Annual Report
Just Life Group Limited

YEAR ENDED 30 JUNE 2024

Just Life Group

Contents

Our Vision is to enhance lives by deliverying exceptional products and services that support **healthy living** and **healthy homes**

Just Water.

about health

NaturalSolutions.nz

HERBAL IGNITE

Healthy Living

2 Segments
7 Brands

Healthy Homes

SOLATUBE
Innovation in Daylighting.

hometech
The Ventilation Specialists

THE CYLINDER GUY

Just Life Group

Chair & Chief Executive Officer's Report

YEAR ENDED 30 JUNE 2024

Chair and Chief Executive Officer's Report

Year ended 30 June 2024

Overall Financial Performance:

The directors report the financial results for the year ended 30 June 2024.

The 2024 fiscal year continued to present ongoing challenges for business with increased interest rates, lower consumer confidence and New Zealand officially in recession. We believe that the recession at a household level was worse than the official figures.

The construction sector has been particularly hard hit over the year, and we elected to book a non-cash impairment charge of $932,000 due to the current profitability of the Hometech Division.

Despite the overall reduction in Group revenue of 3.5%, there are positives that should be highlighted:

- Healthy Living segment, comprising the business units of Just Water, About Health and Herbal Ignite revenue grew by 1.4% in a time of recession.
- Net cashflows from operations, which is viewed by the board as a critical measure of success increased from $4.6m last year to $5.4m this year.

With the Delisting expense plus the non-cash impairment, Net Profit after Tax shrunk to their lowest in a decade to $691,000. Obviously, the directors are not satisfied with such a result and actions have already been taken to restructure certain areas of the business to reflect the current economic environment.

As part of the delisting exercise there was estimated back-office savings of between $400,000 and $450,000 to be realised. We are pleased to advise that we are on track with realising these savings going forward.

Interest bearing debt reduced by $2.0m over the year after the ongoing payment of a dividend totalling $995,000 and the buyback of shares of $750,000.

The directors consider the debt / equity ratio of 47:53 is at an appropriate level in the current economic environment. There will be a continued focus on debt repayment over the next year which will be reflected in a reduction in the final dividend for the year. Despite the low earnings, the directors have recognised that the cash generated from operations is of a level to pay a dividend of 0.3 cents per share, equalling the dividend paid in the first half of the year.

The De-listing from NZX

In June 2024, the Company de-listed from the NZX and listed on the USX. The reasons for the de-listing have been adequately communicated to shareholders; it was a six-month process to achieve this result, endorsed by the NZ Shareholders' Association and cost $160,595 in legal fees and other charges. The directors are of the opinion that this was the appropriate action for our company and note with interest several other similar sized companies listed on the NZX undertaking the same exercise. We wholeheartedly support the need for robust capital markets but are of the opinion that a reset is required to implement a regime to encourage public listings from mid-sized businesses that comprise the backbone of the New Zealand economy.

The directors also note that an outcome of the delisting means that a broker is required to undertake a share transaction on the USX. Conscious of these costs, the directors have decided to exercise the option under the Company's constitution to undertake a compulsory minimum share buyback for shareholders with less than $1,000 worth of shares which was calculated as 5,000 shares based upon the historic share price. The appropriate notice and documentation will be sent out in due course.

One of the proposals in the de-listing documents was for the leadership team to report quarterly to all shareholders by Zoom. Management is excited about this, and the first on-line meeting will be held at 2:00pm on the 17 September 2024. An invitation will be sent out to every shareholder.

The Annual Meeting of shareholders will be held at 11:00am on 6 December 2024 at the Just Life Group Head Office located at 103 Hugo Johnston Drive.

Directors

The former non-executive directors elected not to continue if the de-listing passed, and as a result they resigned effective 13 June 2024.

New directors were appointed as follows:

Ian Malcolm
Ian is a Chartered Accountant and business advisor specialising in business structuring. Ian was originally on the JLG board when the company floated on the NZX 20 years ago – he served on the board for about 15 years and has followed the progress of JLG as Chair of Harvard Group, the majority shareholder of JLG.

Anthony Gadson (AJ)
AJ is an experienced entrepreneur with over two decades of experience in the FMCG industry. As the co-founder of Essano, a leading New Zealand cosmetics brand, AJ has recently sold this business and taken on this directorship to support JLG in its retail distribution and marketing.

Melissa Crawford
Melissa is the Managing Director of Tech with Heart where she helps companies with their future strategies. Her background demonstrates a mix of strategy, leadership, project management, HR and IT, and she will be pivotal in supporting the Company in its future strategy. She has served on the JLG board for the last 12 months under the IOD Future Directors' programme.

Eldon Roberts
Eldon is the COO/CFO of Just Life Group, a position he has held for almost 13 years. His experience both as a Principal at Ernst & Young and as a business owner saw him bring a breadth of knowledge and business acumen to Just Life, and he is an invaluable member of the Executive Team.

I remain as the sole surviving director and will serve as both Chair and Chief Executive.

I am delighted with the appointment our new directors, who are passionate about the future of the business and its success.

Thank you

Each year the directors thank the team members, but they do want to especially thank them as we go through this difficult period. Many of them are personally going through this same difficult period and we do thank you for your support.

Similarly, we wish to thank all shareholders who have supported us as we enter this new era on the USX.

Tony Falkenstein
Chair and CEO

Financials

YEAR ENDED 30 JUNE 2024

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	30 June 2024 $000	30 June 2023 $000
Operating revenue	2.1	35,285	36,432
Other income		113	265
Revenue		**35,398**	**36,697**
Employee costs	16.1	(10,539)	(10,447)
Finished goods and consumables used	5.3	(7,614)	(8,120)
Service contractors		(2,659)	(2,692)
Marketing expenses		(2,742)	(2,161)
Other operating expenses		(5,172)	(5,682)
Acquisition costs	16.1	-	(55)
Delisting expenses	1	(161)	-
Earnings before interest, tax, depreciation and amortisation	2.2	**6,511**	**7,540**
Depreciation	6	(1,289)	(1,288)
Impairment of goodwill, patents and trademarks	7.2	(932)	-
Amortisation of right of use assets	9.1	(601)	(588)
Amortisation of other intangible assets	7.1	(902)	(957)
Profit before interest and tax		**2,787**	**4,707**
Interest expense		(1,732)	(1,663)
Profit before tax		**1,055**	**3,044**
Income tax expense	2.3	(365)	(887)
Profit after tax		**690**	**2,157**
Profit after tax is attributed to			
Shareholders of Just Life Group Limited		690	2,168
Non-controlling interests		-	(11)
Profit after tax		**690**	**2,157**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Hedge reserve	15.1	1	(123)
Total comprehensive income		**691**	**2,034**
Total comprehensive income is attributed to			
Shareholders of Just Life Group Limited		691	2,045
Non-controlling interests		-	(11)
Total comprehensive income		**691**	**2,034**
Earnings per share for profit attributable to the shareholders of the Parent			
Basic earnings per share (cents)	4.5	0.7	2.2
Diluted earnings per share (cents)	4.5	0.7	2.2

The accompanying notes to the consolidated financial statements are an integral part of, and should be read in conjunction with, the above Consolidated Statement of Comprehensive Income of Just Life Group Limited.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 $000	30 June 2023 $000
CURRENT ASSETS			
Cash and cash equivalents	3.1	53	4
Trade and other receivables	5.1	3,337	3,652
Contract work in progress	5.2	249	298
Inventories	5.3	3,617	4,564
Derivative assets	15	11	10
Total current assets		**7,267**	**8,528**
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,974	4,062
Right of use assets	9.1	6,173	6,725
Intangible assets	7.1	33,830	35,639
Total non-current assets		**43,977**	**46,426**
Total assets		**51,244**	**54,954**
CURRENT LIABILITIES			
Bank overdrafts	3.1, 10	361	152
Interest-bearing loans and borrowings	10	1,632	1,590
Trade and other payables	11	3,713	3,497
Lease liabilities	9.2	367	330
Current tax liabilities		258	426
Contract liabilities	13	171	221
Total current liabilities		**6,502**	**6,216**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	10	9,095	11,343
Lease liabilities	9.2	6,582	6,902
Deferred tax liabilities	8	1,721	2,135
Total non-current liabilities		**17,398**	**20,380**
Total liabilities		**23,900**	**26,596**
Net assets		**27,344**	**28,358**
EQUITY			
Share capital	4.1	29,154	29,883
Retained losses		(1,875)	(1,570)
Share option reserve		52	33
Hedging reserve		13	12
Total equity		**27,344**	**28,358**

Tony Falkenstein (Sep 16, 2024 18:08 GMT+12)

Tony Falkenstein
Chair
16 September 2024

Eldon Roberts
Director
16 September 2024

The accompanying notes to the consolidated financial statements are an integral part of, and should be read in conjunction with, the above Consolidated Statement of Financial Position of Just Life Group Limited.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued capital $000	Retained earnings/ (losses) $000	Share option reserve $000	Hedge reserve $000	Asset revaluation reserve $000	Non-controlling interests $000	Total equity $000
Balance as at 1 July 2022	**29,507**	**(5,782)**	**36**	**135**	**3,937**	**11**	**27,844**
Profit for the period	-	2,168	-	-	-	(11)	2,157
Other comprehensive income	-	-	-	(123)	-	-	(123)
Total comprehensive income for the year	**-**	**2,168**	**-**	**(123)**	**-**	**(11)**	**2,034**
Issue of ordinary shares in relation to the Dividend Reinvestment Plan	376	-	-	-	-	-	376
Dividends paid	-	(1,893)	-	-	-	-	(1,893)
Movement in share option reserve	-	-	(3)	-	-	-	(3)
Transferred to retained earnings on disposal	-	3,937	-	-	(3,937)	-	-
Balance as at 30 June 2023	**29,883**	**(1,570)**	**33**	**12**	**-**	**-**	**28,358**
Profit for the period	-	690	-	-	-	-	690
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income for the year	**-**	**690**	**-**	**1**	**-**	**-**	**691**
Issue of ordinary shares in relation to the Dividend Reinvestment Plan	21	-	-	-	-	-	21
Share Buyback	(750)	-	-	-	-	-	(750)
Dividends paid	-	(995)	-	-	-	-	(995)
Movement in share option reserve	-	-	19	-	-	-	19
Balance as at 30 June 2024	**29,154**	**(1,875)**	**52**	**13**	**-**	**-**	**27,344**

