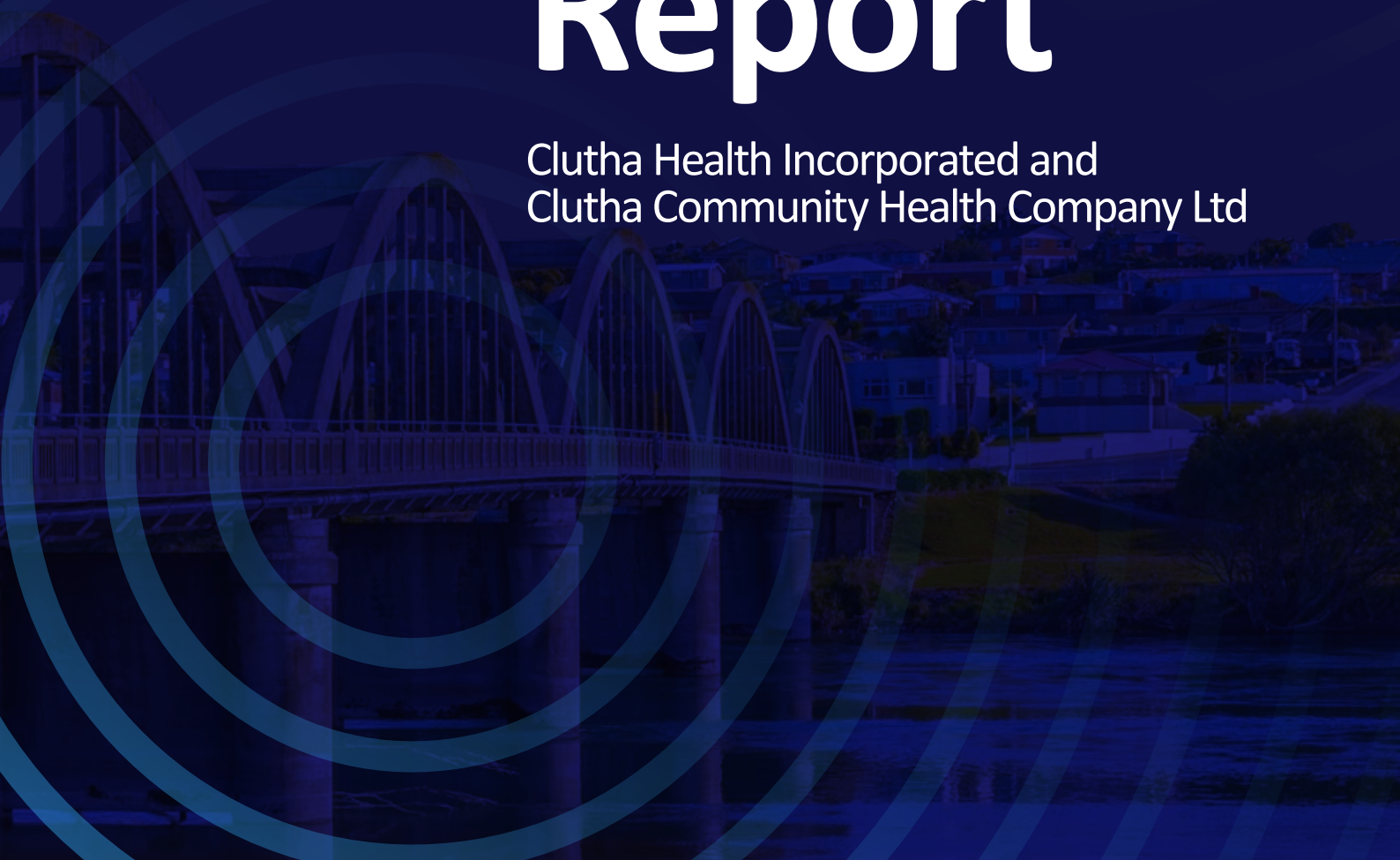
Clutha Health First
Hauora Tahi Ki Iwikatea
Community Health

CLUTHA HEALTH INC
Iwikatea Hauora Inc

2024-2025

Annual Report

Clutha Health Incorporated and
Clutha Community Health Company Ltd



CONTENTS

Chairman's Report

Clutha Health Incorporated

On behalf of the Board of Trustees of Clutha Health Incorporated (CHI) I am pleased to be able to present the 2024/2025 Annual Report. This will be the last Annual Report from CHI.

Clutha Health Incorporated has a number of very important roles and duties to perform for you, the people of the Clutha District, in order to aid in the delivery of the best possible health services. We do this in conjunction with Clutha Community Health Company Limited (CCHCL) who trade as Clutha Health First (CHF), who deliver the clinical services that you have available to you from the Charlotte/Clyde Street health campus. CCHCL is 100 percent owned by CHI so the combined service is in the district's ownership.

CHI owns and maintains the buildings at the CHF facility together with the staff housing that we have purchased as an inducement to attract staff for CHF. We do this in conjunction with CCHCL through memorandums of understanding and contractual agreements between the two parties.

CHI leases the buildings to CHF from which they deliver the health services to the patients. The income from the building leases is used to maintain the facilities and support some health initiatives.

We appoint the Directors to the CCHCL Board and have always been immensely pleased with the calibre and dedication of those who apply for the board positions. Their skills and that of the management and staff are the primary reason for the success of CHF as a health provider in what can be described as testing environment nationwide. Conway Powell retired from the board of CCHCL at the last AGM after a long period of valuable governance. We re-appointed Leanne Samuel to the board and she is joined by Kathy Grant, who are both very experienced in the health and governance areas.

We have financially assisted a number of organisations to deliver health related services in the community. We committed to support Big River Kahui Ako with $10,000 per year for three years to deliver counsellor services into 11 of the district's primary schools. We have continued our support of the South Otago Health Support Trust in the voucher programme that assists people, who for cost reasons, may not be able to access the health care they require. We have agreed to pay for a relationship counsellor on a per usage basis. This service will be provided under the control of CHF.

As I mentioned this will be the last CHI Annual Report. By the time that you read this we should be known as Clutha Health Trust (CHT). The purpose and function will be the same as CHI but delivered by a smaller group of trustees who will be appointed by a robust and transparent process overseen by an independent chair. These changes were driven by the requirements of the changing of the Incorporated Societies legislation. CHI along with our legal advisor, Anne McLeod of Anderson Lloyd, reached the conclusion after due research and deliberation that the health trust, CHT, would serve us better. As a community or patient, your interaction with your health provider CHF will be the same high standard you have come to expect.

I must thank my fellow trustees of CHI for their work on your behalf. Some have chosen to retire and not continue on to be trustees of CHT but their work over the years has been appreciated by me, and though often unseen, should be appreciated by the Clutha District community.

Finally, again we the trustees of CHI on your behalf would like to thank Bill Thomson the Chairman of CCHCL and the directors for their dedication to the governance of CHF. Special mention must also go to Gary Reed, his management team and the hospital staff who you see the most often for their high standard of health delivery to the people of the Clutha District.

Hamish Anderson
Chairman
Clutha Health Incorporated

Clutha Health Incorporated

Annual Report
For the Year ended 30 June 2025

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

SHAND THOMSON

Clutha Health Incorporated

Annual Report
For the Year ended 30 June 2025

Contents

The Trustees hereby approve the financial statements for the year ended 30 June 2025
for and on behalf of the Board of Trustees:

Hamish Anderson (Chairman - Trustee)

2 October 2025

Crowe New Zealand Audit Partnership
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Dunedin 9016
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INDEPENDENT AUDITOR'S REPORT

To the Board of Clutha Health Incorporated

Opinion

We have audited the consolidated general purpose financial report of Clutha Health Incorporated (the Incorporated Society) and its controlled entities (the Group) which comprise the consolidated financial statements on pages 7 to 16, and the service performance information on page 6 . The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

- the consolidated financial position of the Group as at 30 June 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the consolidated service performance of the Group for the year ended 30 June 2025 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Information Other Than the Consolidated General Purpose Financial Report and Auditor's Report

The Board are responsible for the other information. The other information comprises the information on page 5 but does not include the consolidated general purpose financial report and our auditor's report thereon.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.

Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

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Our opinion on the consolidated general purpose financial report 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 general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated general purpose financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Board' Responsibilities for the Consolidated General Purpose Financial Report

The Board are responsible on behalf of the Group for:

(a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare consolidated service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime; and

(c) such internal control as the Board determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated general purpose financial report, the Board 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 Board either intend to liquidate the Incorporated Society or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole and the consolidated service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 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 decisions of users taken on the basis of this consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the consolidated service performance information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Obtain an understanding of the process applied by the entity to select what and how to report its consolidated service performance.

- Evaluate whether the service performance criteria are suitable so as to result in consolidated service performance information that is in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated general purpose financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and service performance information in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business activities within the Group to express an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Group's Board, as a body. Our audit has been undertaken so that we might state to the Group's Board those matters 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 Group and the Group's Board as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Dunedin this 2nd day of October 2025

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Clutha Health Incorporated

Entity Information
As at 30 June 2025

Entity Information

Legal Name of Entity:

Clutha Health Incorporated

Entity Type:

The entity is incorporated in accordance with the Incorporated Societies Act No 887717. It is a registered charity under the Charities Act 2005.

Entity Structure:

Board of Trustees with up to 10 Trustees; five elected by the community (residents of the Clutha District), three elected by the facility, one appointed each by Local Iwi and Clutha District Council.

Registration Numbers:

Inland Revenue: 069-423-620
Charities Commission: CC11365

Contact Details:

Physical Address: 9|11 Charlotte Street, Balclutha
Postal Address: P O Box 46, Balclutha
Phone: 03 4190500
Email: Christine.Cutler@chf.co.nz
Website: www.cluthahealth.co.nz

Board Members:

Hamish Anderson (Chairperson)
Helen Keen
Jolene Ollerenshaw
Kate Anderson
Phil Atkinson
Paul Hanlon (retired 20 November 2024)
Ruth Baldwin
Sarah Hayward
Shelley Milne
Michele Kennedy

Accountants:

Shand Thomson

Auditors:

Crowe New Zealand Audit Partnership

Bankers:

Bank of New Zealand

The Trustees hereby approve the financial statements for the year ended 30 June 2025 for and on behalf of the Board of Trustees:

Hamish Anderson (Chairman - Trustee)
2 October 2025

Clutha Health Incorporated

Statement of Service Performance
For the Year ended 30 June 2025

Purpose

Clutha Health Incorporated's (CHI) purpose is to facilitate the provision of close to home health services for the Clutha District.

CHI is a shareholding entity and a commercial landlord. CHI owns:

- 100% of Clutha Community Health Co Ltd (CHF), a charitable company that provides health services to the Clutha District, and
- the land and buildings that the health services are delivered from.

Strategic Objectives

As a shareholder (governance):
CHI appoints the directors of CHF. It's strategic objective in this capacity is to enable and facilitate best practice governance for CHF. The aim is to attract and retain high quality directors for the CHF board who have knowledge of, and an affinity for, the health sector.

CHI also considers its own governance processes and structures.

As an owner|landlord (facilities):
CHI owns and leases to CHF the clinical services buildings on Clyde St and three residential properties. It's strategic objective in this capacity is to ensure fit for purpose facilities that enable the provision of healthcare.

What do we do

Governance:
CHI, in conjunction with CHF have in place a number of processes to facilitate good governance at CHF. These include:

I Director Appointments:

- A skills matrix is maintained by the CHF board. This is used to identify skills gaps in the board and to assist with succession planning.
- The Chair of CHF meets with CHI to discuss skills gaps and succession prior to appointment rounds.
- Director positions are advertised with Institute of Directors (IoD) and in print media.

II Monitoring

- Informal chair to chair meetings are held.
- Board evaluations take place from time to time and the results shared with the CHI chair. A summary is provided verbally to CHI trustees.

III Retention & Training

- Director fees are benchmarked against similar roles in similar organisations and the IoD director's fees survey.
- Development of governance skills within the local area is on the agenda.

IV Working Together

- CHI trustees attend formal CHF strategic planning sessions when these occur.
- The CHF chair keeps CHI informed about CHF's progress and challenges.
- CHI funded the Wellness|Counselling program facilitated by CHF

In considering their own governance processes CHI trustees:

- Review their constitution as required;
- Consider their own composition, and
- Undertake governance training.

Facilities:
CHI is committed to providing fit for purpose facilities for the delivery of health services to CHF. To facilitate this it:

- Has a 10 year Asset Management Plan (AMP) which is reviewed annually;
- Proactively maintains WoF compliance;
- Funds a Maintenance Manager position;
- Prioritises health, safety and security with regular testing of fire doors, alarms, swipe doors, and
- Has a formally constituted building committee.

CHI also assists with the provision of housing for locums and short-medium term medical staff. It owns three houses in Balclutha which it provides to CHF for this purpose.

What did we do in FY25

Governance:

- Completed the formal review of the constitution
- Initiated the transition to a new entity, Clutha Health Trust
- Held informal chair to chair meetings monthly.
- Formally reviewed company Director's fees.
- Received monthly reports from the CHF chair
- Reviewed Trustee fees
- Appointed and reappointed directors to CHF
- Made grants of $10,000 each to South Otago Health Support Trust and Big River Kahui Ako

Facilities:

- Initiated a comprehensive review of the 10 year AMP.
- Maintained WoF compliance.
- Received the Maintenance Manager's monthly reports
- Tested monthly the Fire doors, alarms, and swipe doors.
- Contributed funds towards the upgrade of the Inpatients lounge.
- The building committee met on as needed basis.

Clutha Health Incorporated

Statement of Cash Flows
For the Year ended 30 June 2025

	Note	Group FY25 $	Group FY24 $	Parent FY25 $	Parent FY24 $
Cash Flows from Operating Activities					
Cash was received from:					
Donations, fundraising & other similar receipts		7,329	168	-	-
Receipts from providing goods or services		14,531,649	13,736,763	385,165	385,165
Interest, dividends & other investment receipts		373,951	322,685	66,219	56,294
		14,912,929	14,059,616	451,384	441,459
Cash was applied to:					
Payments to suppliers & employees		13,933,051	12,996,559	121,241	108,888
Donations or grants paid		-	-	-	-
Net goods & services tax paid		38,802	6,077	1,568	4,561
		13,971,853	13,002,636	122,809	113,449
Net Cash Flows from Operating Activities	23	941,076	1,056,980	328,575	328,010
Cash Flows from Investing & Financing Activities					
Cash was provided from:					
Receipts from the sale of property, plant & equipment		43,545	3,842	-	-
Receipts from term deposit maturities		-	771,043	-	177,937
Receipts from grant funds		90,000	-	-	-
Receipts from new related party loan		-	-	-	550,000
		133,545	774,885	-	727,937
Cash was applied to:					
Payments to acquire property, plant, equipment & goodwill		418,543	1,318,534	44,147	1,089,282
Payments for new bank deposits		694,972	-	256,494	-
		1,113,515	1,318,534	300,641	1,089,282
Net Cash Flows to Investing and Financing Activities		(979,970)	(543,649)	(300,641)	(361,345)
Net Increase (Decrease) in Cash Held		(38,894)	513,331	27,934	(33,335)
Opening Cash & Bank Balances		1,313,688	800,358	119,662	152,997
Closing Cash and Bank Balances		$1,274,794	$1,313,689	$147,596	$119,662
Represented by:					
Bank Current Accounts & Cash on Hand		469,313	1,309,939	147,490	119,558
Bank Call Accounts		805,481	3,750	106	104
Total Cash at Bank		$1,274,794	$1,313,689	$147,596	$119,662

Clutha Health Incorporated

Statement of Comprehensive Revenue and Expense
For the Year Ended 30 June 2025

	Note	Group FY25 $	Group FY24 $	Parent FY25 $	Parent FY24 $
Revenue from Exchange Transactions					
General Practice Consultation Fees		1,466,072	1,372,464	-	-
Interest Revenue		353,740	362,528	64,088	49,618
Rental Revenue		184,425	142,938	385,164	385,164
Sundry Income	18	66,907	57,193	-	-
		2,071,144	1,935,123	449,252	434,782
Revenue from Non-Exchange Transactions					
Contract Services		1,175,138	1,267,421	-	-
PHO Revenue		2,693,967	2,495,419	-	-
Te Whatu Ora Funding		8,698,243	8,252,360	-	-
		12,567,348	12,015,200	-	-
Total Revenue		14,638,492	13,950,323	449,252	434,782
Expenditure					
Administration Expenses	22	248,403	259,510	21,915	11,858
Estate Expenses	14, 17	507,508	475,712	28,752	8,827
External Clinical Contracts & Services		1,079,807	1,054,275	16,370	-
Household Expenses		459,797	413,875	-	-
Personnel Costs	11, 12	10,800,853	10,577,396	-	-
Transport Expenses		67,122	70,110	-	-
Treatment Expenses		394,403	367,072	-	-
Other External Costs	15, 16, 22	382,557	291,855	112,203	65,158
		13,940,450	13,509,803	179,240	85,843
Net Depreciation, Gain, Loss on Disposal	21	700,460	732,233	452,174	443,586
Goodwill Impairment	5	160,000	-	-	-
Total Expenses		14,800,910	14,242,036	631,414	529,429
Surplus(Deficit) for the Year from Continuing Activities		(162,418)	(291,713)	(182,162)	(94,647)
Other Comprehensive Revenue and Expenditure for the Year		-	-	-	-
Total Comprehensive Revenue & Expenses for the Year		$(162,418)	$(291,713)	$(182,162)	$(94,647)

