

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

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THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

DIRECTORY
FOR THE PERIOD ENDED 31 AUGUST 2006

NATURE OF BUSINESS

Building a collaborative Health IT industry, with health care providers, software developers, university departments and Government working cohesively to improve patient care through the use of information technology.

BUSINESS LOCATION

7th Floor, City Chambers
Corner Johnston & Featherston Streets
Wellington

BANKERS

ASB Bank
Auckland

ACCOUNTANTS

Horwath Strategy (Wellington) Limited
Wellington

AUDITORS

Horwath Audit (Wellington)
Wellington

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 AUGUST 2006

	Note	<u>Group</u> <u>2006</u>	<u>Group</u> <u>2005</u>	<u>Parent</u> <u>2006</u>	<u>Parent</u> <u>2005</u>
		(17 months)	(12 months)	(17 months)	(12 months)
<u>INCOME</u>					
Cluster Membership Subscriptions		118,472	91,608	118,472	91,608
Forum Registrations		800	0	800	0
New Zealand Trade & Enterprise		80,028	65,556	80,028	65,556
Ministry of Economic Development		222,222	222,222	222,222	222,222
Ministry of Health		48,662	0	48,662	0
Microsoft		605,237	0	64,095	0
Foundation for Science, Research & Technology		405,678	0	35,377	0
The New Zealand Health IT Cluster Ltd		0	0	181,152	0
Interest		3,009	3,479	3,009	3,479
Transfer (to)/from MED Funding in Advance		55,336	(55,336)	55,336	(55,336)
TOTAL INCOME		1,539,443	327,529	809,151	327,529
<u>EXPENSES</u>					
ACC Levies		1,251	0	1,251	0
Accounting Fees		19,485	10,168	17,035	10,168
AGM Expenses		2,504	0	2,504	0
Audit Fees		2,750	3,500	2,750	3,500
Bad Debts Written Off		6,125	1,750	6,125	1,750
Bank Charges		996	127	986	127
Car Parking		9,241	902	9,241	902
Cleaning		2,943	0	2,943	0
Computer Expenses		8,639	1,709	8,639	1,709
Conference Expenses		10,405	13,063	10,405	13,063
Consulting Fees		73,415	76,418	73,415	76,418
Contractors		722,481	0	97,304	0
Depreciation		7,004	1,461	7,004	1,461
Dues & Subscriptions		1,637	75	1,637	75
Electricity		1,858	0	1,858	0
Entertainment		7,197	718	7,197	718
Forum Expenses		1,218	0	1,218	0
General Expenses		3,568	15	3,568	15
Gifts		220	0	220	0
Insurance		4,782	0	4,782	0

This statement should be read in conjunction with the Notes To The Financial Statements.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 AUGUST 2006

	Note	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
IRD Interest/Penalties		630	0	630	0
IT Site Development		3,133	2,090	3,133	2,090
Legal Fees		46,963	441	36,927	441
Management Fees		49,000	84,000	49,000	84,000
Office Supplies		736	732	736	732
Postage & Couriers		1,139	279	1,139	279
Printing & Stationery		6,586	1,874	6,586	1,874
Public Relations		0	560	0	560
Recruitment		25,224	28,861	25,224	28,861
Repairs & Maintenance		64	540	64	540
Rent		44,000	2,750	44,000	2,750
Research Expenses		8,250	0	8,250	0
Telephone & Tolls		10,940	6,508	10,940	6,508
Travel & Accommodation		49,559	28,574	49,559	28,574
Wages & Salaries		306,073	25,962	306,073	25,962
Website		795	0	795	0
TOTAL EXPENSES		<u>1,440,810</u>	<u>293,074</u>	<u>803,138</u>	<u>293,074</u>
<u>NET SURPLUS/(DEFICIT) BEFORE TAX</u>		98,633	34,455	6,013	34,455
Tax Expense	4	0	0	0	0
<u>NET SURPLUS/(DEFICIT) AFTER TAX</u>		<u>\$ 98,633</u>	<u>\$ 34,455</u>	<u>\$ 6,013</u>	<u>\$ 34,455</u>

This statement should be read in conjunction with the Notes To The Financial Statements.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE BY COST CENTRE
FOR THE PERIOD ENDED 31 AUGUST 2006