The accompanying notes to the consolidated financial statements are an integral part of, and should be read in conjunction with, the above Consolidated Statement of Changes in Equity of Just Life Group Limited.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	30 June 2024 $000	30 June 2023 $000
Cash flows from operating activities			
Receipts from customers		35,445	37,008
Payments to suppliers and employees		(27,599)	(29,546)
Interest paid		(1,689)	(1,608)
Income tax paid		(946)	(1,168)
Net goods and services tax		227	2
Net cash flows from operating activities	3.2	**5,437**	**4,688**
Cash flows from investing activities			
Acquisition through business combination		-	(1,728)
Purchase of property, plant and equipment		(1,353)	(1,356)
Proceeds from sale of property, plant and equipment		91	3,556
Purchase of intangible assets		(24)	(132)
Net cash flows (used in)/from investing activities		**(1,286)**	**340**
Cash flows from financing activities			
Proceeds from borrowings		17,178	9,102
Repayment of borrowings		(19,426)	(16,380)
Proceeds from sale and leaseback transaction		-	4,163
Issue of shares under dividend reinvestment Plan		20	-
Dividends paid to Company's shareholders		(995)	(1,516)
Shares purchased		(750)	-
Lease repayments		(338)	(300)
Net cash flows used in financing activities		**(4,311)**	**(4,931)**
Net (decrease)/increase in cash and cash equivalents		(160)	97
Cash and cash equivalents at beginning of financial year		(148)	(245)
Cash and cash equivalents at 30 June		**(308)**	**(148)**
Cash and cash equivalents		53	4
Bank overdrafts		(361)	(152)
Total cash and cash equivalents		**(308)**	**(148)**

The accompanying notes to the consolidated financial statements are an integral part of, and should be read in conjunction with, the above Consolidated Statement of Cash Flows of Just Life Group Limited.

Notes to the Consolidated Financial Statements

1. General Information

The following consolidated financial statements for Just Life Group Limited (the 'Company') and its subsidiaries (collectively the 'Group') are for the year ended 30 June 2024 and represent the full year result for the Group.

The Group's vision is to enhance lives providing premium products and services focused on the healthy living and healthy homes market sectors (see segment Note 2.2 for further details).

Accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out throughout the document where they are applicable. These policies have been consistently applied to all years presented, unless otherwise stated.

Critical judgements and estimates in applying the accounting policies

The preparation of consolidated financial statements in conformity with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) requires the use of certain critical accounting estimates and judgements concerning the future. The resulting estimates may not equal related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are identified below.

- Note 7.2 Goodwill: Assumptions used in testing goodwill
- Note 9 Leases: Assumptions used in applying NZ IFRS 16

Further details of the nature of these critical judgements and estimates may be found throughout the financial statements as they are applicable.

The Group has considered the impact of climate change on the business and the potential impact of its tangible and intangible assets. This is an evolving area where regulations are in their infancy and management is closely monitoring and assessing the potential impact, if any, in the future.

These consolidated financial statements have been approved for issue by the Board of Directors on 16 September 2024.

Basis of preparation

Statutory base

Just Life Group Limited is a company registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The consolidated financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Act 2013.

Just Life Group is a limited liability company which is domiciled and incorporated in New Zealand, and whose shares were publicly traded on the New Zealand Stock Exchange (NZX) until 13 June 2024. Following this, the Company entered into a listing agreement with Efficient Market Services Limited (EMS), the operator of USX, for the listing of its shares. Trading on the USX commenced on 14 June 2024.

Historical cost convention

The consolidated financial statements have been primarily prepared in accordance with the historical cost convention, which involves recording assets, liabilities, and equity at their original acquisition or production cost. However, derivatives have been measured at their fair value rather than their historical cost. Fair value reflects the estimated market value of these instruments at the reporting date, providing a more accurate representation of their current worth.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as applicable for profit orientated entities. They comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) and NZ IFRS Accounting Standards.

Comparatives

Presentation of some comparative information has been changed to ensure a more appropriate basis for comparison. This involves moving the net goods and services tax from receipts from customers and payments to suppliers and employees to a new separate line under cash flows from operating activities.

Going concern

The consolidated financial statements have been prepared on a going concern basis. As at 30 June 2024 the Group had working capital of $0.77m (2023: $2.31m). The directors assessed the financial performance of the Group, including forecast cash flows and unutilised bank facilities, and are satisfied that the going concern assumption remains appropriate.

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2024 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency

Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in New Zealand dollars, which is the Group's presentation currency. All financial information is presented in New Zealand dollars, which is the Group's presentation currency, and has been rounded to the nearest thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss component of the Consolidated Statement of Comprehensive Income.

2. Financial Performance

This section outlines further details of the Group's financial performance.

2.1 Revenue

The Group recognises revenue when the performance obligations have been fulfilled. The following detail the type of revenue recognised within each category:

2.1.1 Water solutions revenue

Water solutions revenue relates to the provision of filtered water solutions to the customer. Water solutions income is recognised over the period of time the performance obligation is satisfied.

2.1.2 Product sales revenue

For sales of bottled water, The Cylinder Guy, and health supplements, revenue is recognised at the point in time when the performance obligations are satisfied by transferring control of goods to the customer. Control over the products is transferred to the customer at the same time as the legal title is passed, which commonly takes place upon delivery.

2.1.3 Service revenue

Revenue on repairs and maintenance (service) provided on customer owned water coolers is recognised at the point in time when the service has been performed.

2.1.4 Supply and installation revenue

The revenue derived from the supply and installation contracts for Hometech products, including Unovent and Solatube products, is recognised over time using the percentage of completion method using costs as input.

Transaction price for all revenue categories includes all amounts which the Group expects to be entitled to net of sales taxes and other indirect taxes, expected rebates and discounts.

There are no significant financing components in the Group's revenue contracts with customers. Refer to Note 5.2 for related disclosure on recognition of contract assets and Note 13 for contract liabilities in relation to revenue from contracts with customers.

	30 June 2024 $000	30 June 2023 $000
Recognised over time		
Water solutions revenue	10,580	10,529
Supply and installation of products	4,071	3,430
Recognised at a point in time		
Product revenue		
Just Water	4,676	4,688
Hometech	5,233	7,166
The Cylinder Guy	4,348	3,980
The Designer Tank	-	104
Health Supplements (About Health, Herbal Ignite and Natural Solutions)	6,357	5,942
Service revenue	560	593
Operating revenue	**35,285**	**36,432**

2.1.5 Aggregate transaction price

Consideration for unfulfilled performance obligations related to Hometech projects with work in progress as of the balance date is as follows. The group anticipates that all the transaction price allocated to unsatisfied performance obligations will be recorded as revenue in the upcoming financial year.

	30 June 2024 $000	30 June 2023 $000
Aggregate transaction price	847	854

2.2 Operating segments

An operating segment is a component of an entity that engages in business activities, which earns revenue and incurs expenses and for which the chief operating decision maker (CODM) reviews the operating results on a regular basis and makes decisions on resource allocation. The Group has determined its CODM to be the Chief Executive Officer and Board of Directors on the basis that it is this group which determines the allocation of resources to segments and assesses their performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Group sells its products both domestically within New Zealand and to overseas markets, with a mission to empower customers with options for 'healthy living' and 'healthy homes'. The six major brands have been allocated to the following segments:

- **Healthy Living – Just Water, About Health, Herbal Ignite**
- **Healthy Homes – Solatube, Hometech, The Cylinder Guy**

The CODM has identified four groups of cash generating units (CGUs) for the assessment of goodwill impairment. These groups of CGUs consist of Just Water, Health Supplements (including About Health, Herbal Ignite, and Natural Solutions), Hometech, and The Cylinder Guy. This information can be found in Note 7.2. The Just Life Group Corporate segment includes the corporate overhead costs of the Group.

OPERATING SEGMENTS 30 June 2024	**Healthy Living $000**	**Healthy Homes $000**	**Just Life Group Corporate $000**	**Total Group $000**
Over time	10,583	3,598	-	14,181
At a point in time	11,480	9,624	-	21,104
Revenue	**22,063**	**13,222**	**-**	**35,285**
Other income and government grants	58	54	1	113
Employee costs	(7,144)	(2,818)	(577)	(10,539)
Other trading expenses	(8,135)	(9,449)	(603)	(18,187)
Delisting expenses	-	-	(161)	(161)
EBITDA[1]	**6,842**	**1,009**	**(1,340)**	**6,511**
Depreciation	(1,227)	(62)	-	(1,289)
Impairment of goodwill, patents and trademarks	-	(932)	-	(932)
Amortisation of right of use assets	(421)	(180)	-	(601)
Amortisation of other intangible assets	(813)	(89)	-	(902)
EBIT[2]	**4,381**	**(254)**	**(1,340)**	**2,787**
Interest expense	(439)	(188)	(1,105)	(1,732)
Profit/(loss) before income tax	**3,942**	**(442)**	**(2,445)**	**1,055**
Income tax expense	(1,104)	275	464	(365)
Profit/(loss) for the period	**2,838**	**(167)**	**(1,981)**	**690**
Total additions to non-current assets excluding financial instruments and deferred tax assets	(1,296)	-	-	(1,296)

[1] EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, and impairment losses.

