



**ALLIANCE HEALTH PLUS TRUST  
and its subsidiaries**

**Financial Statements**

**For the Year Ended 30 June 2022**

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# Alliance Health Plus Trust and its subsidiaries

## Trust Directory

For the year ended 30 June 2022



Nature of Business	Healthcare Services
Trustees	Ulu Aiono (Chairman) Dr Siro Fuatai (Vice-chairman) Luamanu Maea Tu'u'u Paulo Ieli (Appointed 1/8/2021) Vicki Sykes (Appointed 1/8/2021) Dr Pauline Kingi (Appointed 1/8/2021) Jim Primrose (Resigned 1/11/2021)
Address	15b Vestey Drive Mt Wellington AUCKLAND 1060
Bankers	ANZ Bank Ltd
Lawyers	Dentons Kensington Swan
Auditors	RSM Hayes Audit
Charities Commission	Registration Number: CC45012 Registration Date: 24 August 2010
IRD Number	104-963-822

**Alliance Health Plus Trust and its subsidiaries**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 30 June 2022



	Notes	Group 2022 Actual	Group 2021 Actual
		\$	\$
Revenue from non-exchange transactions	1	40,772,044	37,516,183
Cost of providing services	2	37,716,771	35,783,741
<b>Total gross surplus</b>		<b>3,055,274</b>	<b>1,732,442</b>
Revenue from exchange transactions	5	36,564	32,491
<b>Expenses</b>			
Operating	3	1,387,783	1,214,370
Administration	4	527,685	506,365
		<b>1,915,468</b>	<b>1,720,735</b>
<b>Net operating surplus/(deficit)</b>		<b>1,176,370</b>	<b>44,192</b>
<b>Other Comprehensive Revenue and Expense</b>			<b>57,835</b>
<b>Total Comprehensive Revenue and Expense for the year</b>		<b>1,176,370</b>	<b>102,027</b>

*These financial statements should be read in conjunction with the notes to the financial statements and the attached Audit Report.*

**Alliance Health Plus Trust and its subsidiaries**  
**Statement of Movements in Equity**  
For the Year Ended 30 June 2022

	Group 2022 Actual	Group 2021 Actual
	\$	\$
Equity at the beginning of the year	2,909,675	2,807,648
<b>Total Comprehensive Revenue and Expense</b>	<b>1,176,370</b>	<b>102,027</b>
<b>Equity at the end of the year</b>	<b>4,086,045</b>	<b>2,909,675</b>

*These financial statements should be read in conjunction with the notes to the financial statements and the attached Audit Report.*

**Alliance Health Plus Trust and its subsidiaries**  
**Statement of Financial Position**  
As at 30 June 2022



	Notes	Group 2022 Actual	Group 2021 Actual
		\$	\$
<b>Equity</b>		<b>4,086,045</b>	<b>2,909,675</b>
<b>Current assets</b>			
Cash and Cash equivalents	6	1,728,507	1,835,973
Short term investments		3,106,900	2,085,846
Accounts receivable	7	1,254,628	912,460
Other receivables	7	308,132	173,645
<b>Total current assets</b>		<b>6,398,166</b>	<b>5,007,924</b>
<b>Non-current assets</b>			
Plant and equipment	8	157,894	99,015
<b>Total non-current assets</b>		<b>157,894</b>	<b>99,015</b>
<b>Total assets</b>		<b>6,556,061</b>	<b>5,106,940</b>
<b>Current liabilities</b>			
GST due for payment / (receipt)		74,950	(29,162)
Accounts payable	9	721,634	804,667
Other payables	10	520,010	322,579
Employee Entitlements	11	290,379	214,046
Income in advance	12	862,831	885,129
<b>Total current liabilities</b>		<b>2,469,804</b>	<b>2,197,265</b>
<b>Total liabilities</b>		<b>2,469,804</b>	<b>2,197,265</b>
<b>Net assets</b>		<b>4,086,045</b>	<b>2,909,675</b>

*These financial statements should be read in conjunction with the notes to the financial statements and the attached Audit Report.*