	Note	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>INCOME</u>					
Cluster Membership	11	131,742	91,608	131,742	91,608
Cluster Facilitator	12	0	16,667	0	16,667
E-Lab Feasibility Study	13	0	48,889	0	48,889
Ministry of Economic Development	14	277,558	166,887	277,558	166,887
E-Pharmacy-Perspectives & Implementation Considerations May 2006	15	30,025	0	30,025	0
E- Laboratory-Clinical Data Repository Options Feb 2006	16	14,417	0	14,417	0
Microsoft	17	1,082,693	0	352,401	0
Interest		3,009	3,479	3,009	3,479
TOTAL INCOME		1,539,443	327,529	809,151	327,529
<u>EXPENSES</u>					
Cluster Membership	11	58,309	50,266	50,059	50,266
Cluster Facilitator	12	0	24,803	0	24,803
E-Lab Feasibility Study	13	0	51,119	0	51,119
Ministry of Economic Development	14	317,450	166,887	317,450	166,887
E-Pharmacy-Perspectives & Implementation Considerations May 2006	15	41,237	0	41,237	0
E- Laboratory-Clinical Data Repository Options Feb 2006	16	23,846	0	23,846	0
Microsoft	17	999,968	0	362,296	0
TOTAL EXPENSES		1,440,810	293,074	794,888	293,074
<u>NET SURPLUS/(DEFICIT) BEFORE TAX</u>		98,633	34,455	14,264	34,455
Tax Expense	4	0	0	0	0
<u>NET SURPLUS/(DEFICIT) AFTER TAX</u>		\$ 98,633	\$ 34,455	\$ 14,264	\$ 34,455

This statement should be read in conjunction with the Notes To The Financial Statements.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2006

	Note	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
Balance at Beginning of Period		92,919	58,464	92,919	58,464
Net Surplus/(Deficit) After Tax		98,633	34,455	6,013	34,455
<u>BALANCE AT END OF PERIOD</u>		<u>191,552</u>	<u>\$92,919</u>	<u>\$98,932</u>	<u>\$92,919</u>

This statement should be read in conjunction with the Notes To The Financial Statements.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2006

	Note	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>EQUITY</u>					
Accumulated Funds Account		191,552	92,919	98,932	92,919
TOTAL EQUITY		\$191,552	\$92,919	\$98,932	\$92,919
Represented By :					
<u>CURRENT ASSETS</u>					
Accrued Income		0	549	0	549
Accounts Receivable		69,786	17,922	139,032	17,922
Prepayments		42,400	0	42,400	0
Bank Accounts	2	198,875	44,762	55,031	44,762
Income Tax Refund		1,137	1,191	1,137	1,191
G.S.T. Refund		8,525	4,733	0	4,733
TOTAL CURRENT ASSETS		320,723	69,157	237,600	69,157
<u>FIXED ASSETS</u>	3	8,411	6,249	8,411	6,249
		8,411	6,249	8,411	6,249
<u>INVESTMENTS</u>					
ASB Term Deposit		0	101,772	0	101,772
TOTAL INVESTMENTS		0	101,772	0	101,772
<u>LONG-TERM ASSETS</u>					
Maude & Miller (Solicitors Trust Account)		16,500	0	16,500	0
		16,500	0	16,500	0
<u>TOTAL ASSETS</u>		345,634	177,179	262,511	177,179
<u>CURRENT LIABILITIES</u>					
Accounts Payable		112,482	28,924	111,966	28,924
Income Received in Advance		41,600	0	41,600	0
Unexpended Funding (MED)		0	55,336	0	55,336
GST Payable		0	0	10,013	0
TOTAL CURRENT LIABILITIES		154,082	84,260	163,579	84,260
<u>TOTAL LIABILITIES</u>		154,082	84,260	163,579	84,260
<u>NET ASSETS</u>		\$191,552	\$92,919	\$98,932	\$92,919

This statement should be read in conjunction with the Notes To The Financial Statements.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2006

The New Zealand Health IT Cluster Incorporated authorised these financial statements
for issue on _____

Chairperson : _____

Date : _____

Chairperson : _____

Date : _____

This statement should be read in conjunction with the Notes To The Financial Statements.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

STATUTORY BASIS

These Financial Statements have been prepared to record the financial position and performance of the operating entity of The New Zealand Health IT Cluster Inc, which has been registered as an incorporated society.