[2] EBIT is a non-GAAP measure and is defined as earnings before net finance costs, and income tax.

OPERATING SEGMENTS **30 June 2023**	**Healthy Living** **$000**	**Healthy Homes** **$000**	**Just Life Group Corporate** **$000**	**Total Group** **$000**
Over time	10,529	3,430	-	13,959
At a point in time	11,224	11,249	-	22,473
Revenue	**21,753**	**14,679**	**-**	**36,432**
Other income and government grants	145	107	13	265
Employee costs	(6,844)	(3,070)	(533)	(10,447)
Other trading expenses	(7,996)	(10,045)	(614)	(18,655)
Acquisition costs	-	-	(55)	(55)
EBITDA	**7,058**	**1,671**	**(1,189)**	**7,540**
Depreciation	(1,206)	(82)	-	(1,288)
Amortisation of right of use assets	(243)	(345)	-	(588)
Amortisation of other intangible assets	(810)	(147)	-	(957)
EBIT	**4,799**	**1,097**	**(1,189)**	**4,707**
Interest expense	(1,225)	(438)	-	(1,663)
Profit/(loss) before income tax	**3,574**	**659**	**(1,189)**	**3,044**
Income tax expense	(1,400)	(319)	832	(887)
Profit/(loss) for the period	**2,174**	**340**	**(357)**	**2,157**
Total additions to non-current assets excluding financial instruments and deferred tax assets	(1,452)	(35)	-	(1,487)

Geographic information

	30 June 2024 $000	**30 June 2023 $000**
Total revenue by geographic area		
New Zealand	34,673	35,832
Overseas	612	600
Total	**35,285**	**36,432**

The revenue information above is based on the locations of the customers. Revenue from overseas customer amounted to $612,000 (2023: $600,000), arising from sales in the Healthy Living segment.

Just Life Group Limited uses several non-GAAP measures when discussing financial performance. These include EBITDA and EBIT and may be used internally by management to evaluate performance, analyse trends and allocate resources. These non-GAAP measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

2.3 Income tax expense

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, and to unused tax losses.

	30 June 2024 $000	30 June 2023 $000
Current tax	779	1,033
Deferred tax	(414)	(146)
Income tax expense from continuing operations	**365**	**887**

	30 June 2024 $000	30 June 2023 $000
Reconciliation of income tax expense to tax rate applicable to profits		
Accounting profit before tax from continuing operations	1,055	3,044
At statutory income tax rate of 28% (2023: 28%)	295	853
Prior period adjustments	(162)	(14)
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	232	48
Income tax expense	**365**	**887**

2.4 Imputation credits

The table below represents the balance of the imputation account as at the end of the reporting period adjusted for:

- Imputation credits that will arise from the payment of the amount of the provision for income tax;
- Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

	2024 $000	2023 $000
The amount of imputation credits available for use in subsequent reporting periods	6,904	6,697

3. Cash and Short-term Deposits

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.1 Cash and cash equivalents

	30 June 2024 $000	30 June 2023 $000
Cash and cash equivalents include the following for the purposes of the cash flow statement:		
Cash at bank	53	4
Bank overdrafts	(361)	(152)
Cash and cash equivalents	**(308)**	**(148)**

3.2 Reconciliation of net profit after income tax to net cash inflow from operating activities

	30 June 2024 $000	30 June 2023 $000
Profit after tax for the year	**690**	**2,157**
Non-cash items:		
Depreciation of property, plant and equipment	1,289	1,288
Amortisation of right of use assets	606	588
Amortisation of intangible assets	902	957
Impairment of goodwill, patents and trademarks	932	-
Loss on disposal of property, plant and equipment	61	106
Amortisation of facility fees	42	51
Provision for doubtful debts	9	27
Provision for tax	(167)	(134)
Deferred tax	(414)	(37)
Share option expense	19	(3)
Provision for inventory	10	(28)
Net non-cash items	**3,290**	**2,815**
Change in working capital:		
Decrease/(increase) in inventories and work in progress	985	175
Decrease/(increase) in trade receivables	306	604
Increase/(decrease) in trade and other payables, contract liabilities	166	(1,063)
Net change in working capital	**1,457**	**(284)**
Net cash generated from operating activities	**5,437**	**4,688**

4. Capital Structure

The Group's capital comprises of contributed equity, reserves, and retained earnings.

The Group's capital management objectives encompass safeguarding its ability to operate as a viable entity, generating returns for shareholders and benefits for other stakeholders. Additionally, the Group aims to maintain an optimal capital structure that minimises the cost of capital.

To achieve and maintain the desired capital structure, the Group makes adjustments such as varying dividend payments to shareholders, returning capital to shareholders, issuing new shares, selling assets to reduce debt, or obtaining additional debt funding.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

	30 June 2024 000's	30 June 2023 000's
Ordinary shares, issued and fully-paid	97,079	99,513

All ordinary shares rank equally with one vote attached to each fully-paid ordinary share. Shares have no par value. Shares are listed on the USX Board.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of ordinary shares held.

Every holder of ordinary shares present at a meeting in person or by proxy is entitled to vote and upon a poll each share is entitled to one vote.

4.1 Contributed equity

Movements in ordinary share capital:	Number of shares 000's	Share capital $000
Ordinary shares on issue as at 30 June 2022	98,557	29,507
Shares issued under the Dividend Reinvestment Plan	956	376
Ordinary shares on issue as at 30 June 2023	**99,513**	**29,883**
Share buyback	(2,500)	(750)
Shares issued under the Dividend Reinvestment Plan	66	21
Ordinary shares on issue as at 30 June 2024	**97,079**	**29,154**

4.2 Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year.

Dividends were announced during the year ended 30 June 2024 of $995,000 (2023: $1,891,000). The cash portion of the dividend paid was $975,000 (2023: $1,515,000). The portion reinvested and linked to the Dividend Reinvestment Plan was $21,000 (2023: $376,000).

	30 June 2024 $000	**30 June 2023 $000**
Dividends on ordinary shares declared and paid:		
Full year dividend paid September 2022 (2.4 cents per share)	-	1,393
Interim dividend paid March 2023 (0.5 cent per share)	-	498
Full year dividend paid September 2023 (1.2 cents per share)	697	-
Interim dividend paid March 2024 (0.3 cents per share)	298	-
	995	**1,891**

4.3 Share buyback scheme

Following the delisting from NZX, the Group executed a share buyback program. The details of the buyback are as follows:

- **Total Number of Shares Repurchased:** 2,499,978 shares
- **Total Value of Shares Repurchased:** $749,993

The repurchase of 2,499,978 shares has resulted in a reduction of the company's outstanding share capital. This strategic move is part of the company's ongoing efforts to enhance shareholder value and optimise the capital structure.

The board of directors believes that the repurchase of shares at this juncture is in the best interest of the company and its shareholders. The board will continue to evaluate further opportunities to enhance shareholder value in line with the company's strategic objectives.

4.4 Options on Issue

The Executive Share Option Scheme was designed to provide long-term incentives for senior managers and above (including executive directors) to provide long-term shareholder 5returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or receive any guaranteed benefits.

Options are granted under the plan and carry no dividend or voting rights and expire five years after the offer date of the option.

On 22 June 2020, Just Life Group Limited granted Eldon Roberts (Chief Operating Officer & Chief Financial Officer) an option to purchase 250,000 ordinary shares in Just Life Group Limited. The exercise price for the granted option is $0.492 per share. The option is conditional on the employee remaining in the employment of the Group and can be exercised any time after 24 months from the grant date. The fair value of the share option granted at grant date was $0.0942.

On 3 July 2023, Just Life Group Limited issued additional options to key personnel as part of its incentive scheme. Options were granted to Eldon Roberts (Chief Operating Officer & Chief Financial Officer) for 200,000 ordinary share options, Katie Ludman (General Manager – Healthy Living) for 100,000 ordinary share options, and Luan Howitt (General Manager – Healthy Home) for 500,000 ordinary share options, totalling 800,000 options. These options have an expiration date of 02 July 2025, and the exercise price for each option is set at $0.27 per share. The options are conditional on the employee remaining in the employment of the Group. The fair value of the share option granted at the grant date was $0.0621.

These options serve to align the interests of key personnel with the long-term performance and success of the company. The issuance of these options underscores the company's commitment to fostering employee engagement and retention, contributing to the company's growth and sustainability.

Share options outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

Granted date	Expiry date	Exercise price	30 June2024 Number of outstanding and exercisable	30 June2023 Number of outstanding and exercisable
22 June 2020	19 June 2025	$.492	250,000	250,000
3 July 2023	2 July 2025	$.270	800,000	-
Total			**1,050,000**	**250,000**

The fair value of options granted is recognised as an expense in the Consolidated Statement of Comprehensive Income with a corresponding increase in the share option reserve. The fair value is measured at grant date and amortised over the vesting periods. Just Life Group Limited has recognised $19,000 of employee expenses during the year ended 30 June 2024 (2023: $2,500).

The fair value of the rights granted is measured using the Just Life Group Limited share price as at the grant date.

4.5 Earnings per share

Basic earnings per share are calculated by dividing the profit after tax attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share reflects any commitments the Group has to issue shares in the future that would decrease earnings per share. These are in the form of share options. To calculate the impact, it is assumed that all share options are exercised, which results in the weighted average number of shares outstanding being the same for the basic earnings per share and diluted earnings per share calculations.