For and on behalf of the Board of Trustees

Chairman:

Date: 19 October 2022

Trustee:

# Alliance Health Plus Group and its subsidiaries

## Statement of Cash Flows

For the year ended 30 June 2022



	Notes	Group 2022 Actual	Group 2021 Actual
		\$	\$
<b>Cash Flows from operating activities</b>			
Receipts from providing Goods and Services		40,273,294	38,082,465
Cash Payments to suppliers and employees		(39,380,466)	(37,300,937)
Interest Received		36,564	32,491
Goods and Services Tax (Net)		104,111	(147,985)
<b>Net cash from operating activities</b>		<b>1,033,503</b>	<b>666,037</b>
<b>Cash Flows from investing activities</b>			
Purchase of term deposit		(1,021,055)	(2,085,846)
Proceeds from the sale of investment in AFHO		-	390,000
 Purchase of Property Plant & Equipment		 (119,915)	 (58,190)
<b>Net cash from investing activities</b>		<b>(1,140,969)</b>	<b>(1,754,036)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>(107,467)</b>	<b>(1,087,999)</b>
<b>Cash and cash equivalents at the start of the year</b>		<b>1,835,974</b>	<b>2,923,972</b>
<b>Cash and cash equivalents at end of the year</b>		<b>1,728,507</b>	<b>1,835,974</b>
 <b>Reconciliation to the net cash flow from the operating activities</b>			
Surplus/(deficit) from the statement of comprehensive Revenue and Expense		1,176,370	102,027
 <b>Add/(less) non-cash items</b>			
Depreciation and amortisation		61,036	52,125
Loss on asset disposal		-	28,202
 <b>Add/(less) movements in working capital items</b>			
Increase/(decrease) in creditors		114,404	47,854
(Increase) / decrease in debtors		(476,453)	649,447
Increase/(decrease) in employee entitlements		76,333	38,186
Increase/(decrease) in Income in advance		(22,297)	(103,819)
Increase/(decrease) in GST Payable		104,111	(147,985)
 <b>Net cash from operating activities</b>		 <b>1,033,503</b>	 <b>666,037</b>

# Alliance Health Plus Trust and its subsidiaries

## Statement of Accounting Policies

For the Year Ended 30 June 2022



### **REPORTING ENTITY**

Alliance Health Plus Trust (AH+) is engaged in the business of Healthcare Services. Alliance Health Plus Trust is domiciled in New Zealand and is registered with the Charities Services (Charity Registration CC45012). The Entity's registered office is 15b Vestey Drive, Mt Wellington, Auckland, New Zealand. Alliance Health Plus Trust is controlled by the Trust Board. The Group consists of Alliance Health Plus Trust and its subsidiary Alliance Management Services Limited and the Limited Partnership, Alliance Primary Health Care Limited Partnership (inactive Dec 2020).

The financial statements of the Group are for the year ended 30 June 2022 and were authorised for issue by the Trust's Board on 19 October 2022.

### **BASIS OF ACCOUNTING**

The financial statements of the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the PBE Accounting Standards as appropriate for Tier One Not-for-profit public benefit entities. As a registered charity, Alliance Health Plus Trust is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1. The Trust is a Tier One reporting entity as it has a total expenditure greater than \$30 million in the two preceding reporting periods. These financial statements are prepared under PBE Accounting Standards and have been prepared on a realisation basis.

### **FUNCTIONAL AND PRESENTATION CURRENCY**

These Financial Statements are presented in New Zealand Dollars (\$NZ), and the functional currency of the Group is New Zealand Dollars. All amounts have been rounded to the nearest dollar unless otherwise indicated.

### **CHANGES IN ACCOUNTING POLICIES**

#### **Realisation Basis**

##### **Integration of Operations Alliance Health Plus PHO and The Cause Collective**

The Trustees of Alliance Health Plus Trust (AH+) and The Cause Collective (TCC) resolved on 20 June 2022 to integrate their operations into one organisation from 1 December 2022. This organisation would trade under the existing identity and brand of The Cause Collective.