Clutha Health Incorporated

Statement of Changes in Net Assets|Equity
For the Year Ended 30 June 2025

Group	Note	Charitable Trust Reserves	Building Revaluation Reserves	Accumulated Comprehensive Revenue & Expenses	Total Net Assets|Equity
Balance at 30 June 2023		24,152	9,380,764	13,437,192	22,842,108
Changes in Net Assets|Equity for 30 June 2024					
Total Comprehensive Revenue & Expenses for the Year		1,313	-	(293,026)	(291,713)
Balance at 30 June 2024 Carried Forward		25,465	9,380,764	13,144,166	22,550,395
Balance at 30 June 2024 Brought Forward		25,465	9,380,764	13,144,166	22,550,395
Changes in Net Assets|Equity for 30 June 2025					
Total Comprehensive Revenue & Expenses for the Year		(8,868)	-	(153,550)	(162,418)
Balance at 30 June 2025	24	$16,597	$9,380,764	$12,990,616	$22,387,977

Parent	Charitable Trust Reserves	Building Revaluation Reserves	Accumulated Comprehensive Revenue & Expenses	Total Net Assets|Equity
Balance at 30 June 2023	24,152	9,380,764	6,652,573	16,057,489
Changes in Net Assets|Equity for 30 June 2024				
Total Comprehensive Revenue & Expenses for the Year	1,313	-	(95,960)	(94,647)
Balance at 30 June 2024 Carried Forward	25,465	9,380,764	6,556,614	15,962,843
Balance at 30 June 2024 Brought Forward	25,465	9,380,764	6,556,614	15,962,843
Changes in Net Assets|Equity for 30 June 2025				
Total Comprehensive Revenue & Expenses for the Year	(8,868)	-	(173,294)	(182,162)
Balance at 30 June 2025	$16,597	$9,380,764	$6,383,320	$15,780,681

Clutha Health Incorporated

Statement of Financial Position
As at 30 June 2025

	Note	Group FY25 $	Group FY24 $	Parent FY25 $	Parent FY24 $
Assets					
Current Assets					
Cash & Cash Equivalents	3	1,274,794	1,313,688	147,596	119,662
Short Term Bank Deposits	3, 4	6,574,783	5,879,811	1,373,766	1,117,272
Prepayments		88,655	67,798	-	-
Medical Supplies		63,085	71,604	-	-
Accounts Receivable	10	1,123,812	1,284,000	-	33,721
Accrued Interest		152,863	173,074	9,637	11,768
		9,277,992	8,789,975	1,530,999	1,282,423
Non Current Assets					
Property, Plant & Equipment	21	15,733,099	16,092,398	14,712,672	15,154,538
Intangibles & Goodwill	5	-	160,000	-	-
		15,733,099	16,252,398	14,712,672	15,154,538
Investments					
Shares Clutha Community Health Co Ltd		-	-	625,000	625,000
Total Assets		25,011,091	25,042,373	16,868,671	17,061,961
Less Liabilities					
Current Liabilities					
Accounts Payable	9	570,788	529,206	68,099	77,659
Employee Entitlements	12	1,672,261	1,694,885	-	-
Goods & Services Tax Accrued		229,085	267,887	19,891	21,459
Income in Advance	19	150,980	-	-	-
		2,623,114	2,491,978	87,990	99,118
Non Current Liabilities					
Advance Clutha Community Health Co Ltd	17	-	-	1,000,000	1,000,000
Total Liabilities		2,623,114	2,491,978	1,087,990	1,099,118
Total Net Assets		$22,387,977	$22,550,395	$15,780,681	$15,962,843
Net Assets|Equity					
Charitable Trust Reserves	20	16,597	25,465	16,597	25,465
Building Revaluation Reserves	21	9,380,764	9,380,764	9,380,764	9,380,764
Accumulated Comprehensive Revenue & Expenses		12,990,616	13,144,166	6,383,320	6,556,614
Total Net Assets|Equity	24	$22,387,977	$22,550,395	$15,780,681	$15,962,843

H.C. Anderson

Hamish Anderson (Chairman - Trustee)
2 October 2025

CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

This information should be read in conjunction with the notes to the financial statements.

CROWE NEW ZEALAND

SHAND THOMSON

Clutha Health Incorporated

Statement of Accounting Policies & Notes to the Financial Statements
For the Year ended 30 June 2025

Statement of Accounting Policies

Reporting Entity

The financial statements are for the reporting entity Clutha Health Incorporated (the Society) which was registered on the 18 December 1997 under the provisions of the Incorporated Societies Act 1908. The Society became a registered charity under the Charities Act 2005 on the 15 October 2007.

The financial statements were authorised for issue by the Trustees on the date signed on page 10.

Basis of Preparation

The financial statements for the Society and its subsidiary Clutha Community Health Company Ltd (the 'Company'), together with the group, have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Group qualifies as a Tier 2 reporting entity as for the two most recent reporting periods operating expenditure has been between $2 million and $30 million.

There is no public accountability.

Measurement Base

The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed in the preparation of these financial statements. Accrual accounting is used to recognise expenses and revenues when they occur.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars ($) which is the Society's and Group's functional and presentation currency, rounded to the nearest dollar. There has been no change in the functional currency during the year.

Use of Judgements and Estimates

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

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

The judgement made in applying accounting policies that has had the most significant effect on the amounts recognised in the financial statements is to consider that residual balances of payments for goodwill are impaired to the point of no value.

Judgement is applied in determining the carrying value of land and buildings. These assets are periodically subject to independent valuation.

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

- Provision for expected credit loss is $12,500 (FY24 $12,500)
- Useful life of depreciable assets (see below)

Particular Accounting Policies

The following particular accounting policies adopted in the financial statements have a material effect on the results and financial position.

- **Revenue Recognition**

Revenue from Exchange Transactions

Rental income and interest received are recorded as revenue in the period earned. Sales of services are recognised in the accounting period in which the services are rendered.

Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is recognised as revenue immediately unless there are substantive use or return conditions in the related contract.

- **Goods & Services Tax (GST)**

The Society and its subsidiary Company are registered for GST. The financial statements have been prepared on a "GST exclusive" basis with the exception of accounts receivable and accounts payable, which are disclosed inclusively.

- **Inventories**

Drugs and consumables on hand are valued at the lower of cost using the first in first out basis, and net realisable value.

- **Accounts Receivable**

Accounts receivables after initial recognition, are measured at amortised cost using the effective interest method, less any allowance for impairment.

- **Taxation**

Clutha Health Incorporated (the parent) and Clutha Community Health Company Ltd (the subsidiary) have charitable status and are exempt from income tax. The Society became a registered charity under the Charities Act 2005 on the 15 October 2007. The Company became a registered charity under the Charities Act 2005 on the 24 January 2008.

- **Employee Entitlements**

Clutha Health Incorporated has no liability for annual, alternate or long service leave. Clutha Community Health Company Ltd makes provision for annual, alternate and long service leave. All leave has been calculated on an actual entitlement basis at current rates of pay.

- **Property, Plant and Equipment**

Land and buildings are initially measured at cost and subsequently measured under the revaluation model at fair value and, for buildings; less accumulated depreciation and accumulated impairment. Colliers International completed a valuation of land & buildings as at 30 June 2023. Other assets are stated at cost less accumulated depreciation and impairment.

- **Investments**

Investments including shares in Clutha Community Health Co Ltd are recorded in the Parent at cost less any impairment.

- **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

- **Intangible Assets**

Goodwill represents the excess of the cost of acquisition over the fair value of the Company's share of the net identifiable assets of the acquired general practices at the date of acquisition. Goodwill on acquisition of practices is included in intangible assets. Goodwill is carried at cost less impairment losses. Impairment is reviewed at each reporting date and adjusted if appropriate.

Statement of Accounting Policies (continued)

Depreciation

Depreciation of property, plant & equipment is calculated so as to allocate the cost or value of the assets less their residual values over their estimated useful lives. The depreciation rates used in preparation of these financial statements are as follows:

Buildings	40 Years Straight Line
Lessees Improvements:	
■ Helipad	50 Years Straight Line
■ Other	10 Years Straight Line
Furniture & Fittings	10 Years Straight Line
Plant & Equipment	8 Years Straight Line
Office Equipment & IT	4 Years Straight Line
Vehicles	4 Years Straight Line

Incomplete projects are not depreciated, and costs associated with projects that do not go ahead are written off.
Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

Basis of Consolidation

Clutha Health Incorporated owns 100% of the shares in the subsidiary, Clutha Community Health Company Ltd.

Clutha Health Incorporated may benefit from the activities of Clutha Community Health Company Ltd in terms of being able to receive a distribution from the Company's surpluses. The Society is exposed to the risk of a potential loss by the Company by means of a cross guarantee. The Society also has the ability to achieve some of its social objectives through its ownership of Clutha Community Health Company Ltd.

The consolidated financial statements include Clutha Health Incorporated and Clutha Community Health Company Ltd, which are accounted for using the purchase method. The effects of all inter-entity transactions have been eliminated on consolidation. In the Parent's financial statements, the investment in the subsidiary is recognised at cost.

Changes in Accounting Policies

There have been no material changes in accounting policies from those applied last year.

Notes to the Financial Statements

Note 1 – Financial Instruments

Financial Assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, and fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus of deficit, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Financial Assets at Fair Value through Surplus or Deficit

Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Financial Performance.

This category includes derivative instruments and managed funds which the Group had not irrevocably elected to classify at FVOCRE.

After initial recognition the financial assets in this category are measured at fair value with gains or loss on re-measurement recognised in surplus or deficit.

Financial Assets at Amortised Cost

Financial assets at amortised cost are non-derivative financial assets or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, are subsequently measured at amortised cost using the effective interest method (EIR) and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified, or impaired.

The Group's cash and cash equivalents are categorised as financial assets at amortised cost.

Subsequent Measurement of Financial Assets as Amortised Cost

The Group applies a simplified approach in calculating Expected Credit Losses (ECL). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at reporting date. The Group established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amount in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or

Note 1 – Financial Instruments (continued)

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred not retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Financial liabilities at amortised cost are classified, at initial recognition and include payables.

After initial recognition, payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

Note 2 – Bank Security

The Bank of New Zealand has a debenture over the assets and undertakings of the Society and Company as security for any bank financing.

Note 3 – Cash, Cash Equivalents & Funds Invested

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

	FY25	FY24
Call deposits	2.75%	2.75%

There are no restrictions over any of the cash and cash equivalent balances held by the Group.

Clutha Health Incorporated has a cross guarantee to the Bank of New Zealand for any borrowings by Clutha Community Health Company Ltd. As at balance date there is no indebtedness (FY24 $Nil).

Movement in cash assets, including all term deposits are as follows:

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Cash & Cash Equivalents	1,274,794	1,313,688	147,596	119,662
Short Term Bank Deposits	6,574,783	5,879,811	1,373,766	1,117,272
	7,849,577	7,193,499	1,521,362	1,236,934
Less: Opening Funds	7,193,499	7,451,211	1,236,934	1,448,206
Increase(Decrease) In Cash Assets	$656,078	$(257,712)	$284,428	$(211,272)

Note 4 – Investments

Per annum annual interest rate ranges applicable to components of short and long term deposits is 3.70% - 5.90% (FY24 5.80% - 6.25%).

Note 5 – Intangible Assets

Intangible assets were impaired during the year. They represented goodwill on the purchase of Dr Visagie's practice in February 2016. While Dr Visagie continues to work for the Company, the GP practice has been making losses and the value of the goodwill is now considered to be nil.

Note 6 – Events Subsequent to Balance Date

The Trustees have initiated the transfer of the assets of the Incorporated Society to a Charitable Trust. The Charitable Trust has been formed since balance date and a targeted transition date is the 30 September 2025. The Trustees are not aware of any matters or circumstances since the end of the financial year, not otherwise dealt with in this report, which has significantly or may significantly affect the operation of Clutha Health Incorporated or the Group, the results of these operations, or the state of affairs of the Society.

Note 7 – Capital Commitments

The Company signed a contract on 6 June to design and construct a generator upgrade. No work commended on the project before balance date. The value of the contract is $239,132 excluding GST. There are no capital commitments at balance date (FY24 Nil).

Note 8 – Contingent Liabilities

Clutha Health Incorporated has a cross guarantee to the Bank of New Zealand for any borrowings by Clutha Community Health Company Ltd. As at balance date there is no indebtedness (FY24 $Nil).

The government specified suspensory loan of $2,600,000 was remitted in June 2004, however the Ministry of Health continues to hold security for payment of $2,600,000 on demand, which will only be activated in the event that Clutha Health Incorporated ceases to provide health or disability services from the premises (FY24 $2,600,000). There are no plans to move premises.

There are no other contingent liabilities at balance date (FY24 $Nil).

Note 9 – Accounts Payable

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Trade Creditors	473,852	478,782	60,337	71,909
Accruals	96,937	50,424	7,762	5,750
Payables under Exchange Transactions	$570,789	$529,206	$68,099	$77,659

Note 10 – Accounts Receivable

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Gross Amounts Owing	1,136,312	1,296,500	-	33,721
Less: Provision for Doubtful Debts	12,500	12,500	-	-
Receivables from Exchange Transactions	$1,123,812	$1,284,000	$Nil	$33,721

Note 11 – Remuneration

The amounts disclosed in the following table are recognised as an expense during the reporting period related to key management personnel (KMPs) and include short-term benefits and directors' fees.

	FY25 $	FY24 $
Trustees (0.15 FTE) (FY24 0.14 FTE)	23,510	23,035
Board of Directors (0.45 FTE) (FY24 0.48 FTE)	121,000	114,000
Executive Management (2 FTEs)	482,865	405,988
Total Paid to Key Management Personnel	$627,375	$543,023

The Group has two key management personnel, determined on full-time equivalent basis, which received remuneration from the Company during the year. (FY24: two key management personnel on 1.5 full-time equivalent basis).

The Group did not provide any compensation that was not on arm's length terms to key management personnel and close family members of key management personnel during the year (FY24 $Nil). The Group provides no long-term benefits to its key management personnel.

There are no loans and advances transactions and outstanding balances made to|received from key management personnel during the year (FY24 $Nil).

Note 12 – Employee Benefit Liability

The following employee entitlements exist at balance date:

	FY25 $	Incr(Decr) $	FY24 $
Wages Accrued	519,687	5,443	514,244
Leave Accrued	1,152,574	(28,067)	1,180,641
Total Employee Benefit Liability	$1,672,261		$1,694,885

Note 13 – Directors & Officers Indemnity Insurance

In accordance with the Constitution and the Companies Act 1993, the Company has given indemnities to and effected insurance for, Directors and Officers of the Company relating to any liabilities or costs incurred for any act or omission in their capacity as Directors or Officers of the Company.

Note 14 – Leased Assets

Operating Leases

Clutha Health Incorporated has no operating leases. Clutha Community Health Company Ltd leased premises at 19 Stewart Street from the R W Richards for $19,002 per annum for a three-year term, three year term rights of renewal, from 1 July 2023.

The financial obligations under the above leases are:

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
No later than one year	$19,002	$19,002	$Nil	$Nil
Later than one and no longer than five years	$Nil	$19,002	$Nil	$Nil
Later than five years	$Nil	$Nil	$Nil	$Nil

There are no other material operating leases.

Finance Leases

There are no finance leases.

Note 15 – Trustee Honorariums

Trustee honorariums were paid as follows:

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Hamish Anderson	6,680	5,280	6,680	5,280
Helen Keen	2,110	2,225	2,110	2,225
Kate Anderson	1,765	2,145	1,765	2,145
Jolene Ollerenshaw	2,075	2,030	2,075	2,030
Phil Atkinson	2,430	1,755	2,430	1,755
Paul Hanlon	585	1,995	585	1,995
Sarah Hayward	2,235	2,145	2,235	2,145
Ruth Baldwin	2,190	1,560	2,190	1,560
Shelley Milne	1,915	1,950	1,915	1,950
Michele Kennedy	1,525	1,950	1,525	1,950
	$23,510	$23,035	$23,510	$23,035

Note 16 – Directors Fees

Directors Fees were paid as follows:

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Bill Thomson	24,000	24,000	-	-
Dr Branko Sijnja	15,000	15,000	-	-
Dr Conway Powell	6,000	12,000	-	-
Alastair McKenzie	15,000	15,000	-	-
Dr Alexandra Tickle	15,000	15,000	-	-
Leanne Samuel	12,000	6,000	-	-
Janet Copeland	12,000	12,000	-	-
Peter Williamson	15,000	15,000	-	-
Kathy Grant	7,000	-	-	-
	$121,000	$114,000	$Nil	$Nil

Note 17 – Related Party Information

Clutha Health Incorporated is an Incorporated Society. Its major source of revenue is the rental of premises to Clutha Community Health Company Ltd, which is 100% owned by the Society. The annual rental was $385,164 (FY24 $385,164), which has been eliminated on consolidation.