	30 June 2024	**30 June 2023**
Profit attributable to ordinary equity holders of the parent for basic earnings ($'000)	546	2,168
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating basic earnings per share ('000)	99,372	98,835
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share ('000)	100,354	98,835

	30 June 2024	**30 June 2023**
Earnings per share for profit attributable to the shareholders of the parent		
Basic earnings per share (cents)	0.7	2.2
Diluted earnings per share (cents)	0.7	2.2

5. Operating Assets

5.1 Trade and other receivables

Trade receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Trade receivables which are known to be uncollectable are written off. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the movement in the provision is recognised in other operating expenses of the Consolidated Statement of Comprehensive Income. Details about the Group's application of NZ IFRS 9 Financial Instruments are provided in Note 15.

	30 June 2024 $000	**30 June 2023 $000**
Trade receivables	2,815	2,845
Doubtful debts provision	(146)	(126)
Net trade receivables	**2,669**	**2,719**
Prepayments and other receivables	668	933
Trade and other receivables	**3,337**	**3,652**

	30 June 2024 $000	**30 June 2023 $000**
Movement in the provision for doubtful trade receivables is as follows:		
As at 1 July	126	100
Expected specific and expected credit losses recognised	155	359
Write-offs during year as uncollectable	(135)	(333)
As at 30 June	**146**	**126**

5.2 Contract work in progress

Contract work in progress is valued on a percentage of completion basis in accordance with accounting policy. It reflects the unbilled work in progress as of the specified period, providing a comprehensive view of the ongoing projects and their corresponding completion stages. This allows for a more accurate assessment of our overall financial position.

	30 June 2024 $000	**30 June 2023 $000 Restated**
Contract work in progress	249	298

5.3 Inventories

Inventories consist of finished goods and consumables. Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis for consumables and individual purchase cost basis for coolers.

	30 June 2024 $000	30 June 2023 $000
Finished goods	3,815	4,682
Consumables	170	240
Provision for inventory	(368)	(358)
Total inventories and work in progress	**3,617**	**4,564**

The cost of finished goods and consumables consumed recognised as an expense in the Consolidated Statement of Comprehensive Income is $7,614,000 (2023: $8,120,000) for the Group.

Write downs of inventories to net realisable value were recognised as an expense of $169,000 during 2024 compared to an expense in 2023 of $131,200. The net movement in provision has been included in ‘Finished goods and consumables used’ in the Consolidated Statement of Comprehensive Income.

6 Property, Plant and Equipment

Property, plant and equipment (PPE) are shown at cost less subsequent depreciation and impairment. The cost of purchased PPE is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended use. Where parts of an item of PPE have different useful lives, they are accounted for as separate items of PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss component of the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

With the exception of the Hometech, depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Leasehold improvements	5-15 Years
Water solutions equipment	2-8 years
Office equipment	3-11 years
Motor vehicles	4-5 years
Plant and machinery	4-10 years

Hometech assets are depreciated using the diminishing value method to allocate their cost, net of their residual values over their estimated useful lives, as follows:

Leasehold improvements	10% - 20%
Office equipment	8% - 80%
Motor vehicles	18% - 60%

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit or loss component of the Consolidated Statement of Comprehensive Income. Work in progress is accounted for at cost and capitalised to PPE as projects are completed and become ready for use.

	Leasehold improvements $000	Water solutions equipment $000	Motor vehicles $000	Plant and office equipment $000	Land $000	Buildings $000	Total $000
As at 30 June 2022							
Cost	1,292	11,377	2,205	3,384	3,750	3,372	25,380
Transfer to Assets held for sale	(528)	-	-	-	(3,750)	(3,372)	(7,650)
Accumulated depreciation	(594)	(8,510)	(1,943)	(2,496)	-	-	(13,543)
Net book amount	**170**	**2,867**	**262**	**888**	**-**	**-**	**4,187**
Year ended At 30 June 2023							
Opening net book amount	170	2,867	262	888			4,187
Additions	-	1,216	28	112	-	-	1,356
Acquisition through business combinations	-	-	-	5	-	-	5
Disposals/transfer	-	(171)	(3)	(24)	-	-	(198)
Depreciation charge for the year	(19)	(939)	(83)	(247)	-	-	(1,288)
At 30 June 2023	**151**	**2,973**	**204**	**734**	**-**	**-**	**4,062**
As at 30 June 2023							
Cost	294	10,569	2,117	3,031	-	-	16,011
Accumulated depreciation	(143)	(7,596)	(1,913)	(2,297)	-	-	(11,949)
Net book amount	**151**	**2,973**	**204**	**734**	**-**	**-**	**4,062**
Year ended 30 June 2024							
Opening net book amount	151	2,973	204	734	-	-	4,062
Additions	13	1,008	223	109	-	-	1,353
Disposals/transfer	-	(144)	(8)	-	-	-	(152)
Depreciation charge for the year	(17)	(951)	(75)	(246)	-	-	(1,289)
At 30 June 2024	**147**	**2,886**	**344**	**597**	**-**	**-**	**3,974**
As at 30 June 2024							
Cost	307	10,628	2,188	3,107	-	-	16,230
Accumulated depreciation	(160)	(7,742)	(1,844)	(2,510)	-	-	(12,256)
Closing net book amount	**147**	**2,886**	**344**	**597**	**-**	**-**	**3,974**

7 Intangible Assets

7.1 Intangible assets

	Software $000	Goodwill $000	Patents and trademarks $000	Customer relationships $000	Brands $000	Total $000
As at 1 July 2022						
Cost	2,824	24,519	678	8,146	2,869	39,036
Accumulated amortisation	(2,577)	(800)	(186)	(793)	-	(4,356)
Net book amount	**247**	**23,719**	**492**	**7,353**	**2,869**	**34,680**
Year ended 30 June 2023						
Opening net book amount	247	23,719	492	7,353	2,869	34,680
Additions	132	-	-	-	-	132
Acquisition through business combinations	-	1,394	-	294	96	1,784
Amortisation charge for the year charge for the year	(179)	-	(58)	(720)	-	(957)
Closing net book amount	**200**	**25,113**	**434**	**6,927**	**2,965**	**35,639**
As at 30 June 2023						
Cost	2,956	25,913	678	8,440	2,965	40,952
Accumulated amortisation and impairment	(2,756)	(800)	(244)	(1,513)	-	(5,313)
Carrying amount at 30 June 2023	**200**	**25,113**	**434**	**6,927**	**2,965**	**35,639**
Year ended 30 June 2024						
Opening net book amount	200	25,113	434	6,927	2,965	35,639
Additions	24	-	-	-	-	24
Acquisition through business combinations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	(600)	(332)	-	-	(932)
Amortisation charge for the year	(126)	-	(39)	(737)	-	(902)
Closing net book amount	**98**	**24,514**	**63**	**6,190**	**2,965**	**33,830**
As at 30 June 2024						
Cost	2,915	25,914	647	8,440	2,965	40,881
Accumulated amortisation and impairment	(2,817)	(1,400)	(584)	(2,250)	-	(7,051)
Carrying amount at 30 June 2024	**98**	**24,514**	**63**	**6,190**	**2,965**	**33,830**

7.2 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets.

Goodwill has been allocated to the following four groups of CGUs:

	30 June 2024 $000	30 June 2023 $000
Goodwill		
Just Water	5,374	5,374
Hometech	5,850	6,450
The Cylinder Guy	667	667
Health Supplements (About Health, Intenza and Natural Solutions)	12,622	12,622
Net book amount	24,513	25,113

7.2.1 Impairment testing

Intangible and tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, which has an indefinite useful life, is not subject to amortisation and is tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The carrying amount includes all intangible assets, including goodwill, brands and customer relationships where applicable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows a cash-generating unit (CGU) or a group of CGUs where applicable. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

For the year ended 30 June 2024, the fair value less costs of disposal method is used to determine the recoverable amount of all four CGUs. This is a change from value in use method used for Just Water CGU in the prior year. Determination of appropriate post-tax cash flows, terminal growth rates and discount rates for the calculation of the recoverable amount is subjective and requires a number of assumptions to be made, including growth rate in revenue and net profit, timing and quantum of future capital expenditure, working capital, long-term growth and the selection of discount rates to reflect the risks involved.

In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects market assessments of the time value of money and the risks specific to the CGU.

The values assigned to the key assumptions represent management's assessment of future trends and are based on both external and internal sources.

The Group has carried out an annual impairment review of goodwill allocated to each CGU. Cash flows were projected based on a 5-year business model for each CGU. For all four CGUs management's goodwill impairment assessment is based on the approved budgeted cash flows and projected revenue using the average growth rates shown in the table on the next page.

For impairment testing purposes, a terminal growth rate based on the long-term average has been used for all CGUs. Management assumed a baseline growth rate of 2.5% for The Cylinder Guy and Health Supplements, 2.0% for Hometech, and 1.0% for Just Water.

Management believes that revenue growth numbers are realistic and reflect the current economic forecasts. The economic forecasts are future estimates and likely to change on an ongoing basis.

Other factors considered when testing goodwill for impairment include:

- Market competition factors;
- Actual financial performance against budgeted financial performance; and
- Any material unfavourable operational and regulatory factors.

The key assumptions used in the valuation calculations are as follows:

	Terminal growth rate	**Discount rate - post-tax**	**Average revenue growth rate per annum between FY2025 and FY2029**
30 June 2024			
Just Water	1.0%	10.6%	0.1%
Hometech	2.0%	15.2%	2.9%
The Cylinder Guy	2.5%	15.2%	4.2%
Health Supplements	2.5%	13.7%	5.8%

	Terminal growth rate	**Discount rate - post-tax**	**Average revenue growth rate per annum between FY2025 and FY2028**
30 June 2023			
Just Water	1.0%	10.6%	(0.5)%
Hometech	2.5%	15.2%	2.5%
The Cylinder Guy	2.5%	15.2%	7.1%
Health Supplements	2.5%	13.7%	7.2%

Management has conducted impairment testing and determined that the carrying value of the Hometech CGU exceeds its recoverable amount by $600,000. Consequently, an impairment has been recorded for Hometech.