As the entity operates as an incorporated society these financial statements are general purpose statements, which have been prepared in accordance with generally accepted accounting practices and the Incorporated Societies Act 1908.

GENERAL ACCOUNTING POLICIES

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the business is a going concern.

Accrual accounting is used to match expenses and revenues.

PARTICULAR ACCOUNTING POLICIES

Differential Reporting:

The New Zealand Health IT Cluster Inc qualifies for differential reporting as it is not publicly accountable and has not been classified as being large. The New Zealand Health IT Cluster Inc has taken advantage of all available differential reporting exemptions except that the Accounts have been prepared on a GST exclusive basis.

Accounts Receivable:

Accounts Receivable are valued at expected realisable value.

Bad Debts:

Bad debts are recorded only when actually written off as bad.

Fixed Assets:

Fixed assets are recorded at cost less depreciation to date. All business fixed assets are depreciated using the maximum rates allowed by the Inland Revenue Department, as detailed in the attached Fixed Assets and Depreciation Schedule.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE PERIOD ENDED 31 AUGUST 2006**

Consolidation:

The consolidated financial statements include the Holding Entity The New Zealand Health IT Cluster Inc and its 100% owned subsidiary company The New Zealand Health IT Cluster Limited. The consolidated financial statements are accounted for using the purchase method. All significant inter-entity transactions are eliminated on consolidation.

Investment Income:

Interest income is accounted for as it is earned.

Goods & Services Tax:

Income which forms part of a G.S.T activity is stated exclusive of G.S.T. Expenditure is stated exclusive of G.S.T where G.S.T has been claimed back.

Taxation:

The "taxes payable" method of accounting for taxation has been followed. Provision has been made for taxation after taking full advantage of all deductions and concessions permitted. No provision has been made for deferred tax due to there being no timing differences.

CHANGES IN ACCOUNTING POLICIES

All policies have been applied on bases consistent with those used in the previous year.

NOTE 2 - BANK ACCOUNTS

<u>Description</u>	<u>Group</u> <u>2006</u>	<u>Group</u> <u>2005</u>	<u>Parent</u> <u>2006</u>	<u>Parent</u> <u>2005</u>
ASB Cheque Account	192,018	23,046	48,174	23,046
ASB Savings Account	6,714	41	6,714	41
ASB Accelerator Account	43	0	43	0
Petty Cash	100	0	100	0
Total	\$198,875	\$23,087	\$55,031	\$23,087

NOTE 3 - FIXED ASSETS

<u>Equipment etc.</u>	<u>Cost Price</u>	<u>Accum. Depn</u>	<u>2006</u> <u>Net Value</u>	<u>2005</u> <u>Net Value</u>
Office Equipment (Wellington Office)	8,347	4,824	3,523	4,774
Computer Software	562	527	35	110
Computer Equipment	5,336	4,797	539	884
Furniture & Fittings	6,114	1,801	4,313	481
	20,359	\$11,949	\$8,411	\$6,249

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 4 - TAXABLE INCOME RECONCILIATION

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>Income Adjustments</u>				
Accounting Profit / (Loss) Before Tax	98,633	34,455	14,264	34,455
Entertainment Expenses - Non-Deductible	3,386	340	3,386	340
Non Taxable (Profit)/Loss from Cluster Membership	<u>(73,432)</u>	<u>(41,342)</u>	<u>(81,682)</u>	<u>(41,342)</u>
Taxable Profit / (Loss)	28,587	(6,547)	(64,032)	(6,547)
Tax Losses Utilized This Year	(28,587)	0	(28,587)	0
Loss Offset	0	0	92,620	0
Net Taxable Profit / (Loss)	<u>\$0</u>	<u>(\$6,547)</u>	<u>\$0</u>	<u>(\$6,547)</u>

NOTE 5 - TAX LOSSES

Tax losses amounting to \$8,138.09 are to be carried forward and offset against future taxable income. The availability of tax losses is subject to the requirements of the Income Tax Act 1994 continuing to be met. The potential future income tax benefit has not been recorded in the accounts.