Clutha Community Health Company Ltd has previously advanced $450,000 to Clutha Health Incorporated in 2018 and $60,000 in 2017. Clutha Health Incorporated repaid $60,000 in the 2019 year. Clutha Community Health Company Ltd advanced a further $550,000 during the 2024 year. The total amount owing to Clutha Health Community Company Ltd is $1,000,000 (FY24 $1,000,000).

The $1,000,000 advanced from the Company ($450,000 in 2017 and $550,000 in 2024) was used to purchase the residential dwellings at 40 Lanark Street and 16 Moir Street, Balclutha. The advance is interest free with the properties being made available to the Company for its use at no cost.

The following interests are noted:

- Hamish Anderson is a Trustee of Clutha Development Incorporated and The Clutha Foundation.
- Helen Keen, Jolene Ollerenshaw and Shelley Milne are employees of Clutha Health Community Health Company Ltd.
- Phil Atkinson is a Director of Good Hands Property Works Ltd, a company that provides property management and maintenance services for residential rental properties. The Society engages Good Hands Property Works Ltd as a property manager for the Lanark, John & Moir Street properties.
- Sarah Hayward is an employee of Clutha Development Incorporated and a Trustee of Clutha Licensing Trust.
- Michele Kennedy is a councillor of Clutha District Council.
- Ruth Baldwin is a Trustee of Tokomairiro Waiora Incorporated.
- The Society and the Company purchase accountancy and advisory services from Shand Thomson, an accounting firm in which Bill Thomson, a Director of Clutha Community Health Company Ltd, is currently employed as a Consultant. These services are supplied on normal commercial terms.
- Dr Branko Sijnja, a Director of Clutha Community Health Company Ltd, was paid wages during the year in his capacity of employee of $202,278 (FY24 $220,643).
- Last year, Leanne Samuels, a Director of Clutha Community Health Company Ltd, was paid contract fees during the year in her capacity of Acting Clinical Advisor of $93,675.
- Outstanding balances at 30 June 2025 owed to(from) related parties are as follows:

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Clutha Community Health Co Ltd	-	-	9,528	8,865

Note 18 – Sundry Income

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Cleaning	8,502	8,502	-	-
Service Recharges Contributions towards Asset Purchases	11,198	-		
Donations	7,329	168	-	-
Insurance Proceeds	-	13,474	-	-
Oracle Oncharges	4,840	3,187	-	-
Study|Student Placement	34,450	30,705	-	-
Miscellaneous	588	1,157	-	-
	$66,907	$57,193	$Nil	$Nil

Note 19 – Income in Advance

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Grant Funding for Generator Replacement	90,000	-	-	-
WellSouth CPT Oral Health Programme	56,809	-	-	-
WellSouth Hardship Funding	4,171	-	-	-
	$150,980	$Nil	$Nil	$Nil

Note 20 – Movement in Charitable Trust Funds

	Group		Parent	
	FY25	FY24	FY25	FY24
General Purposes Fund	$	$	$	$
Opening Balance	21,382	20,280	21,382	20,280
Add Interest	634	1,102	634	1,102
(Deduct) Withdrawals	(9,723)	-	(9,723)	-
Closing Balance	12,293	21,382	12,293	21,382
Hospital Ward Funds				
Opening Balance	1,293	1,227	1,293	1,227
Add Interest	70	67	70	67
Closing Balance	1,363	1,293	1,363	1,293
Chapel Fund				
Opening Balance	2,789	2,645	2,789	2,645
Add Interest	151	144	151	144
Closing Balance	2,940	2,789	2,940	2,789
Closing Balance	$16,596	$25,464	$16,596	$25,464

Net movement in Charitable Trust Funds is $(8,868); (FY24 $1,313)

Note 21 – Property, Plant & Equipment

Land is recorded at market value, hospital buildings have been recorded at depreciated replacement cost and other land & buildings (other than those purchased this year) are valued on the basis of comparable sales evidence (market value) as established by Colliers International last year. Other land & buildings purchased this year have been recorded at cost. The Society commissions a market valuation on a regular basis of three to five years, and adjusts the carrying value of land and buildings accordingly.

	Group		Parent	
	FY25	FY24	FY25	FY24
	$	$	$	$
Land				
Cost Price	699,016	699,016	699,016	699,016
Plus Additions	347,499	347,499	347,499	347,499
Revaluation to Market Value	870,984	870,984	870,984	870,984
Less Accumulated Depreciation	-	-	-	-
Closing Book Value	$1,917,499	$1,917,499	$1,917,499	$1,917,499
Buildings				
Cost Price	9,690,365	8,914,740	9,690,365	8,914,740
Less Accumulated Depreciation to FY24	(4,963,106)	(4,519,520)	(4,963,106)	(4,519,520)
Plus Revaluation to Depreciated Replacement Cost	8,303,073	8,303,073	8,303,073	8,303,073
Plus Revaluation to Market Value	206,707	206,707	206,707	206,707
Closing Book Value as at 30 June 2024	13,237,039	12,905,000	13,237,039	12,905,000
Plus Additions	10,308	775,625	10,308	775,625
Less Depreciation FY25	(452,174)	(443,586)	(452,174)	(443,586)
Closing Book Value	$12,795,173	$13,237,039	$12,795,173	$13,237,039
Total Closing Book Value	$14,712,672	$15,154,538	$14,712,672	$15,154,538
Depreciation Current Year	452,174	443,586	452,174	443,586

Other fixed assets are recorded at cost less accumulated depreciation, and have been assessed for impairment.

	Group		Parent	
	FY24	FY23	FY24	FY23
Leasehold Improvements	$	$	$	$
Opening Cost	748,861	602,791	-	-
Additions	120,339	146,070	-	-
Closing Cost	869,200	748,861	-	-
Less Accumulated Depreciation	415,568	338,395	-	-
Closing Book Value	$453,632	$410,467	-	-
Depreciation Current Year	77,174	60,495	-	-
Furniture & Fittings				
Opening Cost	451,335	443,095	-	-
Additions	29,487	8,241	-	-
Closing Cost	480,822	451,335	-	-
Less Accumulated Depreciation	296,423	255,865	-	-
Closing Book Value	$184,399	$195,471	-	-
Depreciation Current Year	40,558	38,590	-	-
General Plant|Equipment				
Opening Cost	704,287	709,790	-	-
Additions(Disposals at Cost)	36,241	(5,503)	-	-
Closing Cost	740,528	704,287	-	-
Less Accumulated Depreciation	617,062	580,359	-	-
Closing Book Value	$123,466	$123,928	-	-
Depreciation Current Year	41,695	41,275	-	-

Note 21 – Property, Plant & Equipment (continued)

Office Equipment & IT				
Opening Cost	407,319	356,798	-	-
Additions(Disposals at Cost)	37,616	50,520	-	-
Closing Cost	444,935	407,319	-	-
Less Accumulated Depreciation	346,738	309,531	-	-
Closing Book Value	$98,197	$97,788	-	-
Depreciation Current Year	44,999	44,950	-	-
Motor Vehicles				
Opening Cost	566,635	566,635	-	-
Additions(Disposals at Cost)	(1,394)	-	-	-
Closing Cost	565,241	566,635	-	-
Less Accumulated Depreciation	404,508	456,429	-	-
Closing Book Value	$160,733	$110,206	-	-
Depreciation Current Year	86,292	99,491	-	-
Gain on Disposal	(42,432)	-	-	-
Loss on Disposal	-	3,846	-	-
Total Depreciation, Gain|Loss on Disposal	$248,286	$732,233	$452,174	$443,586
Total Property, Plant & Equipment	$15,733,099	$16,092,398	$14,712,672	$15,154,538

Note 22 – Disclosures

Items requiring specific disclosures are:

		Group		Parent	
	Note	FY25 $	FY24 $	FY25 $	FY24 $
Interest Income	4,5	353,740	362,528	64,088	49,618
Donations Received		7,329	168	Nil	Nil
Audit Fees		27,276	21,850	8,213	5,200
Bad Debts Written Off		15,017	2,553	Nil	Nil
Grants|Donations Paid		20,000	10,000	20,000	10,000
Doubtful Debts (Movement)	11	Nil	2,500	Nil	Nil
Net Gain(Loss) on Sale of Property, Plant & Equipment	22	42,431	(3,846)	Nil	Nil
Directors Fees	18	121,000	114,000	Nil	Nil
Trustees Honorariums	16	23,510	23,035	23,510	23,035

All revenues were derived from continuing activities. The Parent's estate expenses include a contribution of $11,745 to the Inpatient lounge upgrade.

Note 23 – Reconciliation of Net Surplus with Net Cash Flows from Operating Activities

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Net Surplus|(Deficit)	(162,418)	(291,714)	(182,162)	(94,647)
Add Depreciation and Gain & Loss on Disposal	700,460	732,233	452,174	443,586
Add Goodwill Impairment	160,000	-	-	-
Less Receipts in Advance	(90,000)	-	-	-
	608,042	440,519	270,012	348,939
Plus|(Less) Movement in Working Capital Items				
(Increase)|Decrease in Receivables & Prepayments	226,320	58,193	35,852	(26,163)
(Increase)|Decrease in Medical Supplies on Hand	8,517	(3,633)	-	-
Increase|(Decrease) in GST Accrued	(38,802)	(6,079)	(1,568)	(4,562)
Increase|(Decrease) in Operating Payables|Accruals	(13,981)	567,980	24,279	9,796
Increase|(Decrease) in Income in Advance	150,980	-	-	-
Net Working Capital Movement	333,034	616,461	58,563	(20,929)
Net Cash Flows from Operating Activities	$941,076	$1,056,980	$328,575	$328,010

Note 24 – Total Accumulated Funds

	Group		Parent	
	FY25 $	FY24 $	FY25 $	FY24 $
Accumulated Comprehensive Revenue & Expense				
Opening Balance	13,144,166	13,437,192	6,556,614	6,652,574
Add(Deduct) Surplus(Deficit) for Year	(153,550)	(293,026)	(173,294)	(95,960)
Closing Balance	12,990,616	13,144,166	6,383,320	6,556,614
Charitable Trust Reserves				
Opening Balance	25,465	24,152	25,465	24,152
Add(Deduct) Surplus(Deficit) for Year	(8,868)	1,313	(8,868)	1,313
Closing Balance	16,597	25,465	16,597	25,465
Land & Building Revaluation Reserves				
Opening Balance	9,380,764	9,380,764	9,380,764	9,380,764
Add Revaluation during the Year	-	-	-	-
Closing Balance	9,380,764	9,380,764	9,380,764	9,380,764
Total Accumulated Funds	$22,387,977	$22,550,395	$15,780,681	$15,962,843

Why are we here?

Our Purpose:

Collaborate, Innovate, Advocate for a healthy community.

Clutha Community Health Company Ltd (CCHCL) is a community owned and operated not-for-profit charitable organisation delivering a range of health care services aimed at improving the wellbeing of its community in a clinically and financially sustainable way. The company trades under the name of Clutha Health First (CHF).

The constitution of CCHCL details a range of broad objectives that guide the organisation in the delivery of these services across the Clutha District. These include:

- The effective and efficient co-ordination of health services across the public, private and voluntary sectors.
- Maintaining an appropriate balance of resource allocations to health protection, promotion, education and treatment services.
- Administering a range of healthcare facilities and services to the benefit of the Clutha District residents.

These objectives are intended to be achieved through:

- Collaboratively working in partnership with other Health Service Funders. These include Health New Zealand | Te Whatu Ora (Southern), ACC (for hospital based and community delivered services), Wellsouth PHO and ACC (for primary care services) and private clinicians for non-publicly funded services.
- Working with other third parties to facilitate the availability of core health services for the timely delivery of supportive treatments in a timely manner. Such services include community laboratory services, ultrasound and radiology services, community physiotherapy along with community public health and mental health services.

The uniqueness of CHF lies in its commitment to ensuring that the traditional silos of health services have been removed and in doing so the company has become a role model for the delivery of fully integrated health services. For the patient this means they can receive a wide range of services within their community, that primary care (general practice) works in collaboration with other on-site services such as District Nurses, Allied Health, Social Work and others, to ensure that what services are needed, are delivered when needed.

Our Governance Model

CHF is governed by a Board of Directors appointed by Clutha Health Incorporated (CHI), this being the 100% shareholder of CHF and the owners of the premises that CHF services are delivered from. Appointments to the CHF Board are made by the CHI Trustees. The trustees include elected members from the Clutha District community, an Iwi representative, a representative of the Clutha District Council, and elected staff members of CHF.

The Board of Directors are responsible for:

- Recruitment and appointment of the Chief Executive Officer.
- Setting the strategic direction of the Company.
- Ensuring sound governance procedures are in place.
- Fulfilment of legally established fiduciary responsibilities promoting strong ethical standards.

The Board of Directors is assisted in achieving these standards and obligations by the Chief Executive Officer.

Our Goals

1

To Identify and Develop Clinical Services in Collaboration with Te Whatu Ora Health New Zealand, and other Healthcare Organisations

Tautohua kā huarahi hauora i te taha Te Whatu Ora me kā rōpū whakariterite ētahi atu

- Seek to ensure the retention of all currently delivered services and seek opportunities to add further services where possible.
- Horizon scan for emerging digital technology that has the ability to deliver improved patient experience and operational efficiency.
- Proactively participate in the establishment of the national rural health strategy.

2

To Enhance Cultural Engagement and Partnership

Whakapakaritia uruka ahurea me te mahi tahi.

- Embrace the guidance of our Cultural Advisory Committee regarding partnership/ protection and participation principles.
- Facilitate a focus on Māori and Pacific health action plans.

3

To Focus on Workforce Sustainability

Arotahi ki te oraka tonutaka o kā kaimahi

- Make robust efforts to ensure pay parity is maintained where possible for our staff.
- Develop a fit for purpose workforce to meet new models of care.

4

To Maintain Financial Sustainability

Purutia ki te tautīnei pūtea

- Produce achievable, realistic annual budgets.
- Negotiate longer-term sustainable funding contracts.
- Prioritise those clinical services that will deliver additional revenue streams.

5

To Focus on Resilience and Sustainability

Arotahi ki te pakari me te toimautaka

- Proactively consider ways to mitigate adverse environmental impacts.
- Consider opportunities which may/can improve the resilience of CHF through the use of innovative or enhanced technology/ infrastructure.

Our **Values**

We value **our people.**
Ka whai takata mātou.

We value **the environment we live in.**
Ka whai taiao mātou

We value **honesty and respect.**
Ka whai te pono me te whakanui mātou

We value **excellence.**
Ka whai panekiretaka mātou

Chairperson Annual Report

Clutha Community Health Company Ltd

Introduction

It is my privilege to present the 27th Annual Report of the Clutha Community Health Company Ltd, better known by its trading name "Clutha Health First".

This report covers the 12 months ended the 30th June 2025, a year in which the major structural reforms within the New Zealand health sector have again created significant challenges for the management and board of Clutha Health First (CHF). I am proud that, in confronting these challenges, CHF has not wavered in its commitment to put the health and wellbeing of the residents of the Clutha District first and foremost in our endeavours.

Financial Performance

At the commencement of the 2025 financial year, CHF was facing a significant financial deficit, primarily due to the significantly lower level of funding it receives compared to that which Health New Zealand pays itself for like-for-like services.

Because of management's untiring efforts in lobbying Health New Zealand for improved service funding, along with a forensic review of our income opportunities and cost structures, we finished the year in an overall break even position. Underlying this break even position, however, was an operational deficit propped up by income earned on our financial reserves: in short the company used this income to subsidise the cost of the health services we provide to our community.

Investment in our Health facilities

With the confidence gained from the improved overall financial result for the past year, and confidence in an improved result for 2026, the board has approved a substantial capital expenditure programme utilising our reserves to reinvest in current and future health services, equipment, technology, and facilities. This will both ensure we maintain the high level of care to which CHF aspires, and also facilitate ongoing development of clinical and other services for the benefit of our community. This capital expenditure is likely to exceed $1 million over the 2025 and 2026 financial years.

Refresh of Clutha Health First's Strategic Goals

The Clutha Health First board recently engaged in a strategic planning workshop to review its overarching strategic goals, the outcome of which will inform our priorities for the health and wellbeing of our community for the ensuing two years.

The goals that we reinforced for Clutha Health First are:

To identity and develop clinical services in collaboration with Te Whatu Ora Health NZ and other healthcare organisations.