Patents and trademarks Impairment

During the financial year, the Group conducted an impairment review of Unovent's patent and trademark. Impairment testing revealed that their carrying value exceeded the recoverable amount by $332,000. As a result, an impairment charge of $332,000 has been recorded for the Unovent patent and trademark in the financial statements. This impairment has been allocated to the patents' and trademarks' carrying amounts, reducing their value on the balance sheet.

The primary factors contributing to this impairment include changes in market conditions. The company continues to monitor its assets to ensure alignment with strategic goals and market demands. The impairment review is part of our ongoing efforts to accurately reflect the value of our assets and maintain financial transparency.

Sensitivity to changes in assumptions

With regard to the assessment of the recoverable value for the Just Water and The Cylinder Guy CGUs, management believes that the key assumptions outlined above represent an appropriate premise for determining the recoverable amounts, which exceed the carrying values of these CGUs.

The Hometech CGU has been impaired by $0.60m in the current year. Any adverse changes in the key assumptions could result in the updated carrying value materially exceeding the recoverable amount, as illustrated in the table below.

Similarly, adverse changes in the key assumptions used to calculate the recoverable amount of the Health Supplements CGU could also result in a material impairment, as shown in the table below.

Change in inputs	Potential impairment	
	Hometech	**Health supplements**
Post-tax discount rate increased by 1%	$0.60m	$1.31m
Revenue growth reduced by 1%	$0.53m	$1.33m
Terminal growth rate reduced by 1%	$0.41m	$0.82m

7.3 Customer relationships

Customer relationships acquired are amortised over the period of expected future benefit on a straight-line basis. Customer relationships acquired from acquisitions of About Health, Intenza and Natural Solutions are amortised over between 3 and 15 years.

7.4 Brands

Brand names are considered to have indefinite useful lives as the Group has rights to these names in perpetuity. The Group's brand assets are provided below:

Brand	CGU allocated	30 June 2024 $000	30 June 2023 $000
Intenza Limited	Health Supplements	407	407
Natural Solutions Ltd	Health Supplements	96	96
About Health Limited	Health Supplements	1,661	1,661
The Cylinder Guy Limited	The Cylinder Guy	801	801
Total		2,965	2,965

For the purposes of assessing recoverability of health supplements brands, the inputs used in the impairment testing for each brand is identical to the overall health supplements CGU as disclosed in note 7.2.1.

7.5 Assets: Intangible assets other than goodwill

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. All other expenditure is expensed as incurred.

Amortisation is charged to the profit or loss component of the Consolidated Statement of Comprehensive Income over the estimated useful lives of intangible assets unless such lives are indefinite.

Software assets and licenses are recorded as intangible assets unless they are directly related to a specific item of hardware and recorded as property, plant and equipment and amortised over a period of three to four years. Software assets and licenses relate to items where the Group hosts the software and/or owns the source code.

Hometech amortisation on assets is calculated using the diminishing-value method to allocate their cost, over their estimated useful lives, as follows:

	2024	2023
Software/licences	50%	50%

8 Deferred Tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current tax assets of one entity in the Group are offset against a current tax liability of another entity in the Group if, and only if, the entities concerned have a legally enforceable right to make or receive a single net payment and the entities intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

The utilisation of the deferred tax asset relating to temporary differences is dependent on future tax profits in excess of the profits arising from the reversal of existing taxable temporary differences. If it is not probable they will be utilised, the losses are de-recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements on the deferred income tax account are as follows:

	30 June 2024 $000	**30 June 2023 $000**
As at 1 July	**(2,135)**	**(2,172)**
Deferred tax	414	146
Deferred taxes acquired in business combinations	-	(109)
As at 30 June	**(1,721)**	**(2,135)**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdiction, is as follows:

	Accruals $000	Right-of-use Assets $000	Lease liabilities $000	Property plant and equipment $000	Intangible assets $000	Total $000
Deferred tax assets and liabilities						
At 30 June 2022	**442**	**(840)**	**867**	**221**	**(2,862)**	**(2,172)**
Business combinations	-	-	-	-	(109)	(109)
Profit or (loss)	173	(1,043)	1,158	(370)	228	146
As at 30 June 2023	**615**	**(1,883)**	**2,025**	**(149)**	**(2,743)**	**(2,135)**
Profit or (loss)	(42)	155	(79)	200	180	414
At 30 June 2024	**573**	**(1,728)**	**1,946**	**51**	**(2,563)**	**(1,721)**

9 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payments that are based on an index or a rate
• amounts expected to be payable by the lessee under residual value guarantees; and
• payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. If a readily observable amortising loan rate is available with a similar payment profile to the lease, then the group uses that rate as a starting point to determine the incremental borrowing rate and estimation is made for specific lease terms such as term, location and security.

Lease assets are measured at cost comprising the following:

• the amount of the initial measurement of lease liability;
• any lease payments made at or before the commencement date less any lease incentives received;
• any initial direct costs; and
• restoration costs.

9.1 Right of use Assets

Right of use assets are initially measured at cost, which includes the lease liability, lease incentives, initial direct costs, and any make-good costs associated with the lease. These assets are subsequently depreciated on a straight-line basis over the shorter of their useful life or the lease term.

For short-term leases of equipment and leases of low-value assets, payments are recognised as expenses on a straight-line basis in the consolidated income statement. Short-term leases refer to leases with a lease term of 12 months or less. Low-value assets encompass mobile phones and EFTPOS devices, where the value of each asset is less than $5,000 when new. As per the exemptions allowed in NZ IFRS 16, lessees are not required to recognise assets or liabilities for leases of low-value assets in the balance sheet.

The Group exercises judgement in determining the remaining useful lives and residual values of its right of use lease assets. The following are the estimated remaining useful lives and residual values applied by the Group:

• Land and buildings: Up to 20 years
• Equipment: Up to 5 years
• Vehicles: Up to 4 years

These estimated useful lives and residual values are based on assessments made by the Group considering factors such as the nature of the leased assets, expected usage, and any contractual provisions within the lease agreements.

The following tables show the movements and analysis in relation to the right of use assets held by the Group:

	Land and buildings $000	Equipment $000	Vehicles $000	Total $000
As at 30 June 2022				
Cost	3,558	68	70	3,696
Accumulated amortisation	(583)	(57)	(56)	(696)
Net book amount	**2,975**	**11**	**14**	**3,000**
Year ended 30 June 2023				
Opening net book amount	2,975	11	14	3,000
Additions	4,226	56	33	4,315
Disposals	-	(2)	-	(2)
Amortisation charge for the year	(551)	(19)	(18)	(588)
Closing net book amount	**6,650**	**46**	**29**	**6,725**
As at 30 June 2023				
Cost	7,672	56	51	7,779
Accumulated amortisation	(1,022)	(10)	(22)	(1,054)
Net book amount	**6,650**	**46**	**29**	**6,725**
Year ended 30 June 2024				
Opening net book amount	6,650	46	29	6,725
Additions	35	7	7	49
Disposals	-	-	-	-
Amortisation charge for the year	(576)	(11)	(14)	(601)
Closing net book amount	**6,109**	**42**	**22**	**6,173**
As at 30 June 2024				
Cost	7,708	56	56	7,820
Accumulated amortisation	(1,599)	(14)	(34)	(1,647)
Net book amount	**6,109**	**42**	**22**	**6,173**

9.2 Lease liabilities

	30 June 2024 $000	30 June 2023 $000
Lease liabilities		
Current	367	330
Non-current	6,582	6,902
	6,949	**7,232**
Amortisation charge of right of use assets		
Land and buildings	576	551
Equipment	11	19
Vehicles	14	18
	601	**588**
Interest expense	626	573
Short-term leases and expense relating to leases of low-value assets	-	1
Lease payments NZ IFRS 16	953	873
	1,579	**1,447**

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. The lease asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

10 Interest-bearing Liabilities

Interest-bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest-bearing liabilities are subsequently restated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss component of the Consolidated Statement of Comprehensive Income over the period of the interest-bearing liabilities using the effective interest method. Interest-bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

	30 June 2024 $000	30 June 2023 $000
Current interest-bearing loans and borrowings		
Bank overdrafts	361	152
Short-term borrowings	-	-
Bank loans	1,632	1,590
Total current interest-bearing liabilities	**1,993**	**1,742**
Non-current interest-bearing loans and borrowings		
Bank loans	9,095	11,343
Total non-current interest-bearing loans and borrowings	**9,095**	**11,343**
Total interest-bearing loans and borrowings	**11,088**	**13,085**

The movement of financing activities, excluding bank overdraft, is detailed as below:

	30 June 2024 $000	30 June 2023 $000
Balance at beginning of the year	12,933	20,268
Proceeds from borrowings	17,178	9,045
Repayment of borrowings	(19,384)	(16,380)
Interest charged	1,013	1,090
Interest paid	(1,013)	(1,090)
Total liabilities from financing activities	**10,727**	**12,933**

The Group is subject to a number of covenants under its banking agreements. During the year the Group complied with all of the required covenants and the directors believe that the Company will remain in compliance with all bank covenants in the foreseeable future.

The net bank facility drawn as at year end was $11,088,000 (2023: $13,127,000); the undrawn banking facility at year end was $6,555,000 (2023: $6,148,000).

The bank facility agreements are as follows:

	Maturity date	30 June 2024 $000
Facility Agreement A	1 July 2027	3,443
Facility Agreement D	1 July 2027	13,200
Just Life Group facility - loan and overdraft	On demand	1,000
		17,643

Facility agreement A has monthly repayments totalling $136,000. Facility Agreement D does not have a designated repayment obligation until its maturity.

The bank loans and overdrafts are secured by a general security agreement over all of the Group assets and cross guarantees between the entities.

