMENT TRUST LIMITED <PENINSULA INVESTMENT A/C>	1,510,000	1.05
GRANT CLAYTON BAI & CHRISTINA BAI & BARRIE MCCORMICK CAMPBELL <GRATTON WILSON A/C>	1,066,224	0.74
THOMAS LAI & CAROLYN PAMELA LAI & KATHLEEN YEE <THOMAS & CAROLYN LAI FAMILY A/C>	994,985	0.70
FRANCES ANN VUKSICH & WALTER MICK GEORGE YOVICH <MARK & FRANCES FAMILY A/C>	975,000	0.68
HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD <HKBN90>	923,154	0.64
KIM CHRISTOPHER WILKINSON & MARIE ELEANOR WILKINSON	795,120	0.56
ELIZABETH ANN MCAULAY	687,022	0.48
JAMES STEVE BEGOVIC & KERRY ELLWYN BEGOVIC & KATHERINE MARINA PALIN <BEGOVIC FAMILY A/C>	560,000	0.39
MICHAEL WALTER DANIEL & NIGEL GEOFFREY LEDGARD BURTON & MICHAEL MURRAY BENJAMIN <WAIRAHI A/C>	550,000	0.38
PIERRE GORDON PIERCE COTTER	537,050	0.38
JANE STEWART DUNN	500,000	0.35
FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	479,542	0.33
JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT - NZCSD <CHAM24>	474,804	0.33
NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	453,587	0.32

Shares and shareholding (continued)

Substantial security holders

The following persons are deemed to be substantial product holders in accordance with section 274 (1) of the Financial Markets Authority Act 2013:

Name	Holding	%
LPL Trustee Limited	45,935,821	32.09
Cape Healthcare Limited	45,840,983	32.02

Shareholding spread

Green Cross Health Limited's shareholding spread as at 30 June 2020 is as follows:

Size of holding	Holders	%	Securities	%
1-999	367	19.1	172,405	0.12
1,000 - 9,999	985	51.2	3,309,850	2.31
10,000 - 99,999	503	26.1	14,184,355	9.91
100,000 - 499,999	53	2.8	10,329,763	7.22
500,000 - 999,999	9	0.5	6,522,331	4.56
1,000,000 and over	8	0.4	108,634,055	75.89
Total	**1,925**	**100.0**	**143,152,759**	**100.00**

Company directory

Registered office

Green Cross Health Limited
Ground Floor, Building B
602 Great South Road
Ellerslie, Auckland 1051
Telephone: +64 9 571 9080

Board

K Ellis
Independent Chair

J A Bagnall
Non-Executive Director

J B Bolland
Non-Executive Director

P M Merton
Non-Executive Director

P J Williams
Non-Executive Director

K A Orr
Independent Director

C M Steele
Independent Director

Officers

Rachael Newfield Group CEO

Ben Doshi Group CFO/Company Secretary

Auditor

KPMG
KPMG Centre
18 Viaduct Harbour Avenue
Auckland

Bankers

Bank of New Zealand
80 Queen Street
Auckland 1010

Websites

www.greencrosshealth.co.nz
www.access.org.nz
www.lifepharmacy.co.nz
www.livingrewards.co.nz
www.thedoctors.co.nz
www.unichem.co.nz

Share registrar

Computershare Investor
Services Limited
Private Bag 92119
Auckland 1142
Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

Managing your
shareholding online:

To change your address, update
your payment instructions and
to view your registered details
including transactions, please visit:
www.investorcentre.com/nz

General enquiries can be
directed to:

enquiry@computershare.co.nz
Telephone: + 64 9 488 8777
Facsimile: + 64 9 488 8787

Please assist our registrar by
quoting your CSN
or shareholder number.

Investor relations

For investor relations enquiries:

Phone: 09 571 9088

Email: investorrelations@gxh.co.nz

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Green Cross Health Ltd
Ground Floor, Building B
602 Great South Road
Ellerslie, Auckland 1051

Private Bag 11906
Ellerslie, Auckland 1542

www.greencrosshealth.co.nz

Working together
to support healthier
communities