- To enhance cultural engagement and partnership.
- To focus on workforce sustainability.
- To maintain financial sustainability.
- To focus on resilience and sustainability.

As readers will appreciate, the key to achieving these aspirational goals is the specific initiatives employed in working towards them. Probably the most significant of these initiatives is our commitment to utilise and reconfigure the recently acquired adjoining building at 14-16 Clyde Street. This will further support the development of the concept of Clutha Health First being a physical "hub" for the widening range of health, disability and wellbeing services available within our community.

We do need to acknowledge that it is because of the relatively robust nature of our financial reserves, achieved through years of prudent financial management by our board and management teams, that we are in the fortunate position to be able to commit to this significant reinvestment in our communities' health facilities and services.

Staffing Levels

The New Zealand-wide challenges that arise from a severe shortage of medical doctors, and GPs in particular, will be well known to readers. These issues are exacerbated in rural New Zealand and CHF is not unaffected by them.

However it must be acknowledged that CHF's management has, through tireless perseverance with recruitment efforts, been able to substantially mitigate these issues over the past year.

Nevertheless, we do realise that getting a doctor's appointment has at times been difficult and we do have to acknowledge the understanding of the patients of our GP practice in these matters.

Acknowledgements

In respect of the challenges in maintaining sustainable staffing levels we do have to acknowledge and give considerable credit and thanks to our staff who regularly step up to ensure continuity in our health responsibilities to our patients.

Our staff have also helped us adjust our cost structures to enable us to retain financial sustainability in the past year. We are indeed fortunate to have a loyal team that works collaboratively to ensure that the healthcare needs of our community are in fact their "first" priority.

Thanks must also go to our senior management team, especially Chief Executive Officer, Gary Reed, who continues to take the day-to-day challenges of the health sector in his stride, and with considerable success. At the same time our management team continues to think strategically and strive to identify how we can continue to innovate to provide ever increasing health and welfare services locally to the Clutha District.

Finally, I want to acknowledge the commitment of my fellow Directors who, like our management and staff, are totally focused on the healthcare needs and opportunities for the residents of the Clutha District. During the past year Conway Powell retired after nine years of conscientious and valued contribution to our board. A big thank you and best wishes to Conway. We are delighted that to replace Conway on the board we have gained the services of Kathy Grant who brings with her a wealth of governance experience, professional skills, and a deep understanding of the issues in the healthcare sector. Kathy, thank you for accepting appointment as a Director of the Clutha Community Health Company Ltd.

We are also appreciative of the Trustees of Clutha Health Incorporated (our shareholder) for the reappointment of Leanne Samuel for a further term. Leanne's wide range of governance and professional skills provide real value to our board.

The Year Ahead

The board is cautiously optimistic that in the ensuing financial year, CHF will return to break even position from an Operational perspective following two year of significant deficits. This optimism is based the stated intent of Rural Health Strategy which acknowledges the need to address the issue of access to health services for rural communities in NZ. As a consequence of this strategy several reviews are currently being undertaken which we trust will see equity and fairness in sustainable future funding of the health services available to our community. These reviews include urgent and after hours care, primary maternity services, and primary care – all services for which CHF is committed to retaining and providing to the Clutha District community.

Bill Thomson
Chair

13th August 2024

"We are reinvesting in our community's health facilities and services - building on our strong foundations to ensure the wellbeing of future generations"

Bill Thomson
Chair

13th August 2024

Chief Executive's **Report**

Hauora Tahi Ki Iwikatea Clutha Health First (CHF)

Introduction

It is my privilege to present the annual report for Clutha Health First (CHF) for the financial year ending 30 June 2025. At the outset of the year, our optimistic expectations were buoyed by the Government's ambitious vision detailed within the Pae Ora (Healthy Futures) Act 2022, and the promise of a truly fair national health service administered by Health New Zealand (HNZ). The reform aimed to eliminate inconsistent access to health services underpinned by a prevailing 'post-code lottery' system: at long last patient's in rural communities would have access to clinical services that their urban counterparts take for granted. However, it quickly became evident that many of the systemic challenges and inequities encountered in 2024 carried over into 2025.

Despite the reform's aspirations, funding for clinical services continued to fall short of actual delivery costs. Once again, CHF encountered the ongoing challenge of the cost of delivering essential healthcare exceeded the funding received for it, resulting once again in a projected financial deficit.

Annual contract rollovers persisted, creating uncertainty and limiting innovation. Strategic reforms promised by HNZ to ensure the sustainability of non-governmental rural hospitals failed to materialise and the commitments outlined in the governments Rural Health Strategy - improving equity of access, delivering care closer to home, and enhancing rural health outcomes - remained largely unfulfilled.

Performance and Financial Overview

CHF forecasted a significant financial deficit for the 2024/25 year. This shortfall was directly attributable to the significant gap between service delivery costs and the funding received to provide them. While HNZ acknowledged this imbalance, its response was limited to short-term contingency funding - just enough to prevent the withdrawal of clinical services but not enough to ensure their enduring sustainability.

To mitigate on-going cost increases CHF undertook a comprehensive cost review across departments, identifying savings that would not compromise patient care. This effort helped mitigate the deficit for the current year. However, the factors that enabled this - such as ongoing GP vacancies, one-off income, and short-term deposit interest - are not sustainable. Underlying structural funding inequities remain unresolved, casting uncertainty over future financial years.

Challenges Faced by CHF in 2024–25

Healthcare delivery continues to be complex and demanding. Patient needs are growing, funding remains constrained, and Health New Zealand, now in its fourth year of operating, has struggled to provide stable leadership and direction.

There are multiple critical issues constraining CHFs ability to fully optimise its inherent potential to develop and deliver additional clinical services that would enormously benefit the residents of the Clutha District.Addressing these constraints would provide for certainty of clinical services to our community and demonstrate Health New Zealand's commitment to rural communities.

How CHF may get to this point is through resolving the barriers below:

Contractual Limitations

CHF is a price-taker under HNZ's contracting model, with limited ability to negotiate payment rates. This contrasts with private providers who can negotiate terms, placing rural hospitals at a financial disadvantage. A shift in the contracting model to HNZ funding services to a level that supports the financial sustainability of its health partner would be a mutually beneficial outcome for both organisations.

Funding Disparities

Despite record government investment in HNZ, NGO rural hospitals receive significantly less funding for equivalent services delivered. Recent HNZ commissioning data indicates NGO facilities are paid approximately 35% less than HNZ-operated hospitals for similar service delivery. Resolving this issue and the constraints of the contractual process above would be a mutually beneficial outcome for both organisations.

Infrastructure Funding Gaps

HNZ does not contribute to capital or operational infrastructure for NGO rural hospitals. CHF must independently fund clinical equipment, maintenance, and facility upgrades, further straining limited resources. Long-term contracts and sustainable funding would support CHF in ensuring it can grow its facilities and deliver expanded services expected to come as part of the Rural Health Strategy.

Unrealised Policy Commitments

The HNZ Rural Hospital Sustainability Project, completed in 2025, provided a comprehensive stocktake of NGO and HNZ-controlled rural hospital operations. However, the report was heavily redacted, is marked as not government policy, and has yet to result in actionable change. An HNZ internal working group has been formed to develop its findings further, but immediate solutions remain elusive. The sector viewed this HNZ initiative as a potential framework for developing NGO rural hospitals and the vehicle by which rural communities would incrementally have increased access to a broader range of clinical services.

Rural Health Strategy Inaction

The Pae Ora legislation identified the Rural Health Strategy as one of five pillars of health service delivery. Four years after its enactment, there is little evidence of meaningful implementation. Progress has been slower than anticipated, with minimal tangible progress.

Advocacy and Strategic Engagement

CHF remained actively engaged in advocating for rural health equity and sustainability, highlighting critical issues such as:

- Funding disparities
- Infrastructure gaps
- Pay equity pressures
- Rural Health Strategy Inaction

This advocacy reinforced CHF's leadership role in rural health and its commitment to long-term systemic improvements.

Looking Forward: Management Priorities for 2025/26

Advocate for a Formal Pricing Negotiation Framework

Goal: Establish a mechanism enabling CHF to negotiate fair and sustainable service funding.

Action: Collaborate with other rural hospitals and sector bodies to lobby Health New Zealand (HNZ) and the Ministry of Health for a formalised pricing model that reflects actual service delivery costs with longer-term contracts.

Push for Funding Parity with HNZ-Operated Facilities

Goal: Ensure NGO providers receive equivalent funding for equivalent services.

Action: Use HNZ's commissioning data (e.g., the 35% funding gap) to build a compelling case for equitable funding. Engage local MPs and community stakeholders to amplify the message.

Secure Targeted Infrastructure Investment

Goal: Obtain dedicated capital and operational funding for facility upgrades and clinical equipment.

Action: Develop a capital investment plan and submit proposals to HNZ, philanthropic trusts, and government infrastructure funds.

Accelerate Implementation of the Rural Hospital Sustainability Project

Goal: Translate the project's findings into actionable policy.

Action: Request complete transparency of the report, participate in a convened working group, and propose pilot initiatives based on its recommendations.

Operationalise the Rural Health Strategy

Goal: Move from policy rhetoric to measurable outcomes under the Pae Ora legislation.

Action: Develop a localised implementation plan with clear KPIs (e.g., access, equity, outcomes) and request alignment with the Government Policy Statement on Health (2024–2027).

Looking Ahead: Rural Health Strategy

We remain hopeful that Health New Zealand will reaffirm its commitment to the Rural Health Strategy, which was intended to be operational by 2023, as informed by the Government Policy Statement on Health (2024–2027). This policy outlined the Government's commitment to improving rural health services and delivery.

CHF remains committed to providing equitable clinical services to our community, working with our health partners, and promoting our facility as an exemplar of how efficient and effective a rural hospital can be in delivering on the health needs and outcomes of its community.

Reflections on a Year Passed

It is indisputable that the NZ health sector is at a pivotal crossroads in its journey to deliver on promises regarding the provision of equitable health services to the peoples of New Zealand.

It is also indisputable that CHF has a remarkable workforce: highly capable, highly motivated and highly engaged in the community they service.

Together, we remain committed to building a healthier future for the Clutha District.

Many local tradespeople and professionals support our people and ensure the facility is optimally tended and maintained.

Together, CHF will continue to be strong, innovative, and committed to serving the Clutha District.

Gary Reed
Chief Executive


SUPERIOR PERFORMANCE

Key Highlights

2024-2025

Influenza and COVID-19 Vaccination

High numbers of vaccinations occurred with the provision of well publicised walk-in clinics and opportunistic vaccinations while patients were attending other appointments. Two high volume walk-in flu vaccination clinics, and two walk-in COVID-19 vaccinations clinics, a staff flu clinic and two outreach clinics to Aged Residential Care occurred. These clinics, alongside opportunistic vaccinations, resulted in the administration of 1182 Influenza vaccinations and 296 COVID-19 vaccinations.

Oral Health Program - Community Primary Care Team (CPCT)

The CPCT coordinator set up an Oral Health Program to utilise a discrete amount of short-term funding with the aim of providing basic restorative dental treatment, targeted to individuals and whanau working but receiving low-income, who otherwise would not afford basic dental care. There were 35 people who applied for criteria-based funding, most of whom have or will receive dental treatment that will restore quality of life and wellbeing.

Equity Champion

CHF is proud to have appointed an Equity Champion—a kaitiaki whose role is to uphold the principles of fairness, inclusion, and cultural integrity across all initiatives, policies, and practices. This appointment brings an equity lens, ensuring that the voices of Māori, Pasifika, and rural communities are heard, valued, and woven into the fabric of our decision-making. It reflects our commitment to manaakitanga, to walking alongside all people with respect and compassion, and to building a health system where every person feels seen, supported, and empowered.

Simulation-Based Training (SBT) – Embedding Excellence in Practice

SBT replicates real-life clinical emergencies in a safe, supportive learning environment where clinicians can practice teamwork and clinical skills in controlled simulated situations. With one of our Inpatient Medical Officers having gained certification as an instructor, SBT commenced with overwhelmingly positive feedback from staff. SBT will now be embedded in our annual education program, supporting continuous improvement, improved confidence and shared learning.

Key Highlights

2024-2025

Embracing Technology with Heidi Health AI

To improve consultation quality and support clinicians, Heidi Health AI was carefully introduced in the General Practice. With patient consent, primary care consultations can now be transcribed and summarised into an acceptable format for the clinical record. This enables clinicians' better engagement with their patients and saves valuable time which can be used elsewhere. The introduction of this accepted clinical tool reflects our commitment to utilising technology and innovation to enhance patient care.

Celebrating Together – the Spirit of Kotahitanga

Throughout the year, each team has hosted a vibrant and fun staff event—from Easter buns and chocolate to Pink Ribbon morning teas, hearty soup and rolls, and international lunches. These gatherings reflect a collaborative workforce grounded in kotahitanga (unity) and mahi tahi (working together), strengthening relationships, lifting morale, and celebrating the diverse cultures and contributions of our people over a bite to eat and cuppa.

Our Shared Values and Behaviours poster

Living Our Values – Staff reflections on our organisational values and what they mean in our everyday mahi were shared on post it notes, over coffee and cake. Through open kōrero and shared insights, a Shared Values and Behaviours poster was thoughtfully curated. The poster captures the voices of our people and sets expectations for a culture where everyone who comes to work feels valued, respected, and connected.


BD

2024/2025 Service **Performance Report**

Clutha Community Health Company Ltd (CHF) aims to provide clinically and financially sustainable healthcare services to its community. At its heart rural health in New Zealand has been the focus of recent healthcare strategies, aiming to address the unique challenges faced by rural communities.

The inaugural Rural Health Strategy, published in 2023, outlines a ten-year plan to improve access to healthcare services and support the well-being of these communities. Priorities include enhancing healthcare access closer to home and valuing the rural health workforce, which is crucial for meeting the broader health needs of these areas.

This strategy represents a significant step towards achieving equitable health outcomes for all New Zealanders, regardless of their geographical location. Early undertakings in implementing the Rural Health Strategy have begun being introduced, recently examples being the introduction of 'Digital Access to 24/7 Primary Care' which will provide all New Zealanders with access to video consultations for urgent primary care conditions. Increased funding to support Rural Mental Health services were also introduced this year.

The Statement of Service Performance presents an overview of CHF's key objectives and goals during 2024/2025.

GENERAL OBJECTIVE	PERFORMANCE MEASURE
1. Clinical Services Delivery	Online Patient Portal Usage Outpatient Estimated Waiting Times Maternity Births and Post Natal Stays Inpatient Bed Nights Occupancy
2. Cultural Engagement and Partnership	Māori/Pasifika Enrolled at General Practice Māori/Pasifika with Diabetes Attending for Annual Blood Test
3. Workforce Sustainability	Workforce Stability
4. Financial Sustainability	CHF CAPEX Reinvestment

1 Clinical Services **Delivery**

Clinical Services remain the cornerstone of how CHF seeks to ensure that our community's health needs are being met. CHF is committed to identifying and improving services that meet those needs in a timely and convenient manner. During 2024/2025 several new clinical services were introduced aimed at delivering those needs.

Model of Care:

Ka Ora - A General Practice Alternative After Hours Service

The transition over to Ka Ora as CHF's preferred telehealth provider for Primary Care occurred in November 2024. Ka Ora provides rural populations throughout New Zealand afterhours remote Telehealth care (5pm-8am weekdays, 24 hours over weekends and public holidays) as an alternative means of accessing Primary Care from home, particularly overnight when the General Practice is closed. The transition involved several months of developing and testing new staff processes, communication with our community, communication with our partners Hato Hone St John and positive collaboration between Ka Ora and CHF. The data to date indicates that the service is being well utilised by the community.

Community and Primary Care Teams (CPCT) Oral Health Initiative

Tooth decay is the most common chronic disease affecting comfort, quality of life and wellbeing among New Zealanders, but for Māori, Pacific people and those living rurally. The CPCT coordinator set up an Oral Health Programme to utilise a discrete amount of short-term funding with the aim of providing basic restorative dental treatment, targeted to individuals and whanau working but receiving low-income, who otherwise could not afford basic dental care. The CPCT coordinator engaged with local dentists to provide care for eligible patients. The dental providers have integrated the selected patients onto their waitlists and continue to treat them according to urgency. The CPCT coordinator who liaises with patients and dentists to coordinate this welcome dental care has also sought patient feedback. One patient said, "I no longer have pain, food getting stuck, or sensitivity which has made a huge difference. I'm also sleeping better and feel less agitated throughout the day. I no longer try to hide my mouth while speaking to others. This funding has truly changed my day-to-day life for the better".

Relationship Services

An open invitation to community staff to suggest a service that would not traditionally be available through the public health system identified that there was no provision available for a Relationship Counselling service. Those seeking relationship counselling were required to travel outside of the district or undertake a remote telephone/video consultation appointment. With economic and time constraints, feedback was that it was not feasible for affected people to travel out of the area to receive face-to-face, therapeutic relationship services and that remote consultations lacked personalisation.