The effective interest rates at the balance date were as follows:

	Group as at 30 June 2024	Group as at 30 June 2023
Bank overdraft	10.19%	10.14%
Bank loans	9.06%%	4.29% - 9.28%

11 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid at year end. The amounts are unsecured and are generally paid within normal terms of trade. Trade payables are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

	30 June 2024 $000	**30 June 2023 $000**
Trade payables	2,447	2,245
Related-party payables	-	1
Accrued expenses	1,266	1,251
Total trade and other payables	**3,713**	**3,497**

12 Related Parties Transactions

Key management personnel include the Group's Board of Directors (executive and non-executive) and senior management.

Senior management is defined as the CEO and personnel that report directly to the CEO. Senior management personnel include 4 key senior management in 2024 (2023: 5 key senior management).

	30 June 2024 $000	**30 June 2023 $000**
Short-term employee benefits	1,061	1,165
KiwiSaver	24	28
Long-term benefits	19	2
Directors' fees	245	237
Total compensation paid to key management personnel	**1,349**	**1,432**

Outstanding balance of senior management personnel entitlements as at 30 June 2024 is $67,000 (2023: $85,300). Balances are settled in cash. Refer to note 4.4 for options issued to key management personnel of the Group.

Related parties transactions included in trade and other payables

The Group's ultimate parent is The Harvard Group Limited, which owns or has voting entitlements for 83.09% of the Company's shares. The remaining 16.91% is widely held. The Group's ultimate controlling party is Tony Falkenstein.

Pure SEO Limited, a company of which Tony Falkenstein and Ian Malcolm are directors and indirect shareholders, provided internet search engine optimisation services to the Group during the financial year to the value of $0 (2023: $31,000). As at balance date the Group had a trade payable balance of $0 (2023: $0).

Carver Management Limited, a company of which Richard Carver is a director provided services to the Group during the financial year to the value of $1,200 (2023: $1,500). As at balance date the Group had a trade payable balance of $0 (2023: $0). Richard retired on 13 June 2024.

Milestone Group Limited, a company of which Richard Carver is a director, provided services to the Group during the financial year to the value of $400 (2023: $600). As at balance date the Group had a trade payable balance of $0 (2023: $100). Richard retired on 13 June 2024.

Jennian Holdings Ltd, a company of which Richard Carver is a director, provided services to the Group during the financial year to the value of $8,000 (2023: $5,300). At balance date the Group had $300 (2023: $1,200) balances payable in respect of this related party. Richard retired on 13 June 2024.

13 Contract Liabilities

Contract liabilities represent the deferred water solution revenue, Hometech revenue and The Cylinder Guy revenue where an invoice has been raised but performance obligation has not been fulfilled at year end.

The contract liabilities balance at year end is $171,000 [2023: $221,000]. The balance from the previous financial year has been recognised as revenue during the current year when the performance obligation had been fulfilled. Payment terms for Hometech and The Cylinder Guy contracts within 12 months of fulfilment of performance obligations and the transaction price have not been adjusted for any effects of significant financing component.

14 Employee Benefits

14.1 Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of balance date, are measured at the amounts expected to be paid when the liabilities are settled and recognised as an employee cost. Liabilities yet to be settled are recognised as accrued expense at balance date.

14.2 KiwiSaver

KiwiSaver is a voluntary savings initiative administrated by the Inland Revenue. The Group makes contributions to eligible employees at the compulsory rate of 3% of eligible employee’s gross salary or wages as required by the KiwiSaver Act 2006.

Deductions for enrolled members to the KiwiSaver scheme are made from the employees’ gross salary or wages. The Group’s contributions are recognised as employee costs when related salaries and wages are accrued. Contributions to KiwiSaver amounted to $172,000 in 2024 (2023: $169,000).

15. Financial Risk Management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

	Exposure arising from	Measurement	Management
Market risk -3 foreign exchange	Future inventory purchases not domiciled in NZD. Recognised financial assets and liabilities not denominated in NZD	Cash flow forecasting Sensitivity analysis	Foreign currency forward contracts
Market risk - interest rates	Long - term borrowings at variable rates	Sensitivity analysis	Fixed rate loans
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments	Credit ratings	Diversification of bank deposits, credit limits and use of stop credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is predominantly controlled by the corporate (parent) function under policies approved by the Board of Directors. Group corporate identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, guidance covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

15.1 Derivatives

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This results in the Group recognising inventory at the fixed foreign currency rate for hedged purchases. Fair value of the derivatives at year end was disclosed in the Consolidated Statement of Financial Position. As of 30 June 2024, the Group holds derivative assets with a fair value of $11,000 (2023: $10,000).

Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group designates the change in fair value of the forward contracts as the hedging instrument. Gains and losses relating to the effective portion of the change in fair value of the forward contract are recognised in the cash flow hedge reserve within equity.

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. The Group does not hedge 100% of forecast foreign currency purchases therefore the Group performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of New Zealand or the derivative counterparty.

Hedging reserves

The group's hedging reserves relate to the following hedging instruments:

As at 30 June 2024	**USD $000**	**AUD $000**	**EUR €000**
Amount of purchases hedged			
Foreign currency	957	500	5
Notional amount			
Foreign currency forwards	(957)	(500)	(5)

As at 30 June 2023			
Amount of purchases hedged			
Foreign currency	634	414	15
Notional amount			
Foreign currency swaps	(634)	(414)	(15)

All hedging instruments have a maturity of less than 12 months.

	Foreign currency forwards $000	Total hedge reserves $000
Opening balance 1 July 2022	**135**	**135**
Movement in fair value of hedging instrument recognised in OCI	(123)	(123)
Closing balance 30 June 2023	**12**	**12**
Opening balance 1 July 2023	**12**	**12**
Movement in Fair value of hedging instrument recognised in OCI	1	1
Closing balance 30 June 2024	**13**	**13**

15.2 Market risk

Foreign exchange risk
The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	30 June 2024			30 June 2023		
	USD $000	AUD $000	EUR €000	USD $000	AUD $000	EUR €000
Pre-payments	13	-	-	5	-	-
Trade payables	92	63		-	20	-
Foreign currency forward contracts						
Cash flow hedges	956	500	5	634	414	15

Instruments used by the Group

The Group use international suppliers and is exposed to foreign exchange risk, primarily USD and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable expenditures in foreign currency. The risk is hedged with the objective of minimising the volatility of the New Zealand currency cost of highly probable forecast inventory purchases.

The Group treasury's risk management policy is to hedge between 70% and 80% of forecast foreign currency cash flows for inventory purchases up to one year in advance, subject to a review of the cost of implementing each hedge. For the year ended 30 June 2024, approximately 80% of inventory purchases were hedged in respect of foreign currency risk.

The Group uses foreign currency forward contracts to hedge its exposure to foreign currency risk. Under the Group's policy the critical terms of the forwards must align with the hedged items. The nominal value of forward exchange contracts at balance date was $2,181,000 (2023: $1,528,000).

The fair value movements in the forward element of the foreign currency forward contracts that relate to hedged items are deferred in the hedging reserve.

	30 June 2024	30 June 2023
Weighted average hedged rate for the year (including forward points)		
USD	0.6042	0.6129
AUD	0.9081	0.8860
EUR	0.5454	0.5771

Sensitivity

The majority of the Group's forward currency hedges are domiciled in USD. This constituted 74% of all foreign currency hedges as of 30 June 2024.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges. There were no remaining USD denominated trade payables at the end of the financial year 2024, resulting in a nil balance.

	Effect on profit before tax	Effect on equity
Year ended 30 June 2024		
USD/NZD exchange rate - cross rate decreases by 10%	3	-
USD/NZD exchange rate - cross rate increases by 10%	(3)	-
Year ended 30 June 2023		
USD/NZD exchange rate - cross rate decreases by 10%	-	-
USD/NZD exchange rate - cross rate increases by 10%	-	-

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to assess the expected principal repayment profile of its borrowings and enter into fixed rate loans to achieve an interest rate profile that is acceptable to the directors, taking forecasts and economic projections into consideration. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. The Group's borrowings are only denominated in New Zealand dollars.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see below) and to that extent are also exposed to the risk of future changes in market interest rates.

Bank loans currently in place have variable interest rates. The remaining bank borrowings are at a variable rate of 1.25% above the 90-day bank bill rate (2023: 1.25%). The bank overdrafts are exposed to a floating interest rate.

Sensitivity

Profit or loss is sensitive to higher/lower interest charges on borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	30 June 2024 $000	30 June 2023 $000
Interest rates - increase by 100 basis points	(111)	(131)
Interest rates - decrease by 100 basis points	111	131

15.3 Credit risk

Credit risk arises from favourable derivative financial instruments and cash and cash equivalents, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

Risk management

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, line management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by senior management. The compliance with credit limits by customers is regularly monitored by line management.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Security

For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

• trade receivables for sales of inventory and from the provision of services

• contract work in progress assets relating to unbilled works in progress.

While cash and cash equivalents are also subject to the impairment requirements of NZ IFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract work in progress

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and work in progress.

To measure the expected credit losses, trade receivables and work in progress have been grouped based on shared credit risk characteristics and the days past due.

Unbilled work in progress has the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the work in progress.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 30 June 2024 and 30 June 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified construction industry volatility as a relevant factor and thus having an effect on customers' ability to make payments when due. The Group accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for both trade receivables and work in progress:

	Healthy Living $000	Healthy Homes $000	Total $000
30 June 2024			
Gross carrying amount - trade receivables	1,871	943	2,815
Contract work in progress	-	249	249
Total financial assets	1,871	1,192	3,064
Loss allowance	12	1	13
Specific provision	81	52	133
Provision for loss receivables	**93**	**53**	**146**
Expected loss rate	0.6%	0.1%	0.4%
30 June 2023			
Gross carrying amount - trade receivables	1,604	1,241	2,845
Contract work in progress	13	285	298
Total financial assets	1,617	1,526	3,143
Loss allowance	11	-	11
Specific provision	106	9	115
Provision for loss receivables	117	9	126
Expected loss rate	0.7%	0.0%	0.4%

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

15.4 Liquidity risk

Prudent liquidity risk management implies maintaining the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (Note 3) on the basis of expected cash flows.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period of $6,562,000 (2023: $6,148,000).