NOTE 6 - CONTINGENT LIABILITIES & COMMITMENTS

There were no known contingent liabilities or commitments for capital expenditure as at balance date.

NOTE 7 - RELATED PARTY TRANSACTIONS

During the period, The New Zealand Health IT Cluster Inc purchased services on normal trading terms from Simpl, an IT firm of which Mr Malcolm Pollock is a Shareholder, and Sysmex NZ Ltd an IT firm of which Mr James Webster is a Director. Both Mr Malcolm Pollock and Mr James Webster are Board Members of The New Zealand Health IT Cluster Inc.

NOTE 8 - OPERATING LEASES

The New Zealand Health IT Cluster Inc has non-cancellable operating lease commitments as follows:

Current portion	33,000
Non-current portion	52,250
	<u>85,250</u>

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 9 - COMPARATIVES

The comparative group figures are for The New Zealand Health IT Cluster Inc only as there were no trading subsidiaries last year.

Due to the change in balance date, comparative figures represent a period of 12 months to 2005 whereas the current period represents a period of seventeen months to 31 August 2006.

NOTE 10 - CONSOLIDATION OF THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

On 29 June 2005, The New Zealand Health IT Cluster Limited was formed as a company. As The New Zealand Health IT Cluster Limited is a wholly owned subsidiary of The New Zealand Health IT Cluster Inc, Financial Reporting Standard 37 issued by the New Zealand Institute of Chartered Accountants requires The New Zealand Health IT Cluster Limited's Financial Statements to be consolidated into the Financial Statements of The New Zealand Health IT Cluster Inc.

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 11 - CLUSTER MEMBERSHIP

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>INCOME</u>				
Cluster Membership Subscriptions	118,472	91,608	118,472	91,608
Forum Registrations	800	0	800	0
MOH Meeting Attendance	4,220	0	4,220	0
New Zealand Trade & Enterprise	8,250	0	8,250	0
TOTAL INCOME	131,742	91,608	131,742	91,608
<u>LESS: EXPENSES</u>				
ACC Levies	78	0	78	0
Accounting Fees	830	1,253	830	1,253
AGM Expenses	2,504	0	2,504	0
Audit Fees	171	3,500	171	3,500
Bad Debts Written Off	6,125	1,750	6,125	1,750
Bank Charges	61	16	61	16
Car Parking	549	132	549	132
Cleaning	183	0	183	0
Computer Expenses	536	67	536	67
Conference Expenses	646	13,063	646	13,063
Consulting Fees	2,746	6,250	2,746	6,250
Depreciation	435	180	435	180
Dues & Subscriptions	102	9	102	9
Electricity	115	0	115	0
Entertainment Expenses	401	72	401	72
Forum Expenses	1,218	0	1,218	0
General Expenses	222	2	222	2
Gifts	14	0	14	0
Insurance	297	0	297	0
IRD Interest & Penalty	630	0	630	0
IT Site Development	0	2,090	0	2,090
Legal Fees	60	0	60	0
Management Fees	4,547	12,600	4,547	12,600
Office Supplies	46	90	46	90
Postage & Couriers	71	34	71	34
Printing & Stationery	409	19	409	19
Recruitment	1,566	0	1,566	0
Rent	2,732	339	2,732	339
Repairs & Maintenance	4	67	4	67
Research Expenses	8,250	0	8,250	0

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 11 - CLUSTER MEMBERSHIP

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
Telephone, Tolls & Internet	679	802	679	802
Travel & Accommodation	2,618	4,036	2,618	4,036
Wages & Salaries	19,415	3,894	19,415	3,894
Website	49	0	49	0
TOTAL EXPENSES	58,309	50,266	50,059	50,266
SURPLUS (DEFICIT)	\$73,432	\$41,342	\$81,682	\$41,342