The PHO functionality including PHO Service Agreement and all associated AH+ staff will transfer to The Cause Collective. As part of the integration, all assets and contracts (other than the lease of the premises currently occupied by Alliance Health) will be transferred to The Cause Collective. No liabilities will be transferred (except to the extent they arise in connection with future obligations pursuant to any transferring contract)

Alliance Health Plus Trust as an entity will cease operations in early 2023. Accordingly the financial statements are prepared on realisation basis. (2021: on a going concern basis)

There are no other changes in accounting policies for the year ending 30 June 2022. All accounting policies have been applied on bases consistent with those in the previous year.

# Alliance Health Plus Trust and its subsidiaries

## Statement of Accounting Policies For the Year Ended 30 June 2022

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### **GOODS AND SERVICES TAX**

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

### **INCOME TAX**

The Trust is wholly exempt from NZ Income Tax under section CW 41 of the Income Tax Act 2007, due to its charitable organisation exempt status being registered with the Charities Commission

### **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements, the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of Income in Advance.

### **REVENUErecognition**

#### **Revenue from Non-exchange transactions**

##### **Capitation and Flexible Funding Pool revenue**

AH+ receives annual funding from the Counties Manukau District Health Board (CMDHB), which is based on enrolled patients within the AH+ network of providers. This is based on the quarterly uploads of the register to the CMDHB and recognised monthly on the funding entitlement for the quarter. This revenue is treated as non-exchange and the total funding receivable under the contract is recognised as revenue immediately.

##### **Contract Revenue**

The revenue recognition approach for AH+ contract revenue depends on the contract terms.

Other contracts are treated as non-exchange and the total funding receivable under the contract is recognised as revenue immediately unless there are substantive use or return conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to provide services to the satisfaction of the funder to receive or retain funding.

Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the service requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as the past practice of the funder. Judgment is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding arrangements.

**Revenue from exchange transactions****Interest income**

Interest income is earned for the use of cash and cash equivalents or any amounts due to the group and is recognised in the statement of comprehensive revenue and expense as it is earned. Interest income is accrued using the effective interest rate method.

**EMPLOYEE BENEFITS****Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**INCOME IN ADVANCE**

Income in advance relates to contract income which has conditions that have yet to be satisfied. All income in advance is current and will be recognised in the statement of Comprehensive Income and Expense within the next 12 months.

**CASH FLOW STATEMENT***Basis of Preparation*

The Cash Flow Statement has been prepared using both direct and indirect approaches.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand, cash at bank, deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**RECEIVABLES**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

**PLANT AND EQUIPMENT****Recognition and measurement**

All plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

Any gain or loss on disposal of an item of plant and equipment is recognised in surplus or deficit.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Entity. All other costs are recognised in surplus or deficit as incurred.

**Depreciation**

Depreciation is calculated to write off the cost of items of plant and equipment less their residual values using the diminishing value method over their useful lives and is recognised in surplus or deficit. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Entity will obtain ownership by the end of the lease term.

The estimated useful lives of asset classes are as follows:

• Plant and Equipment	3 – 12 years
• Furniture and Fittings	5 – 10 years
• Computer Equipment	2 – 4 years
• Office Equipment	2 – 7 Years

The trust has the following classes of plant and equipment:

Computer hardware and software	50%	DV
Furniture and fittings	10-16%	DV
Office equipment	13-40%	DV
Plant and equipment	25%	DV

Items of, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of plant or equipment is disposed of, the gain or loss recognised in the statement of Comprehensive Income and Expense is calculated as the difference between the sale price and the carrying amount of the asset.

**PROVISIONS**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive revenue and expense net of any reimbursement.

**CONTINGENT LIABILITIES**

AH+ does not recognise contingent liabilities but discloses details of any contingencies in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**CONTINGENT ASSETS**

The Group does not recognise contingent assets but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure the developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

**LEASES****Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not the title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability.

**Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of lease expense over the lease term.

**FINANCIAL INSTRUMENTS**

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of financial assets are recognised on the trade date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purposes of measurement:

- fair value through surplus or deficit;
- loans and receivables; and
- fair value through other comprehensive revenue and expenses.