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

• all non-derivative financial liabilities, and

• net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table below are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities As at 30 June 2024	**Less than 6 months $000**	**6-12 months $000**	**Between 1 and 2 years $000**	**Between 2 and 5 years $000**	**More than 5 years $000**	**Total contractual cash flows $000**
Trade and other payables	3,713	-	-	-	-	3,713
Borrowings (excluding short-term borrowings)	-	-	2,076	9,494	-	11,570
Bank overdraft	361	-	-	-	-	361
Lease liabilities	488	487	984	2,723	8,447	13,130
Short-term borrowings	1,038	1,038	-	-	-	2,076
Total non-derivatives	**5,600**	**1,525**	**3,060**	**12,217**	**8,447**	**30,850**

Contractual maturities of financial liabilities As at 30 June 2023	**Less than 6 months $000**	**6 -12 months $000**	**Between 1 and 2 years $000**	**Between 2 and 5 years $000**	**More than 5 years $000**	**Total contractual cash flows $000**
Trade and other payables	3,497	-	-	-	-	3,497
Borrowings (excluding short-term borrowings)	-	-	-	14,794	-	14,794
Bank overdraft	152	-	-	-	-	152
Lease liabilities	473	471	943	2,751	7,300	11,938
Short-term borrowings	1,110	1,110	-	-	-	2,220
Total non-derivatives	5,232	1,581	943	17,545	7,300	32,601

15.5 Fair value hierarchy

Under NZ IFRS 13, the disclosure of fair value measurements by level of fair value hierarchy is required. The Group regularly reviews the fair value hierarchy classification and adjusts it as needed based on new information and changes in market conditions that could impact fair value measurement categorisation. The fair value measurements are classified into three levels based on the inputs used in the valuation techniques.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

Impairment testing noted in Note 7.2 is performed using the fair value less costs of disposal method which falls under level 3 of the fair value hierarchy. The Group holds derivatives asset which falls under level 2 of the fair value hierarchy.

16. Other Information

16.1 Expenses

	30 June 2024 $000	30 June 2023 $000
Continuing operations	28,887	29,157
Total expenses (excluding interest, tax, depreciation and amortisation)	**28,887**	**29,157**
INCLUDED IN OTHER EXPENSES		
Directors' fees	245	237
Donations	2	7
Loss on disposal of property, plant and equipment and intangibles	61	107
Operating lease payments	-	1
Total employee costs	10,539	10,447
ACQUISITION COSTS		
Acquisition costs in respect of the purchase of Natural Solutions	-	55
Total acquisition costs	**-**	**55**
AUDITOR'S FEES		
During the year the following fees were paid or payable for services provided by the Group's auditor, PwC		
Audit of the consolidated financial statements	288	273
Total assurance services	**288**	**273**
OTHER SERVICES		
Tax compliance and associated advisory services	26	42
Total other services	**26**	**42**
Total remuneration to PwC	**314**	**315**

16.2 Financial instruments

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Purchases and sales of financial assets are recognised on trade date - being the date on which the Group commits to purchase or sell the asset.

16.3 Other disclosures

16.3.1 Changes in accounting policies and interpretation

New and amended accounting standards and interpretations adopted

During the year, a new standard was implemented with amendments to NZ IAS 1, requiring entities to disclose material accounting policy information instead of significant accounting policies. As a result, immaterial accounting policies were removed from the financial statements.

New and amended accounting standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group.

These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods, nor on foreseeable future transactions.

16.3.2 Good and Services Tax (GST)

The Statement of Comprehensive Income have been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced. All items in the cash flow statement are stated exclusive of GST.

16.3.3 Contingent liabilities

There were no contingent liabilities for the Group at 30 June 2024 (2023: nil).

16.3.4 Commitments

The Group has capital commitments and capital expenditure contracted but not recognised as at year end, these are as below.

	30 June 2024 $000	**30 June 2023 $000**
Vehicles	64	318
Bottles	164	46
Water coolers	219	79
Total commitments	**447**	**443**

All capital commitments are payable within one year.

16.3.5 Events after Balance Date

Dividend

Subsequent to year end, the Board of Directors resolved to pay a fully imputed final dividend for the year ended 30 June 2024 of 0.3 cents per share payable to the shareholders to be recorded on the share register as at 7 October 2024. The dividend will be paid on 14 October 2024.

The Executive and director Share Option Scheme

On 1 July 2024, the Group issued 1,000,000 options under its Executive and Director Share Option Scheme after the balance date. These options were offered to selected key personnel to retain and incentivise them. Holders can exercise the options between 1 July 2024 and 30 June 2026, subject to continued employment. The exercise price is 20 cents per option, and upon exercise, the company will issue equivalent ordinary shares.

16.3.6 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

		Country of incorporation	Class of shares	Equity holdings % 2024	Equity holdings % 2023
Trading					
HJD Properties Limited	Entity holding property	New Zealand	Ordinary	100	100
About Health Supplements Limited	Operating entity	New Zealand	Ordinary	100	100
Intenza New Zealand Limited	Operating entity	New Zealand	Ordinary	100	100
Natural Solutions NZ Limited	Operating entity	New Zealand	Ordinary	100	100
Non-trading					
Vitamist Limited (previously MBO Direct Limited)	Non-trading entity	New Zealand	Ordinary	100	100
Designer Tanks Limited	Operating entity	New Zealand	Ordinary	100	60
Just Water Limited	Non-trading entity	New Zealand	Ordinary	100	100
Just Water New Zealand Limited	Non-trading entity	New Zealand	Ordinary	100	100
Just Water International Limited	Non-trading entity	New Zealand	Ordinary	100	100
MBO Partners Limited	Non-trading entity	New Zealand	Ordinary	100	100
The Cylinder Guy Limited (previously Just MBO Limited)	Non-trading entity	New Zealand	Ordinary	100	100
Solatube New Zealand Limited	Non-trading entity	New Zealand	Ordinary	100	100
Unovent Limited	Non-trading entity	New Zealand	Ordinary	100	100

Note: in most cases the above entities are incorporated for the purpose of name protection.

Independent auditor's report

To the Shareholders of Just Life Group Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Just Life Group Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our firm carries out other services for the Group in the areas of tax compliance and associated advisory services. The provision of these other services and relationships have not impaired our independence as auditor of the Group.

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 of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Goodwill impairment testing As disclosed in note 7.2, the Group carries goodwill of $24.5m as at 30 June 2024. This is allocated across four cash generating units (CGUs). Goodwill impairment assessment is an area of focus for the audit as there is significant judgement exercised by management to: ● identify the appropriate cash generating unit to allocate goodwill to; ● estimate the future cash flows of the CGUs; ● allocate shared costs to CGUs; and ● determine the appropriate discount rates and terminal growth rates. As disclosed at note 7.2.1, the Group's impairment assessment resulted in an impairment of $600,000 being recognised in respect of the Hometech CGU. No impairment was identified for the other CGUs. Goodwill impairment assessment is a key audit matter because the asset value is significant to the consolidated statement of financial position and there is significant judgement and estimation involved in assessing the recoverable amount of each CGU using a complex calculation.	For each CGU we: ● obtained an understanding of the processes and controls in place for assessing the recoverability of goodwill and confirmed their implementation at year end; ● reviewed management's assessment of CGUs and compared this to our knowledge and understanding of the Group's operations and reporting structure; ● obtained the calculations performed by management and understood the assumptions used in light of the current and forecast outlook for the business; ● used our auditor's expert to independently review the discount and terminal growth rates; ● performed sensitivity analysis on the impact of changing key assumptions to consider whether any reasonably possible changes could result in impairment of goodwill; ● considered the allocation of shared costs to each CGU; ● performed look back analysis to test the historical accuracy of management forecasts; and ● audited the disclosures in the financial statements to ensure they are compliant with the requirements of the relevant accounting standards.

Our audit approach

Overview

Overall group materiality: $155,000, which represents approximately 5% of the average profit before tax from continuing operations over the last three years.

We chose an average of profit before tax from continuing operations over the last three years as the benchmark because of volatility in the Group's results and because, in our view, profit before tax is the benchmark against which the performance of the Group.

We performed a full scope audit over the consolidated financial information of the Group.

As reported above, we have one key audit matter, being:

- Goodwill impairment testing

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated 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 to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 the consolidated financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

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

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
16 September 2024

Christchurch

Statutory Information

Statutory Information

Business activities

The Group's business activities are focused on enhancing lives providing premium products and services focused on the healthy living and healthy homes market sectors. Within the healthy living market segment, it provides filtered water solutions through Just Water and natural health supplements through About Health, Intenza and Natural Solutions. The Group provides solutions to healthier homes through its premium Solatube daylighting products, patented Unovent home ventilation systems, the provision of hot water solutions through The Cylinder Guy and ventilation solutions through Hometech.

Dividend

The total dividend for the year ended 30 June 2024 was 0.6 cents per share (2023: 1.9 cents per share).

Donations

During the period ended 30 June 2024, the Group made a total of $1,681 donations (2023: $7,472).

Stock exchange listing

The shares of Just Life Group Limited are listed on the USX Market. The ticker code is JLG.