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 12 - CLUSTER FACILITATOR

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>INCOME</u>				
New Zealand Trade & Enterprise	0	16,667	0	16,667
TOTAL INCOME	0	16,667	0	16,667
<u>LESS: EXPENSES</u>				
Accounting Fees	0	888	0	888
Bank Charges	0	15	0	15
Car Parking	0	29	0	29
Computer Expenses	0	63	0	63
Consulting Fees	0	6,250	0	6,250
Depreciation	0	168	0	168
Dues & Subscriptions	0	9	0	9
Entertainment Expenses	0	40	0	40
General Expenses	0	2	0	2
Management Fees	0	12,600	0	12,600
Office Supplies	0	84	0	84
Postage & Couriers	0	32	0	32
Printing & Stationery	0	18	0	18
Repairs & Maintenance	0	62	0	62
Rent	0	202	0	202
Telephone & Tolls	0	747	0	747
Travel & Accommodation	0	3,596	0	3,596
TOTAL EXPENSES	0	24,803	0	24,803
SURPLUS (DEFICIT)	\$0	(\$8,136)	\$0	(\$8,136)

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 13 - E-LAB FEASIBILITY STUDY

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>INCOME</u>				
New Zealand Trade & Enterprise	0	48,889	0	48,889
TOTAL INCOME	<hr/> 0	<hr/> 48,889	<hr/> 0	<hr/> 48,889
<u>LESS: EXPENSES</u>				
Accounting Fees	0	669	0	669
Bank Charges	0	25	0	25
Car Parking	0	61	0	61
Computer Expenses	0	106	0	106
Consulting Fees	0	15,601	0	15,601
Depreciation	0	284	0	284
Dues & Subscriptions	0	15	0	15
Entertainment Expenses	0	84	0	84
General Expenses	0	3	0	3
Management Fees	0	26,715	0	26,715
Office Supplies	0	142	0	142
Postage & Couriers	0	54	0	54
Printing & Stationery	0	1,236	0	1,236
Repairs & Maintenance	0	105	0	105
Telephone, Tolls & Internet	0	1,264	0	1,264
Travel & Accommodation	0	4,756	0	4,756
TOTAL EXPENSES	<hr/> 0	<hr/> 51,119	<hr/> 0	<hr/> 51,119
<u>SURPLUS (DEFICIT)</u>	<hr/> \$0	<hr/> (\$2,230)	<hr/> \$0	<hr/> (\$2,230)

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 14 - MINISTRY OF ECONOMIC DEVELOPMENT

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>INCOME</u>				
Ministry of Economic Development	222,222	222,222	222,222	222,222
Transfer (to)/ from Funding in Advance	55,336	(55,336)	55,336	(55,336)
TOTAL INCOME	277,558	166,886	277,558	166,886
<u>LESS: EXPENSES</u>				
ACC Levies	623	0	623	0
Accounting Fees	6,662	7,357	6,662	7,357
Audit Fees	1,370	0	1,370	0
Bank Charges	491	72	491	72
Car Parking	4,614	680	4,614	680
Cleaning	1,466	0	1,466	0
Conference Expenses	5,183	0	5,183	0
Computer Expenses	4,303	1,473	4,303	1,473
Consulting Fees	23,458	48,317	23,458	48,317
Depreciation	3,489	830	3,489	830
Dues & Subscriptions	815	42	815	42
Electricity	926	0	926	0
Entertainment Expenses	3,577	521	3,577	521
General Expenses	1,778	8	1,778	8
Gifts	109	0	109	0
Insurance	2,382	0	2,382	0
Legal Fees	481	441	481	441
Management Fees	36,770	32,085	36,770	32,085
Office Supplies	367	416	367	416
Postage & Couriers	567	158	567	158
Printing & Stationery	3,281	601	3,281	601
Public Relations	0	560	0	560
Recruitment	12,565	28,861	12,565	28,861
Repairs & Maintenance	32	307	32	307
Rent	21,918	2,209	21,918	2,209
Telephone, Tolls & Internet	5,450	3,695	5,450	3,695
Travel & Accommodation	22,730	16,186	22,730	16,186
Wages & Salaries	151,648	22,067	151,648	22,067
Website	396	0	396	0
TOTAL EXPENSES	317,450	166,887	317,450	166,887
SURPLUS (DEFICIT)	(\$39,892)	(\$0)	(\$39,892)	(\$0)

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 14 - E-PHARMACY-PERSPECTIVES AND IMPLEMENTATION
CONSIDERATIONS MAY 2006