Classification of the financial asset depends on the purpose for which the instruments were acquired.

**Financial assets at fair value through surplus or deficit.**

Currently, the Group does not hold any financial assets in this category.

**Loans and receivables (including cash and cash equivalents and debtors and other receivables)**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance date, which is included in non-current assets. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

**Financial assets at fair value through other comprehensive revenue and expenses**

Currently, the Group does not hold any financial assets in this category.

**Impairment of financial assets**

At each balance date, the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

**Loans and receivables (including cash and cash equivalents and debtors and other receivables)**

Impairment of a loan or a receivable is established when there is objective evidence that the trust will not be able to collect amounts due according to the original terms of the loan or receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). For other financial assets, impairment losses are recognised directly against the instrument's carrying amount.

# Alliance Health Plus Trust and its subsidiaries

## Notes to the Financial Statements

For the Year Ended 30 June 2022



	Group 2022	Group 2021
<b>1. Revenue from Non-exchange Transactions</b>		
First contact care capitation	\$ 25,922,532	\$ 23,918,976
Flexible funding	5,617,427	4,842,596
Management fees	882,109	841,079
Other contracts	8,349,976	7,913,532
<b>Total Revenue from non-exchange transactions</b>	<b>40,772,044</b>	<b>37,516,183</b>
<b>2. Cost of Providing Services</b>		
First contact care capitation	\$ 25,922,532	\$ 23,810,097
Flexible funding costs	3,870,402	3,690,325
Other contract costs	7,923,837	8,283,319
<b>Total cost of providing services</b>	<b>37,716,771</b>	<b>35,783,741</b>
<b>3. Operating Expenses</b>		
Wage and staff expenses	\$ 1,129,529	\$ 935,255
Other operating expenses	135,929	171,791
Computer expenses	122,325	107,324
<b>Total operating expenses</b>	<b>1,387,783</b>	<b>1,214,370</b>
<b>4. Administration Expenses</b>	Note	Group 2022
Audit fees		\$ 14,500
Additional Audit fees related to prior years		\$ 4,699
Amortisation and depreciation	8	\$ 61,036
Clinical Governance fees		\$ 4,650
Donations and Koha contribution		\$ 17,152
Legal expenses		\$ 5,846
Rents and rates		\$ 120,702
Trustee fees		\$ 67,500
Other administration expenses		\$ 223,785
Loss on disposal of fixed assets		\$ 7,816
<b>Total administration expenses</b>		<b>\$ 527,685</b>
		<b>\$ 506,365</b>

# Alliance Health Plus Trust and its subsidiaries

## Notes to the Financial Statements

For the Year Ended 30 June 2022



	Group 2022	Group 2021
<b>5. Other Revenue – Exchange Transactions</b>		
Interest income	\$ 36,564	\$ 32,491
<b>Total other Revenue – Exchange Transactions</b>	<b>36,564</b>	<b>32,491</b>
	Group 2022	Group 2021
<b>6. Cash and Cash Equivalents</b>		
Bank – cheque account	\$ 1,728,507	\$ 1,835,973
<b>Total cash and cash equivalents</b>	<b>1,728,507</b>	<b>1,835,973</b>
	Group 2022	Group 2021
<b>7. Account Receivables - Non-exchange transactions</b>		
Contract Revenue Receivable	\$ 1,254,628	\$ 912,460
Other Receivables	308,132	173,645
<b>Total Accounts Receivable from non-exchange transactions</b>	<b>1,562,760</b>	<b>1,085,105</b>

The aging profile of receivables at year-end is detailed below:

Group	2022			2021		
	Gross	Impairment	Net	Gross	Impairment	Net
Current	1,043,931	-	1,043,931	794,644	-	794,644
31-60 Days	124,602	-	124,602	13,232	-	13,232
61-90 Days	52,657	-	52,657	86,457	-	86,457
> 90 Days	33,437	-	33,437	18,127	-	18,127
<b>Total</b>	<b>1,254,628</b>	-	<b>1,254,628</b>	<b>912,460</b>	-	<b>912,460</b>

All receivables greater than 30 days in age are considered to be past due. The impairment assessment is performed on an individual basis, based on an analysis of past collection history and debt write-offs. We have no reason to believe the receivables will not be received in the next 3 months.