In 2024 a free to user relationship counselling service was launched where individuals could self-refer to the contracted registered counsellor. A mid-year review of the six clients concluding the counselling programme reported that their situation saw some significant improvement from receiving counselling, all reported they believed it to be a valuable service, and all would recommend the service to others.

Employee Assist Programme

In September 2024, Clutha Health First refreshed its Employee Assistance Programme (EAP), reaffirming its commitment to staff wellbeing. This confidential service offers free, short-term counseling and problem-solving support to all CHF employees, helping them navigate both work-related and

personal challenges. The refreshed programme has been warmly welcomed and used by staff and continues to play a vital role in fostering a supportive and resilient workplace and culture.

Equity Champion

In February 2024, in a meaningful step forward, CHF is proud to have introduced an Equity Champion role within the General Practice and across the wider facility – a kiatiaki whose role is to uphold the principles of fairness, and cultural integrity across all initiatives, policy and practice. This new and developing role reflects our commitment to improving health equity and ensuring that all patients receive fair, inclusive, and culturally safe care. This vital role will be embedded as part of our organisational structure, as we seek to reduce avoidable health disparities and foster a more inclusive environment for both staff and turoru / patients and whanau.

Simulation Based Training

Simulation Based Training (SBT) is an educational approach that replicates real-life clinical emergency situations. Key benefits include a safe learning environment, improved competence, immediate feedback and reflective learning, teamwork and communication. One of our Inpatient Medical Officers gained certification in SBT, and with this resource the successful introduction of simulation training events for clinical staff occurred. Feedback from staff has been extremely positive and SBT will now be embedded into the annual facility-wide education programmes, ensuring ongoing skill development, shared learning and continuous improvement in clinical practice.

Technology:

Heidi Health AI

In ensuring the company keeps abreast of the potentials for the use of Artificial Intelligence (AI) technology it undertook an extensive review of "apps" available in the marketplace that met the stringent privacy requirements established under NZ legislation and optimise the quality of the consultation between clinician and patient.

To this end the “app” Heidi AI was introduced into the general practice. In use patients are asked at the beginning of their consultation if they consented to the conversation being recorded, following which a summary transcript of the conversation uploaded to their medical record.

The programme allows the clinicians to give their full attention to the patient and ensures that all the relevant information provided to them by the patient is accurately recorded. Once the transcribed consultation is reviewed by the clinician the electronic recording is deleted.

Such have been the benefits of the system as reported by both clinicians and patients that the “app” usage is to be extended to other suitable clinical appointments.

Electronic Devices in the community

The District Nursing Service has successfully piloted an initiative to improve patient care by having access to the patient's electronic clinical records in the home. Patients rely heavily on the District Nurses’ knowledge and advice during their visits and when nurses lack immediate access to clinical information such as blood results, discharge summaries, wound care charts or next appointments it creates inefficiencies. A successful trial using laptops with data connectivity in the patients' home was undertaken, and feedback highlighted the benefits of having access to real-time information. Progress will continue as we await the full rollout of more district wide electronic forms in the electronic patient record system we use. As additional capabilities come online over the coming year, care, advice and capability will become even safer and timelier.

1

Clinical Services **Delivery**

Performance Measures Core Clinical Services:

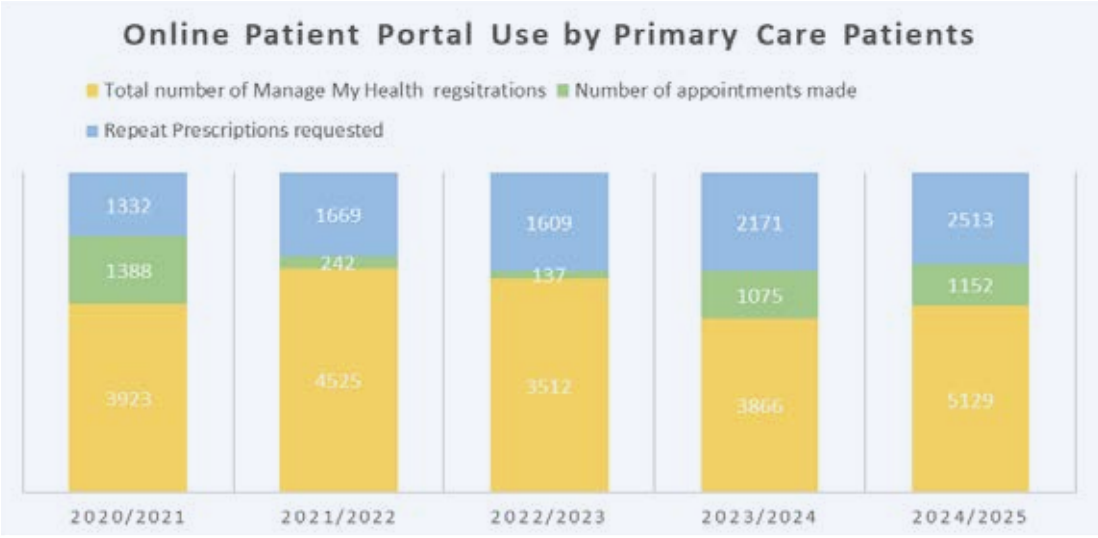
The Manage My Health Patient Portal is an online platform through which patients can remotely request repeat prescriptions, make appointments, view their personal clinical laboratory results and clinical consultation notes.

Moving on from the period 2022-2023 during which time the portal was suspended during the Covid19 pandemic, the periods following show year on year growth in total patient enrolments, patient bookings and repeat prescriptions.

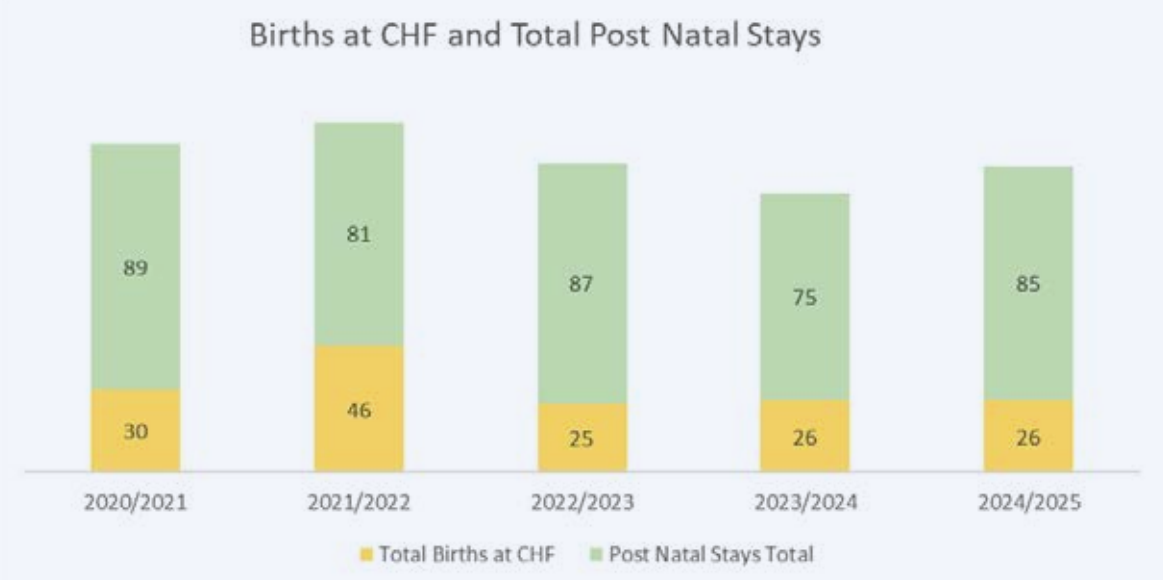
It is pleasing to report that for the specialist outpatient clinics for which CHF holds a contract to deliver on behalf of Health New Zealand - Southern that the time a patient waits to receive their consultation is well within the Ministry of Health Elective Services Patient Flow Indicator (ESPI2) wait time. As can be seen from the graph below typically patients have waited an average of 8 weeks to receive their consultation, this being well within the Ministry of Health target of 16 weeks.

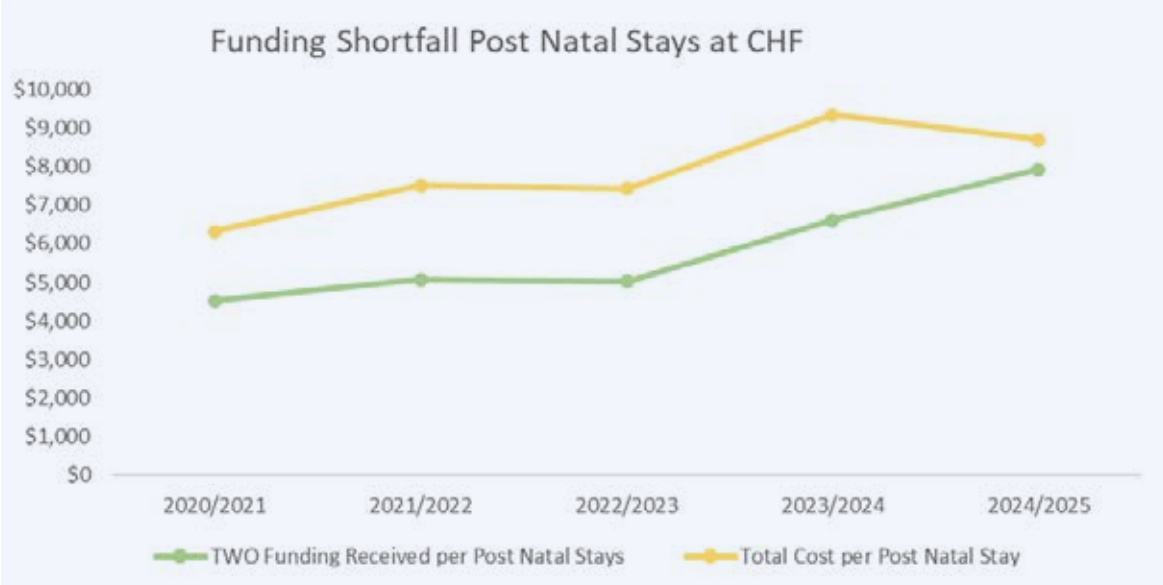
Endocrinology is the one exception to the wait time metric as the booking of these appointments is managed directly by Health New Zealand - Southern rather than CHF directly, which on occasion does lead to patients waiting slightly longer (i.e. up to on average one week) for an appointment at CHF.

The total number of births at CHF settled at 26 for the year ending 30 June 2025. Post the Covid19 pandemic, both the overall birthing numbers and the number of births on site at the facility have both been consistent but lower than in previous years. Traditionally there has been some degree of year-on-year variability in birth numbers, with local trends reflecting a national trend of lower overall birth numbers.



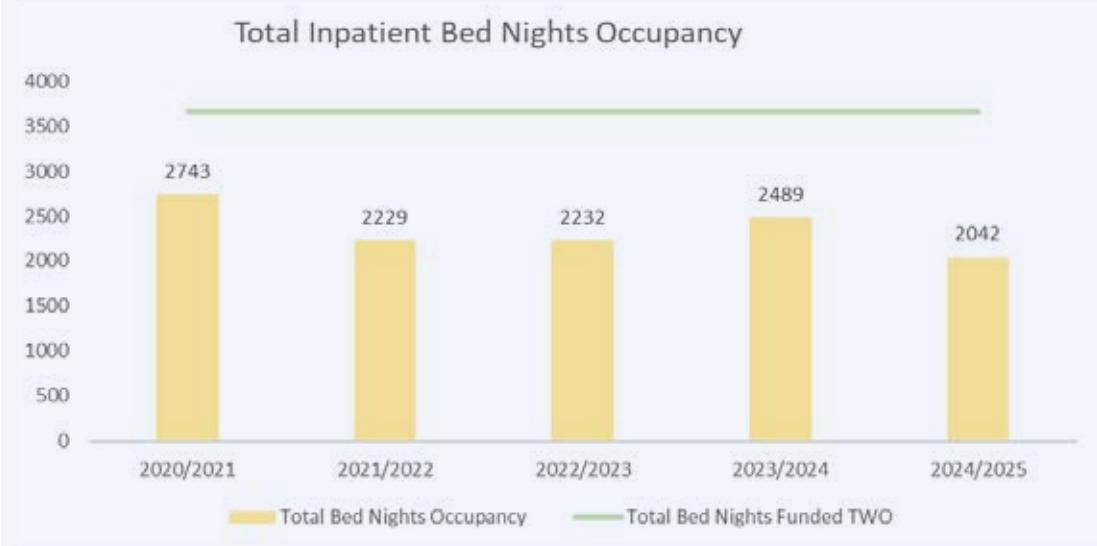

OPD Estimated Waiting Time - First Specialist Assesment (FSA)
Months
0
1
2
3
4
5
Endocrinologist
Gynaecology
Orthopaedic
Radiation Oncologist
General Surgery
2021/2022
2022/2023
2023/2024
2024/2025
Health NZ ESPI (2)


Births at CHF and Total Post Natal Stays
89
30
81
46
87
25
75
26
85
26
2020/2021
2021/2022
2022/2023
2023/2024
2024/2025
Total Births at CHF
Post Natal Stays Total


Funding Shortfall Post Natal Stays at CHF
$10,000
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
2020/2021
2021/2022
2022/2023
2023/2024
2024/2025
TWO Funding Received per Post Natal Stays
Total Cost per Post Natal Stay

The financial sustainability of the primary maternity unit remains an ongoing challenge for CHF as the internal investment required to keep the unit open and operating remains significant. However, the company was successful in negotiating a funding bridge with Health New Zealand for this past year which ensured the facility remained operational. Health New Zealand is currently progressing a review of all primary maternity units with an intent to establish a consistent model of service and funding across the motu. On this basis it is CHFs expectation that an equitable funding model will relieve CHF from having to internally subsidise this service to ensure its continuance.

Total bed night occupancy has reduced by approximately 18% on the previous year. No specific reasons for this fall in numbers has been identified beyond an observational view that undertakings to repatriate patients out of the base hospitals have been less successful this year. This is not thought to be due to any cultural shift, rather a reflection of a resource-challenged workforce in the base hospitals which is proritising its resources elsewhere.



2 Cultural **Engagement and Partnership**

CHF is committed to ensuring that healthcare services provided to our community are equitable for all community members. The Māori and Pasifika communities have been identified as priorities in the Clutha District and the development of Māori and Pasifika Health plans have further progressed over the past year. Reaffirming the Board's commitment to Te Tiriti O Waitangi the Cultural Advisory Committee (CAC) continues to actively engage, with the principal role and purpose of providing advice to the CHF Board and Management on Te Reo and Te Ao Māori with a view to facilitating improvements in access, health outcomes and well-being of our Māori people. The many strands of work occurring reflect this commitment.

In celebration and honour of the people of this place and the long and treasured cultural heritage in the Clutha District a mural was commissioned by a local artist to adorn the previously blank wall adjacent to the main facility entrance. The mural symbolises and celebrates the Clutha regions kotahitanga, emphasising the importance of coming together as one, while recognising diversity and fostering a sense of community.

The renovation of our inpatient lounge / facility whānau room was more than a physical transformation. At the heart of this refurbishment is a stunning photographic mural of Pūrākaunui Bay, steeped in natural beauty and deep cultural significance. It is a place with rich Māori heritage, a place where whenua / land meets moana / sea, with its sweeping sands and coastline, rhythmic tides, and the ever-changing skies providing a sense of nature's resilience, healing, and strength. This space offers more than comfort - it offers warm connection and a welcome sanctuary where tūroro / patients and whanau from all over the facility can gather and korero in support, share kai, and share stories and experiences.