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>INCOME</u>				
Ministry of Health	30,025	0	30,025	0
TOTAL INCOME	<hr/> 30,025	0	30,025	0
<u>LESS: EXPENSES</u>				
ACC Levies	53	0	53	0
Accounting Fees	571	0	571	0
Audit Fees	117	0	117	0
Bank Charges	42	0	42	0
Car Parking	531	0	531	0
Cleaning	126	0	126	0
Conference Expenses	444	0	444	0
Computer Expenses	369	0	369	0
Contractors	7,613	0	7,613	0
Consulting Fees	1,847	0	1,847	0
Depreciation	2,552	0	2,552	0
Dues & Subscriptions	70	0	70	0
Electricity	79	0	79	0
Entertainment Expenses	379	0	379	0
General Expenses	152	0	152	0
Gifts	9	0	9	0
Insurance	204	0	204	0
Legal Fees	41	0	41	0
Management Fees	2,803	0	2,803	0
Office Supplies	31	0	31	0
Postage & Couriers	49	0	49	0
Printing & Stationery	281	0	281	0
Recruitment	1,076	0	1,076	0
Repairs & Maintenance	3	0	3	0
Rent	1,878	0	1,878	0
Telephone, Tolls & Internet	467	0	467	0
Travel & Accommodation	2,295	0	2,295	0
Wages & Salaries	17,120	0	17,120	0
Website	34	0	34	0
TOTAL EXPENSES	<hr/> 41,237	0	41,237	0
SURPLUS (DEFICIT)	<hr/> (\$11,212)	\$0	(\$11,212)	\$0

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 16 - E- LABORATORY-CLINICAL DATA REPOSITORY OPTIONS FEB 2006

	<u>Group</u>	<u>Group</u>	<u>Parent</u>	<u>Parent</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(17 months)	(12 months)	(17 months)	(12 months)
<u>INCOME</u>				
Ministry of Health	14,417	0	14,417	0
TOTAL INCOME	<hr/> 14,417	0	14,417	0
<u>LESS: EXPENSES</u>				
ACC Levies	41	0	41	0
Accounting Fees	437	0	437	0
Audit Fees	90	0	90	0
Bank Charges	32	0	32	0
Car Parking	392	0	392	0
Cleaning	96	0	96	0
Conference Expenses	340	0	340	0
Computer Expenses	283	0	283	0
Consulting Fees	1,330	0	1,330	0
Depreciation	299	0	299	0
Dues & Subscriptions	54	0	54	0
Electricity	61	0	61	0
Entertainment Expenses	283	0	283	0
General Expenses	117	0	117	0
Gifts	7	0	7	0
Insurance	156	0	156	0
Legal Fees	32	0	32	0
Management Fees	2,803	0	2,803	0
Office Supplies	24	0	24	0
Postage & Couriers	37	0	37	0
Printing & Stationery	215	0	215	0
Recruitment	825	0	825	0
Repairs & Maintenance	2	0	2	0
Rent	1,439	0	1,439	0
Telephone, Tolls & Internet	358	0	358	0
Travel & Accommodation	1,736	0	1,736	0
Wages & Salaries	12,332	0	12,332	0
Website	26	0	26	0
TOTAL EXPENSES	<hr/> 23,846	0	23,846	0
SURPLUS (DEFICIT)	<hr/> (\$9,430)	\$0	(\$9,430)	\$0

THE NEW ZEALAND HEALTH IT CLUSTER INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