**Alliance Health Plus Trust and its subsidiaries**  
 Notes to the Financial Statements  
 For the Year Ended 30 June 2022



**8. Plant and equipment**

Group	30 June 2022				
	Accumulated Depreciation	Opening BV	Additions	Disposals (NBV)	Depreciation
Computer equipment	377,307	276,446	52,536	97,446	2,540
Furniture and fittings	29,357	18,110	13,459	3,200	3,335
Office equipment	22,220	13,471	9,702	4,476	1,941
Plant and equipment	8,233	7,706	702	-	3,487
Motor Vehicle	54,130	17,620	22,617	22,608	-
<b>Total Plant and Equipment</b>	<b>491,246</b>	<b>333,353</b>	<b>99,015</b>	<b>127,730</b>	<b>7,816</b>
					<b>61,035</b>
					<b>157,894</b>

Group	30 June 2021				
	Accumulated Depreciation	Opening BV	Additions	Disposals (NBV)	Depreciation
Computer equipment	475,241	422,705	67,387	23,790	-
Furniture and fittings	44,960	31,501	13,300	2,387	-
Office equipment	52,894	43,192	9,032	3,810	-
Plant and equipment	8,233	7,531	936	-	3,141
Motor Vehicle	31,522	8,905	30,497	-	2,228
<b>Total Plant and Equipment</b>	<b>612,849</b>	<b>513,834</b>	<b>121,152</b>	<b>29,988</b>	<b>702</b>
					<b>52,125</b>
					<b>99,015</b>

**Alliance Health Plus Trust and its subsidiaries**  
 Notes to the Financial Statements  
 For the Year Ended 30 June 2022



	Group 2022	Group 2021
	\$	\$
Trade Payables	721,634	804,667
<b>Total Accounts Payable - exchange transactions</b>	<b>721,634</b>	<b>804,667</b>

	Group 2022	Group 2021
	\$	\$
Accrued Expenses	520,010	322,579
<b>Total Other Payables - exchange transactions</b>	<b>520,010</b>	<b>322,579</b>

	Group 2022	Group 2021
	\$	\$
Employee Entitlements	290,379	214,046
<b>Total Employee Benefit Liabilities</b>	<b>290,379</b>	<b>214,046</b>

	Group 2022	Group 2021
	\$	\$
Contract Revenue in Advance	862,831	885,129
	<b>862,831</b>	<b>885,129</b>

**13. Operating lease commitments**

	Group 2022	Group 2021
	\$	\$
Less than 1 year	50,817	166,436
2-5 years	23,397	20,303
	<b>74,214</b>	<b>186,739</b>

The Group leases premises for business purposes. The Lease term is for 5 months and expires on 23 December 2022. During the year \$240,298 (2021 \$197,824) was recognised as an expense in the AH+ Statement of Comprehensive Revenue & Expense in respect of operating leases. The Group leases vehicles with terms ranging from 1 year to 3 years.

# Alliance Health Plus Trust and its subsidiaries

## Notes to the Financial Statements

For the Year Ended 30 June 2022



### 14. Related Party Transactions and Key Management Personnel

AH+ regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa.

Members of key management are regarded as related parties and comprise the Board Members and Senior Leadership Team of the Entity. Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect that AH+ would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with Government agencies (for example Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements with AH+ and undertaken on the normal terms and conditions for such transactions.