Directors

The persons holding office as Directors of the Company as at 30 June 2024 were as follows:

Tony Falkenstein	ONZM
Anthony Gadsdon	CMInstD
Ian Malcolm	CMInstD
Melissa Crawford	CMInstD
Eldon Roberts	CMInstD

Remuneration of Directors

Executive Directors do not receive directors’ fees. Directors’ remuneration paid during the year as follows:

Board of Directors	2024 $000	2023 $000
P. Norman (Chair) (Resigned June 2024)	78	79
A.E. Falkenstein	-	-
I. Malcolm (Appointed June 2024)	1	19
R. Carver (Resigned June 2024)	55	55
L. Jacobs (Resigned June 2024)	55	53
S. Bayliss (Resigned June 2024)	48	31
A. Gadsdon (Appointed June 2024)	1	-
M. Crawford (Appointed June 2024)	7	-
E. Roberts (Appointed June 2024)	-	-

Other remuneration of directors

	2024 $000	2023 $000
A. E. Falkenstein (CEO remuneration)	273	268
E. Roberts (CFO/COO remuneration)	278	283

Directors’ Interest in Transactions

The following are transactions recorded in the interests register for the year. During the year ended 30 June 2024 the Group transacted with organisations in which a director has an interest. These transactions have been carried out on a commercial arms-length basis and are as follows:

Pure SEO Limited, a company of which Tony Falkenstein and Ian Malcolm are directors and indirect shareholders, provided internet search engine optimisation services to the Group during the financial year to the value of $0 (2023: $31,000). As at balance date the Group had a trade payable balance of $0 (2023: $0).

Carver Management Limited, a company of which Richard Carver is a director provided services to the Group during the financial year to the value of $1,200 (2023: $1,500). As at balance date the Group had a trade payable balance of $0 (2023: $0). Richard retired on 13 June 2024.

Milestone Group Limited, a company of which Richard Carver is a director, provided services to the Group during the financial year to the value of $400 (2023: $600). As at balance date the Group had a trade payable balance of $0 (2023: $100). Richard retired on 13 June 2024.

Jennian Holdings Ltd, a company of which Richard Carver is a director, provided services to the Group during the financial year to the value of $8,000 (2023: $5,300). At balance date the Group had

$300 (2023: $1,200) balances payable in respect of this related party. Richard retired on 13 June 2024.

Remuneration of employees

The number of Group employees or former employees (not including Directors) whose remuneration during the financial year exceeded $100,000 was as follows:

		Group
$000	**2024**	**2023**
100-110	7	6
111-120	2	3
121-130	4	2
131-140	-	2
141-150	3	1
151-160	-	1
161-170	1	1
201-210	-	1
231-250	2	1
261-270	-	1
271-290	2	1

Auditor's remuneration

In accordance with Section 211(1) of the Companies Act 1993, the auditors, PricewaterhouseCoopers, continue in office. Their audit remuneration and fees paid for other services are detailed in Note 16.1 of the Notes to the Consolidated Financial Statements.

Share dealings of Directors

There were no share dealings of Directors for the year ended 30 June 2024.

Directors' loans

There were no loans by the Group to any Directors during the 2024 financial year or at balance date.

Directors' insurance

The Group has arranged policies for Directors' liability insurance which, with a Deed of Indemnity, ensures that generally Directors will incur no monetary loss as a result of actions undertaken by them as Directors. Certain actions are specifically excluded; for example, the incurring of penalties and fines that might be imposed in respect of breaches of the law.

Subsidiary company directors

The following people held office as directors of subsidiary companies as at 30 June 2024:

Anthony Edwin Falkenstein: Vitamist Limited, Just Water Limited, Just Water New Zealand Limited, MBO Partners Limited, Just Water International Limited, The Cylinder Guy Limited, HJD Properties Limited, Unovent Limited, Sola-tube New Zealand Limited, Designer Tanks Limited, About Health Supplements Limited, Intenza New Zealand Limited, Natural Solutions NZ Limited.

Eldon David Roberts: Vitamist Limited, Just Water Limited, Just Water New Zealand Limited, MBO Partners Limited, Just Water International Limited, The Cylinder Guy Limited, HJD Properties Limited, Unovent Limited, Sola-tube New Zealand Limited, Designer Tanks Limited, About Health Supplements Limited, Intenza New Zealand Limited, Natural Solutions NZ Limited.

None of the above directors receive any remuneration or other benefits for their role as directors of the above subsidiary companies.

Use of Company information by Directors

Pursuant to Section 145 of the Companies Act 1993, there were no recorded notices from directors requesting to use Company information received in their capacity as directors that would not otherwise have been available to them.

Annual Meeting

The Company's Annual General Meeting will be held in Auckland on 1 December 2024 at 11:00 a.m. A notice of Annual Meeting and Proxy Form will be circulated to shareholders at least 20 working days before the meeting.

Credit rating

The Company has no credit rating.

Statutory disclosures in relation to shareholders

Top 20 Largest Holdings List as at 30 June 2024

Rank	Shareholder name	Number of shares	%
1	The Harvard Group Limited	70,487,964	72.61%
2	Springfresh Marketing Pty Limited	4,618,505	4.76%
3	Anthony Edwin Falkenstein & Ian Donald Malcolm	3,458,894	3.56%
4	Anthony Edwin Falkenstein & Christopher Roy Saunders	2,116,827	2.18%
5	Anthony Edwin Falkenstein & Jayne Maree Godfrey	2,116,827	2.18%
6	Eldon David Roberts & Sheena Meryl Roberts	2,018,500	2.08%
9	Heather Jeanette Falkenstein & Ian Donald Malcolm	1,342,068	1.38%
7	Ace Finance Limited	1,196,404	1.23%
8	Custodial Services Limited	1,160,624	1.20%
10	Anthony Edwin Falkenstein	831,190	0.86%
11	Maurice William O`Reilly & Anne Therese O`Reilly	797,655	0.82%
12	Brent Hayden Roberts	605,192	0.62%
13	Brian Arthur Kelly & Roxanne	478,067	0.49%
14	Clyde Christopher Cooper & Farida Clyde Cooper	466,287	0.48%
15	Clyde Christopher Cooper & Farida Clyde Cooper	456,955	0.47%
16	Brian Kelly Limited	324,094	0.33%
17	Colin Glenn Giffney	247,075	0.25%
18	Jeffrey Horn & Bernadette Mccarthy	232,959	0.24%
19	Forsyth Barr Custodians	219,184	0.23%
20	Richard Alexander Coutts	214,286	0.22%

Holding range as at 30 June 2024

Range of equity holdings	Number of holders	Issued capital	%
1-1,000	231	41,012	0.04%
1,001-5,000	123	294,525	0.30%
5,001-10,000	34	272,492	0.28%
10,001-50,000	61	1,287,548	1.33%
50,001-100,000	8	582,550	0.60%
Greater than 100,000	29	94,600,423	97.45%
	486	**97,078,550**	**100.0%**

Substantial product holders

Section 293 of the Financial Markets Conduct Act 2013 requires disclosure of the substantial product holders in Just Life Group Limited. As at 30 June 2024, the substantial product holders of the Company and their relevant interests in the Company shares were as follows:

Substantial product holders	Date of notice	Number of shares held	%
The Harvard Group Limited	15-Dec-21	70,487,964	72.61%
Springfresh Marketing Pty Limited	28-Sep-10	4,618,505	4.76%
Anthony Edwin Falkenstein and Jayne Maree Godfrey as trustees of the Falkenstein University of Auckland Business School Charitable Trust	15-Dec-21	2,116,827	2.18%
Anthony Edwin Falkenstein and Christopher Roy Saunders as trustees of the Falkenstein Onehunga Business School Charitable Trust	15-Dec-21	2,116,827	2.18%
Anthony Edwin Falkenstein and Ian Donald Malcolm as trustees of the Edwin Trust as bare trustee for Anthony Edwin Falkenstein and Leon Fourie as trustees of the Falkenstein Unitec Business School Charitable Trust	15-Dec-21	1,458,994	1.50%
Anthony Edwin Falkenstein and Ian Donald Malcolm as trustees of the Edwin Trust	15-Dec-21	1,342,067	1.38%
Heather Jeanette Falkenstein and Ian Donald Malcolm as trustees of the Jeanette Trust	15-Dec-21	1,342,068	1.38%
Anthony Edwin Falkenstein	15-Dec-21	831,190	0.86%
Melt Investments Limited	15-Dec-21	150,029	0.15%
Anthony Edwin Falkenstein and Ian Donald Malcolm as trustees of the Edwin Trust as bare trustee for The Harvard Group Limited	15-Dec-21	124,393	0.13%
Anthony Edwin Falkenstein Heather Jeanette Falkenstein and Mairangi 2008 Limited as trustees of the Mairangi Trust	15-Dec-21	26,461	0.03%

Directory

As at 31 July 2024

Directors

Tony Falkenstein
Chair, Executive Director

Anthony Gadsdon
Independent Director

Ian Malcolm
Non-Executive Director

Melissa Crawford
Independent Director

Eldon Roberts
Executive Director

Executive Management

Tony Falkenstein
Chief Executive Officer

Eldon Roberts
Chief Financial Officer / Chief Operating Officer

Luan Howitt
General Manager – Healthy Homes

Katie Ludman
General Manager – Healthy Living

Share Registry

MUFG Pension & Market Services

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Fax +64 9 375 5990

Registered Office and Address for Service

103 Hugo Johnston Drive
Penrose
Auckland 1061
New Zealand

Tel + 64 9 630 1300

Postal Address

Private Bag 92811
Penrose
Auckland 1642
New Zealand

Auditors

PricewaterhouseCoopers

Bankers

Bank of New Zealand

Solicitors

Harmos Horton Lusk
Jackson Russell

Just Life Group on the Web

www.justlifegroup.co.nz
www.justwater.co.nz
www.justwaterfilters.co.nz
www.hometech.co.nz
www.solatube.co.nz
www.herbalignite.com
www.cylinderguy.co.nz
www.abouthealth.co.nz
www.naturalsolutions.co.nz


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