NOTE 17 - MICROSOFT COLLABORATIVE SHOWCASE

	<u>Group</u> <u>2006</u> (17 months)	<u>Group</u> <u>2005</u> (12 months)	<u>Parent</u> <u>2006</u> (17 months)	<u>Parent</u> <u>2005</u> (12 months)
<u>INCOME</u>				
New Zealand Trade & Enterprise	71,778	0	71,778	0
Microsoft	605,237	0	64,095	0
Foundation for Science, Research & Technology	405,678	0	35,377	0
The New Zealand Health IT Cluster Ltd	0	0	181,152	0
TOTAL INCOME	1,082,693	0	352,401	0
<u>LESS: EXPENSES</u>				
ACC Levies	456	0	456	0
Accounting Fees	10,985	0	8,535	0
Audit Fees	1,002	0	1,002	0
Bank Charges	369	0	359	0
Car Parking	3,156	0	3,156	0
Cleaning	1,073	0	1,073	0
Conference Expenses	3,792	0	3,792	0
Computer Expenses	3,148	0	3,148	0
Consulting Fees	44,034	0	44,034	0
Contractors	714,868	0	89,691	0
Depreciation	229	0	229	0
Depreciation Adjustment on Fixed Asset Disposal	0	0	0	0
Dues & Subscriptions	596	0	596	0
Electricity	677	0	677	0
Entertainment Expenses	2,556	0	2,556	0
General Expenses	1,300	0	1,300	0
Gifts	80	0	80	0
Insurance	1,743	0	1,743	0
IT Site Development	3,133	0	3,133	0
Legal Fees	46,350	0	36,314	0
Management Fees	2,078	0	2,078	0
Office Supplies	268	0	268	0
Postage & Couriers	415	0	415	0
Printing & Stationery	2,400	0	2,400	0
Recruitment	9,192	0	9,192	0
Repairs & Maintenance	23	0	23	0
Rent	16,033	0	16,033	0
Telephone, Tolls & Internet	3,987	0	3,987	0
Travel & Accommodation	20,180	0	20,180	0
Wages & Salaries	105,557	0	105,557	0
Website	290	0	290	0
TOTAL EXPENSES	999,968	0	362,296	0
SURPLUS (DEFICIT)	\$82,725	\$0	(\$9,895)	\$0

THE NEW ZEALAND HEALTH IT CLUSTER INC.

**FIXED ASSETS & DEPRECIATION SCHEDULE
FOR THE PERIOD ENDED 31 AUGUST 2006**

	Purchase Date	Cost Price	Opening Book Val.	Purchase (Sale)	Dep'n Method	Y.T.D. Dep'n	Accum. Dep'n	Closing Book Val.
Office Equipment (Wellington Office)								
MYOB V14 Software	30/12/2004	354	297		48.00 D	202	259	95
Microsoft Office 2003	01/02/2005	470	432		48.00 D	294	332	138
HP Computer NC4010 PM735 (Andrea)	01/02/2005	2,950	2,714		48.00 D	1,846	2,082	868
Philips Monitor (Black)	01/02/2005	440	405		48.00 D	275	310	130
HP Multibay DVD/CD-RW Combo Drive	28/02/2005	250	230		48.00 D	156	176	74
HP Basic Port Replicator	28/02/2005	250	230		48.00 D	156	176	74
Philips Monitor (Andrea)	08/03/2005	485	466		48.00 D	317	336	149
OKI Colour Laser Printer	11/04/2006			1,203	48.00 D	241	241	962
Roll-up Banner, incl Carry bag	18/07/2006			595	48.00 D	48	48	547
Reception & Directory Signage	31/05/2005			1,350	48.00 D	864	864	486
		5,199	4,774	3,148		4,399	4,824	3,523
Computer Software								
Office XP	01/09/2002	562	110		48.00 D	75	527	35
		562	110	-		75	527	35
Computer Equipment								
Notebook	01/09/2002	3,957	770		48.00 D	524	3,711	246
Mouse	30/09/2002	136	27		48.00 D	18	127	9
Printer	30/09/2002	444	87		48.00 D	59	416	28
Brother Printer/Scanner/Fax	30/04/2005			799	48.00 D	543	543	256
		4,537	884	799		1,144	4,797	539
Furniture & Fittings								
Phone	30/09/2002	53	21		31.20 D	9	41	12
Answer Machine	30/09/2002	96	37		31.20 D	16	75	21
Desk	30/09/2002	284	145		18.00 D	37	176	108
Filing Cabinet	30/09/2002	196	117		18.00 D	30	109	87
Chair	30/09/2002	267	161		18.00 D	41	147	120
Dobbins Furniture	06/05/2005			4,369	18.00 D	1,049	1,049	3,321
Reworks Gallery	06/05/2005			849	18.00 D	204	204	645
		896	481	5,218		1,386	1,801	4,313
		11,194	6,249	9,165		7,004	11,949	8,410