	Group 2022	Group 2021
<b>Board Members</b>		
Full-time equivalent members	2.4	2.4
Remuneration (\$)	67,500	55,500
<b>Senior Leadership Team (SLT)</b>		
Full-time equivalent members	4.5	4.5
Remuneration	931,940	879,691
Total Full-time equivalent members	6.9	6.9
<b>Total Key Management Personnel Remuneration</b>	<b>999,440</b>	<b>935,191</b>

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

Related Party Transactions	2022	2021
	\$	\$
Income from The Cause Collective (TCC)	162,633	131,087
Payment to TCC	-	-
Income from TupuToa	-	-
Payment to TupuToa	-	6,000
<b>Outstanding Receivables - TCC</b>	<b>0</b>	<b>5,770</b>

# Alliance Health Plus Trust and its subsidiaries

Notes to the Financial Statements  
For the Year Ended 30 June 2022



## 15. Commitments and Contingencies

There are no capital commitments or contingent liabilities (2021: Nil)

## 16. Events after Balance Date

The Trustees of Alliance Health Plus Trust (AH+) and The Cause Collective (TCC) resolved on 20 June 2022 to integrate their operations into one organisation from 1 December 2022. This organisation would trade under the existing identity and brand of The Cause Collective.

The PHO functionality including PHO Service Agreement and all associated AH+ staff will transfer to The Cause Collective. As part of the integration, all assets and contracts (other than the lease of the premises currently occupied by Alliance Health) will be transferred to The Cause Collective. No liabilities will be transferred (except to the extent they arise in connection with future obligations pursuant to any transferring contract).

Alliance Health Plus Trust as an entity will wind up in early 2023.

From 1 July, Huakina Wellness Medical Centre and Integrated Medical Centre will be joining the Alliance Health Plus Trust network (2021: From 1 August 2021, Family Health Matters was no longer within the Alliance Health Plus Trust network.)

## 17. Financial Instruments

	Group	Group
	2022	2021
	\$	\$
<b>Financial instrument categories</b>		
The accounting policies for financial instruments have been applied to the line items below:		
<b>Financial Assets</b>		
Cash and Cash Equivalents	1,728,507	1,835,973
Short term investments	3,106,899	2,085,846
Accounts Receivable and Other Receivables	1,562,760	1,086,117
<b>Total Loans and Receivables</b>	<b>6,398,166</b>	<b>5,008,036</b>
 <b>Financial Liabilities</b>		
Creditors and other payables	1,241,645	1,127,245
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>1,241,645</b>	<b>1,127,245</b>

## **18. Financial Instruments Risks**

Group's activities expose it to a variety of financial risks including market risk (interest risk and currency risk), credit risk, and liquidity risk. The Group manages its financial instruments risk in accordance with relevant legislation and is risk adverse and seeks to minimise exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature to be entered into.

### **Contractual Maturity Analysis of Financial Liabilities**

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows:

Group	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	LESS THAN 6 MONTHS	6-12 MONTHS	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS
<b>2022</b>							
Creditors and other payables	1,241,645	1,241,645	1,241,645	-	-	-	-
Total Financial Liabilities at Amortised Cost	1,241,645	1,241,645	1,241,645	-	-	-	-

Group	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	LESS THAN 6 MONTHS	6-12 MONTHS	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS
<b>2021</b>							
Creditors and other payables	1,127,245	1,127,245	1,127,245	-	-	-	-
Total Financial Liabilities at Amortised Cost	1,127,245	1,127,245	1,127,245	-	-	-	-

## **MARKET RISK**

### **Currency and Interest Rate Risk**

The Group is exposed to changes in interest rates on short-term investments, and bank deposits. There is no significant exposure to currency and interest rate risk on the group's financial assets.

### **Cash Flow Interest Rate Risk**

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates create exposure to cash flow interest rate risk.

### **Credit Risk**

Credit risk is the risk a third party will default on its obligation to the trust, thereby causing the group to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into the term deposits which gives rise to credit risk. The Group places its investments with institutions that have a high credit rating such as registered banks that have a Standard and Poor's credit rating of at