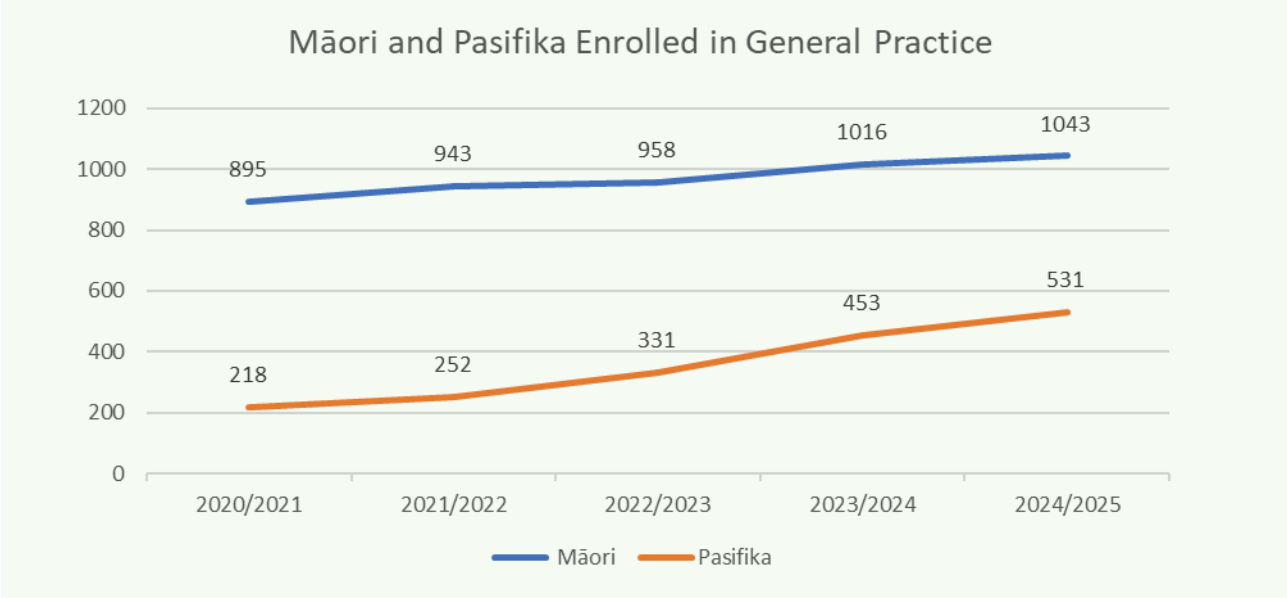
To bolster its commitment to working collaboratively with other local/regional Non-Governmental Organisations CHF was proud to sign a Memorandum of Understanding with Pacific Trust Otago and Tokomairiro Waiora to partner in delivering outreach clinical services across the Clutha District Region. Undertakings ranged from health checks to vaccinations (all ages) to healthy living advice as well as collaboration with local industry. The 'limited time' Oral Health Programme also emerged from this mahi, where free dental care was made available to Clutha District residents who were unable to afford dental care.

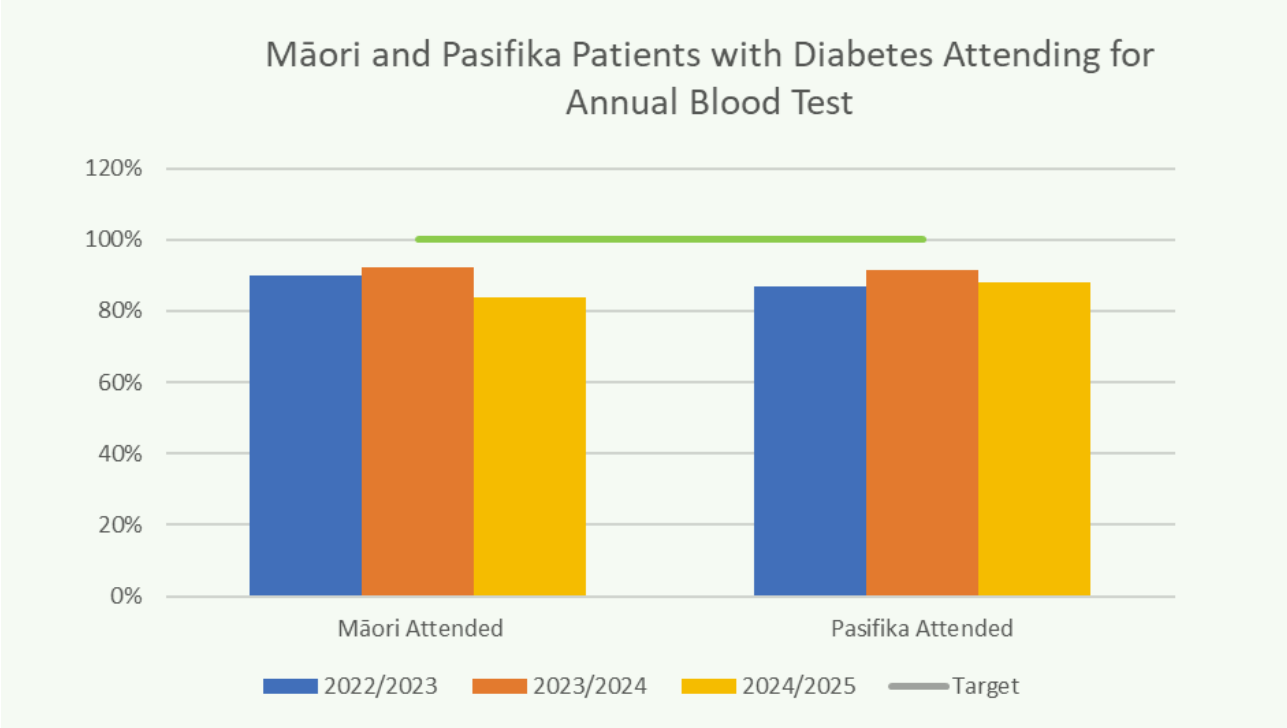
In terms of professional and workforce strength and development, one staff member attended the Wellsouth Pae Ora Leadership Training, a course rich in health equity leadership and learning, challenging bias and inequities. Supporting our workforce to weave connection and culture into their care, 46 staff attended specifically designed workshops that reflected on the challenges of delivering rural health care in an ever-changing demographic, caring for culturally diverse communities and how staff can collaborate in the provision of excellence in care while navigating inequities with compassion. We are proud to foster a values-based workforce grounded in Kotahitanga. In another meaningful step forward, CHF is proud to have appointed an Equity Champion - a kaitiaki whose role is to uphold the principles of fairness, inclusion, and cultural integrity across all initiatives, policy, and practices.

Performance Measures Cultural Engagement and Partnership:

Enrolments in the general practice indicate a year-on-year growth in overall enrolled numbers of Māori and Pacific patients. The increase in both ethnic group enrolments is consistent with the increase in the overall population residing in the Clutha District and consistent with census data for the percentage of patients by ethnicity residing in the region.

CHF continues to monitor the outcomes of targeted programmes, including those supporting Māori and Pasifika individuals with diabetes, by tracking annual blood test attendance against established targets. To support this work, CHF provides a dedicated diabetes nurse, working in collaboration with a WellSouth Health Coach (Kaiawhina) and a Community Primary Care Team Care (CPCT) Coordinator. In a further step towards improving outcomes for our Maori and Pasifika people, CHF has welcomed a CPCT Care Coordinator from Pacific Trust Otago, who now contributes one day per week.





3 Workforce **Sustainability**

Workforce retention and sustainability is a key component in ensuring CHF can continue to deliver the full range of services currently provided. Against the backdrop of an international shortage of health professionals CHF has focused its efforts this year on ensuring our staff feel valued and supported. It has pivoted its recruitment focus into areas where professional staff are active, with targeted and tailored advertising and activities now found across multiple social media platforms, each underpinned by a dedicated promotional video that in a snapshot informs candidates of who we are and why they should come to work with us.

To complement recruitment activities, we also developed a series of Employee Value Propositions for the different staff groups (see below for an example). For most staff roles, staff turnover has been minimal and the recruitment of new staff successful. The exception to this rule has been the parlous state of the general practitioner workforce in which recruitment in rural areas remains formidably challenging.

Example of an Employee Value Proposition Tile

Benefits and Compensation

- Centrally located
- Close, free parking
- Salary alignment to relevent vocation
- Fully support orientation programme
- Professional Development commitment

Career

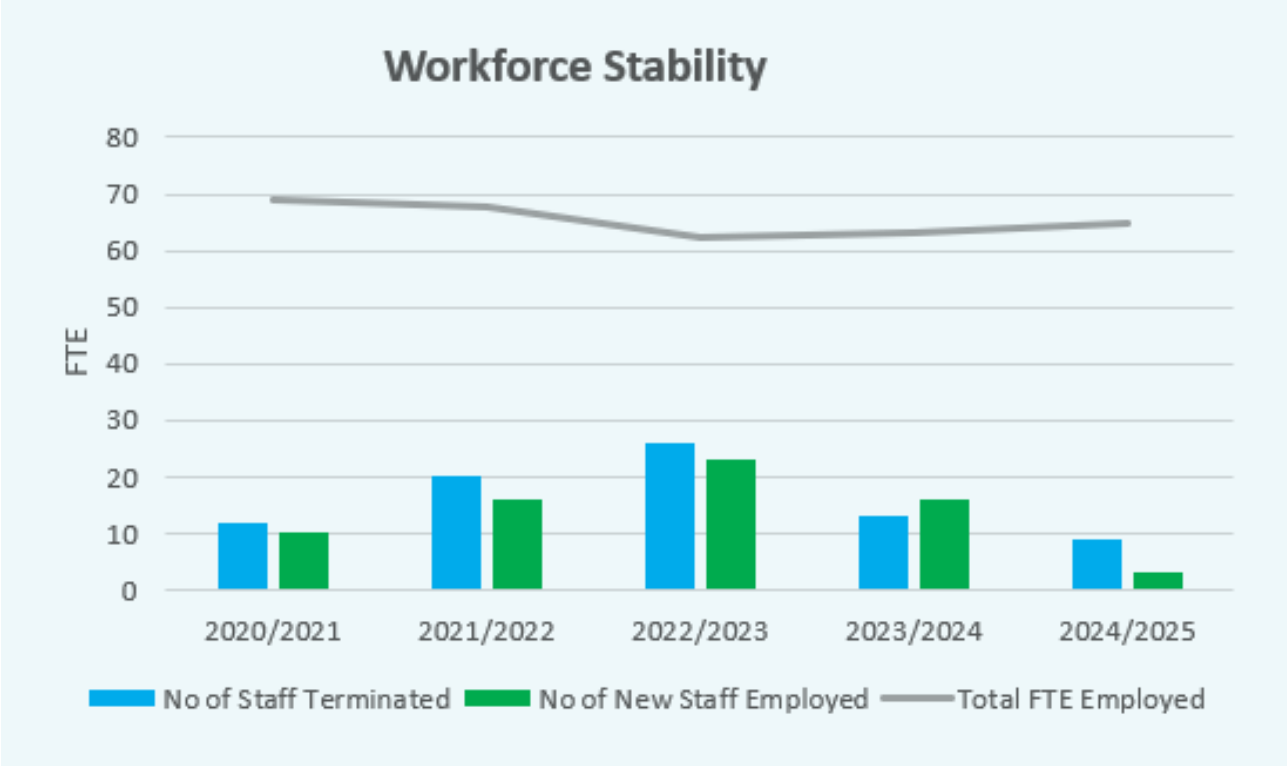
- Workforce stability
- Foster continuous CQI practices
- Work alongside a variety of health specialties
- Autonomy and team work
- Developement of a broad range of transferrable skills/ competenices
- Supported advanced training enabling top scope practices

Work Environment

- Well equipped with modern technology and equipment
- Highly valued skillset, intergral to our wider teams
- Independently varified positive staff engagement
- Family friendly empolyer
- Onsite support services

Culture

- Small teams - get to know everyone
- Collaborative workforce. Who 'het stuff done'
- Continuous quality improvement and health and safety culture
- Rural community engagement and support
- Fostering equity and diversity
- Established set of core values
- Responsive and engaged employer



Model of Care:

Staff Engagement and Recruitment:

Building on the strong results of last year's independent staff engagement survey, which is evidenced by a highly engaged and committed workforce - Clutha Health First chose not to rest with these results. Instead, we invested in strengthening our workplace culture, staff experience and recruitment approach.

We began with a celebration of the survey results where teams gathered over coffee and cake to reflect on our organisational values and what they mean in our day-to-day work. From these conversations, a 'Shared Values and Behaviors' poster was carefully curated which captured the voices of our staff and unpin a culture where everyone feels valued, motivated, and respected.

Many staff also took part in specially designed professional development sessions led by Fi McKay from Legend Transformation Leadership Company. These sessions were uplifting, thought-provoking, and tailored to our rural workforce within the context of a wider challenging and evolving healthcare climate. Topics included cultural diversity, racism, gender and generational differences, and much more - all aimed at ensuring CHF continues to be a unified, inclusive, and inspiring place to work.

These enhancements reflect our belief that CHF is not just a workplace, but a community where people feel valued, supported, and inspired to make a difference in a wonderful part of rural New Zealand.

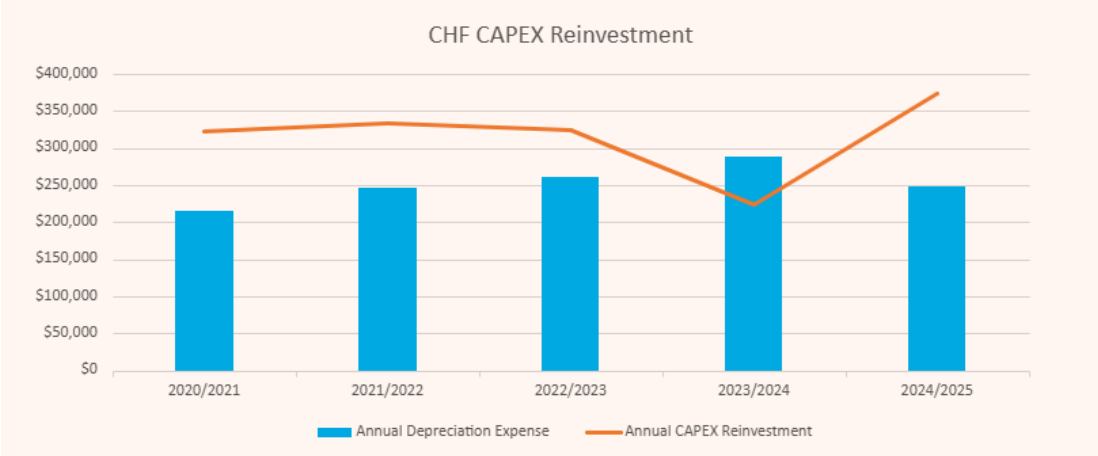
4 Financial **Sustainability**

CHF forecasted a significant financial deficit for the year 2024/25. This shortfall was directly attributable to the significant gap between service delivery costs and the funding received to provide them. While HNZ acknowledged this imbalance, its response was limited to short-term contingency funding - just enough to prevent the withdrawal of clinical services but not enough to ensure their enduring sustainability.

To mitigate on-going cost increases CHF undertook a comprehensive cost review across departments, identifying savings that would not compromise patient care.

This effort helped mitigate the deficit for the current year. However, the factors that enabled this - such as ongoing GP vacancies, one-off income, and short-term deposit interest - are not sustainable. The underlying structural funding inequities remain unresolved, casting uncertainty over future financial years.

Health New Zealand has indicated that it pays itself approximately 35% more on like-for-like services than it pays a non-governmental provider like CHF. It is anticipated that closing this funding gap will be a priority undertaking for CHF over the coming year.



Despite the significant financial challenges currently being experienced, CHF is committed to repurpose some of its cash reserves through reinvestment into the organisation to ensure that facilities are modern, fit and safe for purpose. Replacement of, and investment in, plant and equipment and information technology systems is an integral part of our business to the degree that capital expenditure outside that budgeted amounted to some $95,000 on enhancements to the facility.

This year we have omitted the pay parity differential graph which demonstrated the gap between the amount of financial contribution Health New Zealand was providing relative to the actual cost of CHF remunerating its staff salary rates at parity to those rates being paid by Health New Zealand. The reason for this is funding increases received from Health New Zealand no longer transparently disclosed the amount of money allocated as a pay parity contribution. Looking forward to 2025-26 CHF will be intending to negotiate funding on the cost of delivery model vs multiple singular contract lines and in doing so will remove pay equity from the equation and simplify negotiations.

5 Environmental **Sustainability**

CHF remains committed to acknowledging its responsibilities to operating its business with a view to playing a role in addressing environmental sustainability.

In this past year it has:

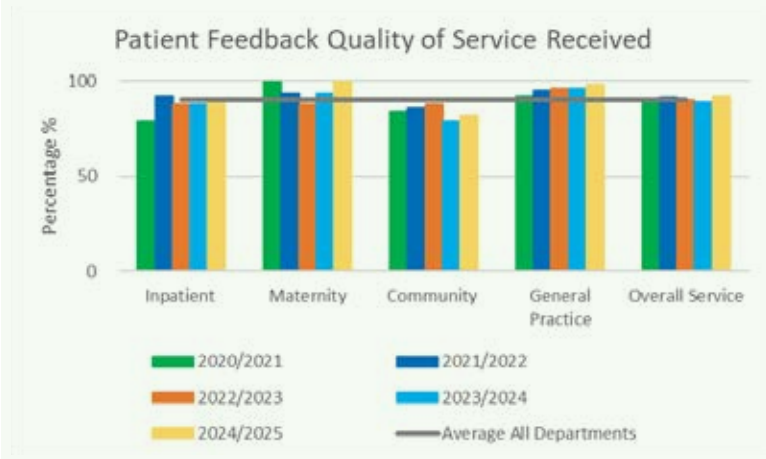
- Replaced and upgraded its three principal master pump condenser units which have improved efficiency and lowered overall electrical consumption, continued with the rolling programme replacing all the facility's fluorescent ceiling downlighters with LED units which will reduce electricity consumption by these lights by some 50%.
- Engaged Opportune to formally assess the company's 2024-25 carbon footprint, the first step enabling it to reduce carbon emissions. This will be achieved by clearly identifying the sources of the company's emissions, accurately measuring them and identifying those which it has direct control over and those which it can indirectly influence. With this information the company will be empowered to plan and implement an effective carbon reduction strategy.

Patient Satisfaction and Feedback

What We Did Well

Patient Feedback is an integral part of service provision and consumer engagement here at CHF. We always welcome consumer feedback and consider it one of the most valuable measures that helps us determine whether CHF meets its consumer and whanau expectations, the needs of the community and our Health and Disability Commission obligations. One method of measuring satisfaction is by inviting all Inpatient Ward, Maternity, General Practice and Community patients to complete a patient survey on their experiences of receiving care from CHF.

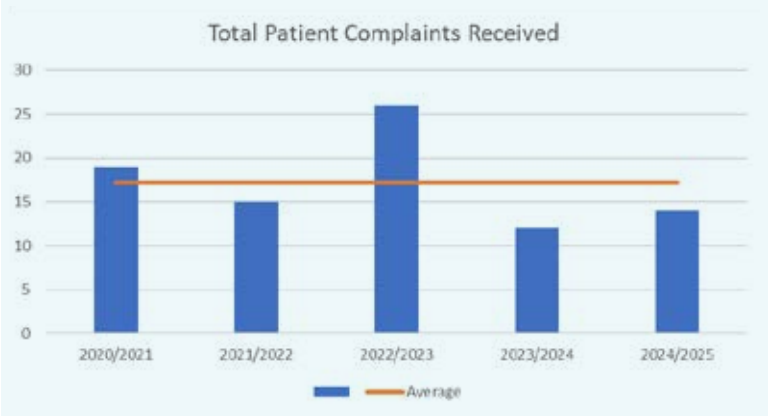
Results from the surveys (averaging 450 respondents annually) are reviewed regularly by our Clinical Governance Team, who use the feedback process to look for opportunities to improve services and to celebrate successes.



What Can We Do Better?

As part of the patient feedback process, we always encourage and welcome patients and whanau to inform us if we have not met their needs. Complaints are always investigated thoroughly with the respective teams and then responded to in an open, respectful and timely manner. Within the response, actions or outcomes (if any) are communicated to the consumer as assurance their voice has been heard.

Of note, there was a surge in complaints as we emerged from COVID-19, which was mirrored nationally as healthcare services were restored. We are pleased to say that the complaints remain below the 2022/23 year and once again there was not one consistent theme identified around dissatisfaction this past year.



2024-2025

Financial Report

Clutha Community Health Company Limited

Annual Report
For the Year ended 30 June 2025

Contents

Clutha Community Health Company Limited

Directory
As at 30 June 2025

Nature of Business:	Hospital and Health Services
Registration Number:	887714
NZ Business Number:	9429037944018
Incorporation Date:	18 December 1997
Directors:	Bill Thomson (Chairman), BCom, FCA, MInstD Dr Branko Sijnja, MBChB, Dip Obst, FRNZCGP, PG DipRPHP, PGDip GP Dr Conway Powell, BSc (Hons), PhD, CMInstD (retired 20 November 2024) Alastair McKenzie, CMInstD Dr Alexandra Tickle, PhD, MChem, BCH, MInstD Leanne Samuel, RN DipN, RM, BM, MHSM, FCNA Janet Copeland, LLB, BCom Peter Williamson, BA, PG DipPH Kathy Grant, BA, LLB, PGDip Arts, DFIoD (appointed 20 November 2024)
Manager:	Gary Reed, RN, PG CertCCN, PG Dip Hlth Econ, MBA
Registered Office:	102 Clyde Street, Balclutha
Accountants:	Shand Thomson, PO Box 2, Balclutha
Bankers:	ANZ Bank, 33 Clyde Street, Balclutha Bank of New Zealand, 98 George Street, Dunedin Westpac, P O Box 182, Balclutha
Solicitors:	Sumpter Moore, PO Box 89, Balclutha
Inland Revenue Department:	Clutha Community Health Company Limited 069-397-913
Auditors:	Crowe New Zealand Audit Partnership, PO Box 188, Dunedin
Shareholder:	**Ordinary Shares** Clutha Health Incorporated 312,500

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Clutha Community Health Company Limited

Opinion

We have audited the general purpose financial report of Clutha Community Health Company Limited (the Company) which comprise the financial statements on pages 8 to 15, and the service performance information on pages 16 to 29. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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

in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Information other than the General Purpose Financial Report and Auditor's Report

The Directors are responsible for the other information. The other information comprises the information included in the Statutory Disclosures on pages 6 to 7, but does not include the general purpose financial report and our auditor's report thereon.

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

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Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

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In connection with our audit of the general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the general purpose financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Directors' Responsibilities for the General Purpose Financial Report

The Directors are responsible on behalf of the Company for:

(a) the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

(b) the selection of elements/aspects of service performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime;

(c) the preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime;

(d) the overall presentation, structure and content of the service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime; and

(e) such internal control as the Directors determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the General Purpose Financial Report

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

As part of an audit in accordance with ISAs (NZ) and NZ AS 1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the financial statements and the service performance information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- Evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the general purpose financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the general purpose financial report, including the disclosures, and whether the general purpose financial report represents the underlying transactions, events and elements/aspects of service performance in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Company's Shareholder, as a body. Our audit has been undertaken so that we might state to the Company's Shareholder those matters 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 Shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Dunedin this 2nd day of October 2025

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Clutha Community Health Company Limited

Statutory Disclosures
As at 30 June 2025

Introduction

The Directors present their annual report and financial statements for the year ended 30 June 2025. The financial statements are for the reporting entity Clutha Community Health Company Limited (the Company).

Principal Activities

The Company's principal activity is the provision of hospital and health services for residents of the Clutha District. There has been no material change in the Company's business activity during the year under review.

Financial Results

The net surplus for the year was $19,744 (FY24 $197,067 deficit). As at 30 June 2025, the Company was still in negotiations with Te Whatu Ora in respect of the annual funding contract.

Financial Position

In the opinion of the Directors, the Company's current financial position is in a satisfactory state.

As at 30 June 2025 the book value of assets totalled	$9,776,948
And were financed by:	
■ Shareholders' Equity	7,232,296
■ Liabilities	2,544,652
	$9,776,948

Movement in Reserves

Retained Earnings	
Opening Balance	6,587,552
Less	
Net Deficit for the Year	19,744
Revenue Reserves Carried Forward of:	$6,607,296

Directors

In accordance with the Company's Constitution, approximate third of the Directors retire each year at the annual general meeting. During the year, Dr Conway Powell and Leanne Samuel retired by rotation. Leanne Samuel was reappointed for a further three year term. Kathy Grant was appointed for a three year term.

Dividend

The Directors advise that no dividend was paid during FY25 (FY24 $Nil).

Directors Disclosures

As required by section 211 of the Companies Act 1993 we disclose the following information:

(a) Directors' Interests:
The following transactions were entered into by the Directors of the Company:

- Bill Thomson was a Director and Shareholder of Shand Thomson until 31 March 2015. Bill is employed by Shand Thomson as a Consultant. Shand Thomson provides accountancy services to the Company.
- Bill Thomson is the Chairman of the philanthropic organisation, The Clutha Foundation. The Company may apply for funding from the Foundation in the future.
- Dr Branko Sijnja is a part time employee of Clutha Community Health Company Ltd. Salaries paid were $202,278 (FY24 $220,643).
- Dr Conway Powell and his spouse, Dr Kathy Powell, are Directors and Shareholders of Powell Consulting Ltd, which has in the past provided services to the Ministry of Health, Te Whatu Ora and Primary Health Organisations.
- Dr Conway Powell's spouse, Dr Kathy Powell, provides GP locum services to rural practices across New Zealand, including Clutha Community Health Company Ltd.
- Dr Conway Powell has provided consultancy services to Roxburgh Medical Trust and Teviot Valley Rest Home.
- Alastair McKenzie is a Director|Board Member of the following organisations:
  - Bert Walker 1988 Ltd
  - Community Care Trust
  - Endurance Ag Ltd
  - Turner Heights Ltd
  - Fire and Emergency New Zealand Southland Local Advisory Committee
- Dr Alexandra Tickle is a Director of Amaroq Therapeutics Ltd, a company developing a new class of cancer treatments.
- Dr Alexandra Tickle is employed by Otago Innovation Ltd, a wholly-owned subsidiary of the University of Otago.
- Dr Alexandra Tickle is a Director of Periomedic Ltd, a startup company developing a healthcare device to detect periodontal disease.
- Dr Alexandra Tickle is a Trustee and Chair of the New Zealand Brain Tumour Trust.
- Leanne Samuel is the General Manager Pae Ora of Ara Poutama Aotearoa | Department of Corrections.

- Leanne Samuel is a Trustee of Community Trust South.
- Leanne Samuel is a Fellow of the College of Nurses Aotearoa.
- Leanne Samuel was contracted to the Company as the Acting Clinical Advisor from 3 July 2023 to 7 January 2024. Contract fees paid were $93,675. During this time she did not receive any directors fees.
- Janet Copeland is a Director|Board Member|Member|Trustee of:
  - Copeland McAllister Law Ltd
  - Dunedin City Council Audit & Risk Subcommittee
  - Next Investments Ltd
  - NZ Law Society Standards Committee (Southland)
  - Ronaki (Southland) Ltd
  - Southland Charity Hospital Trust
  - Stoney Creek Investments Ltd
- Peter Williamson is the rautaki hononga|kaitakawaenga – Māori strategic framework facilitator at the University of Otago.
- Kathy Grant is a Trustee of the Central Lakes Trust, a charitable trust which distributes funds of charitable initiatives within the Central Otago and Queenstown Lakes region.
- Kathy Grant is Director of Southern Cross CLT Ltd. The Company is a joint venture between the Central Lakes Trust and Southern Cross Healthcare Ltd; it leases an independent hospital at Kawarau Park, Lake Hayes Estate.

(b) Use of Company Information:

The Board received no notices during the year from Directors requesting to use company information received in their capacity as Directors which would not have been otherwise available to them.

(c) Share Dealing:

No Director owned, requested nor disposed of any interest in shares during the year.

(d) Directors Fees:

Directors fees were paid as follows:

	FY25 $	FY24 $
Bill Thomson	24,000	24,000
Dr Branko Sijnja	15,000	15,000
Dr Conway Powell	6,000	12,000
Alastair McKenzie	15,000	15,000
Dr Alexandra Tickle	15,000	15,000
Leanne Samuel	12,000	6,000
Janet Copeland	12,000	12,000
Peter Williamson	15,000	15,000
Kathy Grant	7,000	-
	$121,000	$114,000

Auditors

Crowe New Zealand Audit Partnership were appointed auditors pursuant to section 207 of the Companies Act 1993 and fees payable to the auditor were $19,063.

Employee Remuneration

The number of employees whose remuneration and benefits are within the defined bands are as follows:

	FY25	FY24
Remuneration Range	Number of Employees	
$100,001 - $110,000	4	6
$110,001 - $120,000	3	6
$120,001 - $130,000	7	4
$130,001 - $140,000	3	3
$140,001 - $150,000	5	2
$150,001 - $160,000	3	2
$170,001 - $180,000	2	1
$180,001 - $190,000	1	-
$190,001 - $200,000	-	1
$200,001 - $210,000	2	-
$220,001 - $230,000	-	1
$260,001 - $270,000	1	-
$280,001 - $290,000	1	
$290,001 - $300,000	-	2
$390,001 - $400,000	1	-
$410,001 - $420,000	-	1

The Directors hereby approve the financial statements for the year ended 30 June 2025. For and on behalf of the Board of Directors:

W G Thomson (Chairman) **Dr B Sijnja (Director)**

2 October 2025

Clutha Community Health Company Limited

Statement of Cash Flows
For the Year ended 30 June 2025

	Note	FY25	FY24
		$	$
Cash Flows from Operating Activities			
Cash was received from:			
Donations, fundraising & other similar receipts		7,329	168
Receipts from providing goods or services		14,531,649	13,736,763
Interest, dividends & other investment receipts		307,732	266,391
		14,846,710	14,003,322
Cash was applied to:			
Payments to suppliers & employees		14,196,975	13,272,836
Net goods & services tax paid		37,234	1,516
		14,234,209	13,274,352
Net Cash Flows from Operating Activities	22	612,501	728,970
Cash Flows from Investing & Financing Activities			
Cash was provided from:			
Receipts from the sale of property, plant & equipment		43,545	3,842
Receipts from bank deposits maturing		-	593,106
Receipts from grant funds		90,000	-
		133,545	596,948
Cash was applied to:			
Payments to acquire property, plant, equipment & goodwill		374,396	229,252
Payments for new bank deposits		438,478	-
Advance to Clutha Health Incorporated		-	550,000
		812,874	779,252
Net Cash Flows to Investing & Financing Activities		(679,329)	(182,304)
Net Increase (Decrease) in Cash Held	14	(66,828)	546,666
Opening Cash & Bank Balances		1,194,026	647,360
Closing Cash & Bank Balances		$1,127,198	$1,194,026
Represented by:			
Bank Current Accounts & Cash on Hand		321,823	1,190,380
Bank Call Account		805,375	3,646
Total Cash at Bank		$1,127,198	$1,194,026

Clutha Community Health Company Limited

Statement of Comprehensive Revenue and Expense
For the Year ended 30 June 2025

	Note	FY25	FY24
		$	$
Revenue from Exchange Transactions			
General Practice Consultation Fees		1,466,072	1,372,464
Interest Revenue		289,652	312,910
Rental Revenue		184,425	142,938
Sundry Income	20, 21	66,907	57,193
		2,007,056	1,885,505
Revenue from Non-Exchange Transactions			
Contract Services		1,175,138	1,267,421
PHO Revenue		2,693,967	2,495,419
Te Whatu Ora Funding		8,698,243	8,252,360
		12,567,348	12,015,200
Total Revenue		14,574,404	13,900,705
Expenditure			
Administration Expenses		226,488	247,652
Estate Expenses	7, 8, 20	863,920	852,049
External Clinical Contracts & Services		1,063,437	1,054,275
Household Expenses		459,797	413,875
Personnel Costs	9, 18	10,800,853	10,577,396
Transport Expenses		67,122	70,110
Treatment Expenses		394,403	367,072
Other External Costs	20	270,354	226,697
		14,146,374	13,809,125
Net Depreciation, Gain, Loss on Disposal of Assets	12, 20	248,286	288,647
Goodwill Impairment	10	160,000	-
Total Expenses		14,554,660	14,097,772
Surplus(Deficit) for the Year from Continuing Activities		19,744	(197,067)
Other Comprehensive Revenue and Expenditure for the Year		-	-
Total Comprehensive Revenue and Expenditure for the Year		$19,744	$(197,067)

Clutha Community Health Company Limited

Statement of Changes in Net Assets|Equity
For the Year ended 30 June 2025

	Contributed Capital	Accumulated Comprehensive Revenue and Expense	Total Net Assets| Equity
	$	$	$
Balance at 30 June 2023	625,000	6,784,619	7,409,619
Changes in Net Assets|Equity for 30 June 2024			
Total Comprehensive Revenue & Expenditure for the Year	-	(197,067)	(197,067)
Balance at 30 June 2024 Carried Forward	$625,000	$6,587,552	$7,212,552
Balance at 30 June 2024 Brought Forward	625,000	6,587,552	7,212,552
Changes in Net Assets|Equity for 30 June 2025			
Total Comprehensive Revenue & Expenditure for the Year	-	19,744	19,744
Balance at 30 June 2025	$625,000	$6,607,296	$7,232,296

Clutha Community Health Company Limited

Statement of Financial Position
As at 30 June 2025

	Note	FY25	FY24
		$	$
Assets			
Current Assets			
Cash & Cash Equivalents	14	1,127,198	1,194,026
Short Term Bank Deposits	15	5,201,017	4,762,539
Prepayments		88,655	67,798
Medical Supplies		63,085	71,604
Accounts Receivable	16	1,133,340	1,326,586
Accrued Interest		143,226	161,306
		7,756,521	7,583,859
Non Current Assets			
Property, Plant & Equipment	12	1,020,427	937,860
Intangible Assets	10	-	160,000
Related Party Advance	8	1,000,000	1,000,000
		2,020,427	2,097,860
Total Assets		9,776,948	9,681,719
Liabilities			
Current Liabilities			
Accounts Payable	11	512,217	527,854
Employee Benefits	18	1,672,261	1,694,885
Goods & Services Tax Accrued		209,194	246,428
Income in Advance	19	150,980	-
Total Liabilities		2,544,652	2,469,167
Total Net Assets		$7,232,296	$7,212,552
Net Assets|Equity			
Contributed Capital	6	625,000	625,000
Accumulated Comprehensive Revenue & Expenses		6,607,296	6,587,552
Total Net Assets|Equity		$7,232,296	$7,212,552

W G Thomson (Chairman) **Dr B Sijnja (Director)**

2 October 2025

This information should be read in conjunction with the notes to the financial statements.