# Alliance Health Plus Trust and its subsidiaries

## Notes to the Financial Statements

For the Year Ended 30 June 2022



least A-. The Group has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

	Group 2022	Group 2021
The maximum credit exposure for each class of financial instrument is as follows:		
Cash and Cash Equivalents	1,728,507	1,835,973
Short term investments	3,106,899	2,085,846
Accounts Receivable and Other Receivables	1,562,760	1,086,117
<b>Total Credit Risk On Loans and Receivables</b>	<b>6,398,166</b>	<b>5,008,036</b>
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or historical information about counterparty default rates:		
<b>Counterparties with Credit Ratings</b>		
<b>Cash and Cash Equivalent /Short Term Investments</b>		
AA-	4,835,406	3,921,819
<b>Accounts Receivable and Other receivables</b>		
Trade and Other Receivables	1,562,760	1,086,117

### Trade and Other Receivables

Trade and other receivables mainly arise from Alliance Health Plus Group's operational functions, therefore there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings.

The Ministry of Health and various District Health Boards are our largest debtors and are assessed as low-risk and strong asset backed entities due to being government funded. Trade and other receivables balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant.

### LIQUIDITY RISK

#### Management of Liquidity Risk

Liquidity risk is the risk Alliance Health Plus Group will encounter difficulty when raising funds to meet commitments as they fall due. In meeting its liquidity requirements, AH+ maintains investments that must mature within the next 12 months.

AH+ manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and matching the maturity profiles of financial assets and liabilities.

**Sensitivity Analysis**

The tables below illustrate the potential profit and loss and equity (excluding retained surplus) impact for possible market movements in interest rates, with all other variables held constant, based on the group's financial instrument exposures at balance date.

	<b>Group</b>	
	<b>PROFIT / (LOSS) OTHER EQUITY</b>	
<b>Interest Rate Risk 2022</b>	+100BPS	-100BPS
Cash and Cash Equivalents	17,285	(17,285)
Short Term Deposits	31,069	(31,069)
<b>Total Sensitivity to Interest Rate Risk</b>	<b>48,354</b>	<b>(48,354)</b>

<b>Interest Rate Risk 2021</b>	+100BPS	-100BPS
Cash and Cash Equivalents	18,360	(18,360)
Short Term Investments	20,858	(20,858)
<b>Total Sensitivity to Interest Rate Risk</b>	<b>39,218</b>	<b>(39,218)</b>

**Explanation of Interest Rate Risk Sensitivity**

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rate of 1.0%. The trustees consider that 100 basis points is the maximum likely change in interest rates over the next year, being the period up to the next point at which the group expects to make these disclosures.

**Fair Value Estimation and Fair Value Hierarchy**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes. Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair values of all financial instruments equate to carrying values.

**Fair Value Hierarchy Disclosures**

There are no financial instruments recognised at fair value in the statement of financial position.



RSM

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## Independent Auditor's Report

### To the Trustees of Alliance Health Plus Trust

#### Opinion

We have audited the consolidated financial statements of Alliance Health Plus Trust (the Trust) and its subsidiaries (the group), which comprise the:

- consolidated statement of financial position as at 30 June 2022;
- consolidated statement of comprehensive revenue and expense for the year then ended;
- consolidated statement of changes in net assets/equity for the year then ended;
- 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 financial statements on pages 4 to 21 present fairly, in all material respects, the financial position of the group as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

#### Basis for opinion

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

We 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 Trust or any of its subsidiaries.

#### Emphasis of Matter

Without qualifying the opinion expressed above, attention is drawn to page 8 of the statement of accounting policies which states that the financial statements of the Trust have been prepared on a realisation basis, given the Trustees' intention to wind up the operations of the Trust within the next 12 months. The assets and liabilities of the Trust have been measured at their estimated net realisable value and expected settlement amounts, respectively.

## Other information

The trustees are responsible for the other information. The other information comprises the Trust Directory on page 3 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the trustees for the consolidated financial statements

The trustees are responsible, on behalf of the Trust and group, for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible, on behalf of the Trust and group, for assessing the Trust's and 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 those charged with governance either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

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

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

## Who we report to

This report is made solely to the trustees, as a body. Our audit has been undertaken so that we might state to the trustees 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 Alliance Health Plus Trust and the trustees as a body, for our work, for this report, or for the opinions we have formed.

The RSM logo, consisting of the letters "RSM" in a stylized, handwritten font.