Clutha Community Health Company Limited

Statement of Accounting Policies
For the Year ended 30 June 2025

Reporting Entity
Clutha Community Health Company Limited was incorporated on 18 December 1997 under the Companies Act 1993. The Company became a registered charity under the Charities Act 2005 on the 24 January 2008. The Company is wholly owned by Clutha Health Incorporated.

The financial statements were authorised for issue by the Directors on the date signed on page 8.

Nature of Business
The Company provides hospital and health services from premises situated on Charlotte and Clyde Streets, Balclutha.

Basis of Preparation
The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Company qualifies as a Tier 2 reporting entity as the two most recent reporting periods operating expenditure has been between $2 million and $33 million.

There is no public accountability.

Measurement Base
The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed in the preparation of these financial statements. Accrual accounting is used to recognise expenses and revenues when they occur.

Functional and Presentation Currency
The financial statements are presented in New Zealand dollars ($) which is the Company's functional and presentation currency, rounded to the nearest dollar. There has been no change in the functional currency during the year.

Use of Judgements and Estimates
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

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

The judgement made in applying accounting policies that has had the most significant effect on the amounts recognised in the financial statements is to consider that residual balances of payments for goodwill are impaired to the point of no value.

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

- Provision for expected credit loss $12,500 (FY24 $12,500)
- Useful life of depreciable assets (see below)

Particular Accounting Policies
The following particular accounting policies adopted in the financial statements have a material effect on the results and financial position:

- **Revenue Recognition**

  Revenue from Exchange Transactions
  Rental income and interest received are recorded as revenue in the period earned. Sales of services are recognised in the accounting period in which the services are rendered.

  Revenue from Non-Exchange Transactions
  Revenue from non-exchange transactions is recognised as revenue immediately unless there are substantive use or return conditions in the related contract.

- **Goods & Services Tax (GST)**
  The Company is registered for GST. The financial statements have been prepared on a "GST exclusive" basis with the exception of accounts receivable and accounts payable which are disclosed inclusively.

- **Inventories**
  Drugs and consumables on hand are valued at the lower of cost using the first in first out basis, and net realisable value.

- **Investments**
  Investments have been recorded at cost less impairment.

- **Accounts Receivable**
  Accounts receivables after initial recognition, are measured at amortised cost using the effective interest method, less any allowance for impairment.

- **Taxation**
  Clutha Community Health Company Limited is a charitable organisation and is exempt from income tax. The Company became a registered charity under the Charities Act 2005 on the 24 January 2008.

- **Employee Entitlements**
  Provision is made in respect of liability for annual, alternate and long service leave. All leave has been calculated on an actual entitlement basis at current rates of pay.

- **Cash and Cash Equivalents**
  Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

- **Intangible Assets**
  Goodwill represents the excess of the cost of acquisition over the fair value of the Company's share of the net identifiable assets of the acquired general practices at the date of acquisition. Goodwill on acquisition of practices is included in intangible assets. Goodwill is carried at cost less impairment losses. Impairment is reviewed at each reporting date and adjusted if appropriate.

- **Property, Plant & Equipment**
  Assets are stated at cost less accumulated depreciation and impairment. Assets costing less than $1,000 are expensed.

- **Depreciation**
  Depreciation of property, plant & equipment is calculated so as to allocate the cost or value of the assets less their residual values over their estimated useful lives. The depreciation rates used in preparation of these financial statements are as follows:

Lessees Improvements:	
■ Helipad	50 Years Straight Line
■ Other	10 Years Straight Line
Furniture & Fittings	10 Years Straight Line
Plant & Equipment	8 Years Straight Line
Office Equipment & IT	4 Years Straight Line
Vehicles	4 Years Straight Line

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

Changes in Accounting Policies
There have been no material changes in accounting policies from those applied last year.

Clutha Community Health Company Limited

Notes to the Financial Statements
For the Year ended 30 June 2025

Note 1 – Inventory Commitments
No inventories are specifically and separately pledged as security for liabilities (FY24 $Nil). There were no reversals of previously written down inventory items (FY24 $Nil).

Note 2 – Events Subsequent to Balance Date
The Directors are not aware of any matter or circumstance since the end of the financial year, not otherwise dealt with in this report, which has materially or may materially affect the operation, the results of these operations, or the state of affairs of the Company.

Note 3 – Contingent Liabilities
There was no other contingent liabilities at balance date (FY24 $Nil).

Note 4 – Capital Commitments
The Company signed a contract on the 6th June to design and construct a generator upgrade. No work commenced on the project before balance date. The value of the contract is $239,132 excluding GST. There were no other capital commitments at balance date (FY24 $Nil).

Note 5 – Directors & Officers' Indemnity Insurance
In accordance with the Constitution and the Companies Act 1993, the Company has given indemnities to, and effected insurance for, Directors and officers of the Company relating to any liabilities or costs incurred for any act or omission in their capacity as Directors or officers of the Company.

Note 6 – Paid in Share Capital
Shares Issued

- Shares are classified as contributed capital. The company has 312,500 Fully Paid Ordinary Shares on issue (FY24 312,500).
- All shares rank pari passu for dividend, voting, and winding up purposes and have no par value.
- All shares are owned by Clutha Health Incorporated

Note 7 – Leased Assets
Operating Leases
Premises are leased from Clutha Health Incorporated as follows:

	Start Date	Lease Term	Rights of Renewal	Lease Value pa $
Charlotte Street	01|07|2013	5 years	2	350,000
Clyde Street	01|12|2020	5 years	1	35,164
Lanark Street[1]	22|01|2018	Nil	NA	Nil
John Street[1]	27|10|2022	Nil	NA	Nil
Moir Street[1]	08|12|2023	Nil	NA	Nil

[1] The lease for Lanark and Moir Streets recognises that the Company advanced the funds for the purchases to Clutha Health Incorporated interest free. John Street was financed by Clutha Health Incorporated.

Premises at 19 Stewart Street are leased from R W Richards for $19,002 per annum for a three-year term with two, three year term rights of renewal, from 1 July 2023.

The financial obligations under the above leases are:

	FY25 $	FY24 $
No later than one year	404,166	389,514
Later than one and not longer than five years	1,170,144	1,574,310
Later than five years	-	-

There are no other material operating leases.

Finance Leases
There are no finance leases.

Note 8 – Related Party Information
Clutha Community Health Company Limited rents the health facility land and buildings at an agreed rental from Clutha Health Incorporated which is the sole shareholder of the Company. The rental for the Charlotte Street property is $350,000 per annum, the rental for the 24 Clyde Street property is $35,164 per annum.

	FY25 $	FY24 $
Rental Paid	385,164	385,164
Owed by Clutha Health Incorporated	9,528	42,586
Owed to Clutha Health Incorporated	-	33,721

The $1,000,000 advance to Clutha Health Incorporated ($450,000 in 2017 and $550,000 in 2024) is secured over the properties at 40 Lanark Street and 16 Moir Street, Balclutha. The advance is interest free with the properties being made available to the Company for its use at no cost. Repayment is to be made when the properties are sold.

Clutha Community Health Company Limited purchases accountancy and advisory services from Shand Thomson Ltd, an accounting firm in which Bill Thomson, a Director, is currently employed as a consultant. These services were supplied on normal commercial terms, FY25 $26,348 (FY24 $33,117).

Dr Branko Sijnja, a Director, was paid wages during the year in his capacity of employee of $202,278 (FY24 $220,643).

Last year, Leanne Samuels, a Director, was paid contract fees during the year in her capacity of Acting Clinical Advisor of $93,675.

Note 9 – Remuneration
The amounts disclosed in the following table are recognised as an expense during the reporting period related to key management personnel (KMPs) and include short-term benefits and directors' fees.

	FY25 $	FY24 $
Board of Directors (0.45 FTE) (FY24 0.48 FTE)	121,000	114,000
Executive Management (2 FTEs)	482,865	405,988
Total Paid to Key Management Personnel	$603,865	$519,988

The Company has two key management personnel, determined on full-time equivalent basis, which received remuneration from the Company during the year. (FY24: two key management personnel on 1.5 full-time equivalent basis).

The Company did not provide any compensation that was not at arm's length terms to key management personnel and close family members of key management personnel during the year (FY24 $Nil).

The Company provides no long-term benefits to its key management personnel.

There are no loans and advances transactions and outstanding balances made to|received from key management personnel during the year (FY24 $Nil).

Note 10 – Intangible Assets
Intangible assets were impaired during the year. They represented goodwill on the purchase of Dr Visagie's practice in February 2016. While Dr Visagie continues to work for the Company, the GP practice as a whole has been making losses and the value of the goodwill is now considered to be nil.

Note 11 – Accounts Payable from Exchange Transactions

	FY25 $	FY24 $
Trade Creditors	423,043	483,181
Accruals	89,175	44,673
	$512,218	$527,854

Note 12 – Property, Plant & Equipment

Property, plant & equipment are stated at cost less accumulated depreciation.

	FY25 $	FY24 $
Leasehold Improvements		
Opening Cost	748,861	602,791
Additions	120,339	146,070
Closing Cost	869,200	748,861
Less Accumulated Depreciation	415,568	338,395
Closing Book Value	$453,632	$410,467
Depreciation Current Year	77,174	60,495
Furniture & Fittings		
Opening Cost	451,335	443,095
Additions	29,487	8,241
Closing Cost	480,822	451,335
Less Accumulated Depreciation	296,423	255,865
Closing Book Value	$184,399	$195,471
Depreciation Current Year	40,558	38,590
General Plant|Equipment		
Opening Cost	704,287	709,790
Additions	41,232	20,580
Disposals at Cost	(4,991)	(26,083)
Closing Cost	740,528	704,287
Less Accumulated Depreciation	617,062	580,359
Closing Book Value	$123,466	$123,928
Depreciation Current Year	41,695	41,275
Office Equipment & IT		
Opening Cost	407,319	356,798
Additions	45,408	54,362
Disposals at Cost	(7,792)	(3,842)
Closing Cost	444,935	407,319
Less Accumulated Depreciation	346,738	309,531
Closing Book Value	$98,197	$97,788
Depreciation Current Year	44,999	44,950
Vehicles		
Opening Cost	566,635	566,635
Additions	137,930	-
Disposals at Cost	(139,324)	-
Closing Cost	565,241	566,635
Less Accumulated Depreciation	404,508	456,429
Closing Book Value	$160,733	$110,206
Depreciation Current Year	86,292	99,491
Total Depreciation Current Year	$290,718	$284,801
Plus(Less)		
Gain on Disposal	(42,432)	-
Loss on Disposal	-	3,846
	(42,432)	3,846
Total Depreciation, Gain|Loss on Disposal	$248,286	$288,647
Total Property, Plant & Equipment	$1,020,427	$937,860

Note 13 – Financial Instruments

Financial Assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, and fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus of deficit, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Financial Assets at Fair Value through Surplus or Deficit

Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Financial Performance.

This category includes derivative instruments and managed funds which the Company had not irrevocably elected to classify at FVOCRE.

After initial recognition the financial assets in this category are measured at fair value with gains or loss on re-measurement recognised in surplus or deficit.

Financial Assets at Amortised Cost

Financial assets at amortised cost are non-derivative financial assets or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, are subsequently measured at amortised cost using the effective interest method (EIR) and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified, or impaired.

The Company's cash and cash equivalents are categorised as financial assets at amortised cost.

Subsequent Measurement of Financial Assets as Amortised Cost

The Company applies a simplified approach in calculating Expected Credit Losses (ECL). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at reporting date. The Company established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amount in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred not retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Financial liabilities at amortised cost are classified, at initial recognition and include payables.

After initial recognition, payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

Note 13 – Financial Instruments (continued)

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

Note 14 – Cash, Cash Equivalents and Funds Invested

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

	FY25	FY24
Call deposits	2.75%	2.75%

There are no restrictions over any of the cash and cash equivalent balances held by the Company.

Movement in cash assets, including all term deposits are as follows:

	FY25 $	FY24 $
Cash & Cash Equivalents	1,127,198	1,194,026
Short Term Bank Deposits	5,201,017	4,762,539
Long Term Bank Deposits	-	-
	6,328,215	5,956,565
Less:		
Opening Funds	5,956,565	6,003,005
Increase(Decrease) in Cash Assets	$371,650	$(46,440)

Note 15 – Investments

Per annum annual interest rate ranges applicable to components of short and long term deposits is 3.95% - 5.90% (FY24 5.80% - 6.25%)

Note 16 – Accounts Receivable from Exchange Transactions

	FY25 $	FY24 $
Gross amounts owing	1,145,840	1,339,086
Less:		
Provision for Doubtful Debts	12,500	12,500
	$1,133,340	$1,326,586

Note 17 – Bank Security

The Bank of New Zealand has a debenture over the assets and undertakings of the Company as security for any bank financing.

Note 18 – Employee Benefit Liability

The following employee entitlements exist at balance date:

	FY25 $	Increase (Decrease) $	FY24 $
Wages Accrued	519,687	5,443	514,244
Leave Accrued	1,152,574	(28,067)	1,180,641
Total Employee Benefit Liability	$1,672,261		$1,694,885

Note 19 – Income in Advance

	FY25 $	FY24 $
Grant Funding for Generator Replacement	90,000	-
WellSouth CPCT Oral Health Programme	56,809	-
WellSouth Hardship Funding	4,171	-
	$150,980	$Nil

Grant funding had been received to the value of $90,000 for the purposes of replacing a generator. As at 30 June 2025, the generator replacement project had not yet commenced. Funds received totalled:

	FY25 $	FY24 $
Otago Community Trust	75,000	-
The Trusts Community Foundation	15,000	-
	$90,000	$Nil

An agreement was entered into with WellSouth Primary Health Network in January 2025 for the Company to establish and operate an oral health programme supporting initially Gore residents and latterly Clutha District residents to access oral health care who previously could not due to financial constraints. The contact is to expire 30 June 2026. The balance of the fund at 30 June 2025 is as follows:

	FY25 $	FY24 $
Funding Received	64,317	-
Less:		
Funding Granted	7,508	-
	$56,809	$Nil

Hardship funding to support patients in financial need was received from WellSouth Primary Health Network totalling $4,264 in June 2025. The one-off grant is to cover the period 1 June 2025 to 30 November 2025. The balance of the fund at 30 June 2025 is as follows:

	FY25 $	FY24 $
Funding Received	4,264	-
Less:		
Funding Granted	93	-
	$4,171	$Nil

Note 20 – Disclosures

Items requiring specific disclosures are:

	Note	FY25 $	FY24 $
Interest Income		289,652	312,910
Donations Received		7,329	168
Audit Fees		19,063	16,650
Bad Debts Written Off		15,017	2,553
Directors Fees	9	121,000	114,000
Doubtful Debts (Movement)	16	Nil	2,500
Net Gain(Loss) on Sale of Property, Plant & Equipment	12	42,431	(3,846)
Operating Leases (Buildings)	7	404,166	404,166
Operating Leases (Other)	7	Nil	Nil

All revenues were derived from continuing activities.

Note 21 – Sundry Income

	FY25 $	FY24 $
Cleaning Service Recharges	8,502	8,502
Contributions towards Asset Purchases	11,198	-
Donations	7,329	168
Insurance Proceeds	-	13,474
Oracle Oncharges	4,840	3,187
Study|Student Placement	34,450	30,705
Miscellaneous	588	1,157
	$66,907	$57,193

Note 22 – Reconciliation of Net Surplus with Net Cash Flows from Operating Activities

	FY25 $	FY24 $
Net Surplus(Deficit)	19,744	(197,067)
Add Depreciation and Gain & Loss on Disposal	248,286	288,647
Add Goodwill Impairment	160,000	-
Less Receipts in Advance	(90,000)	-
	338,030	91,580
Plus|(Less) Movement in Working Capital Items		
(Incr)Decr in Receivables & Prepayments	190,468	84,356
(Incr)Decr in Medical Supplies on Hand	8,517	(3,633)
Incr(Decr) in GST Accrued	(37,234)	(1,517)
Incr(Decr) in Operating Payables & Accruals	(38,260)	558,184
Incr(Decr) In Income in Advance	150,980	-
Net Working Capital Movement	274,471	637,390
Net Cash Flows from Operating Activities	$612,501	$728,970

Clutha Health First
Hauora Tahi Ki Iwikatea
Community Health

CLUTHA HEALTH INC
Iwikatea Hauora Inc

2024-2025

Annual Report

Phone: 03 419 0500
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Location: 9 - 11 Charlotte Street, Balclutha

Clutha Health Incorporated and Clutha Community Health Company Ltd