

THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2006

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THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

DIRECTORY
FOR THE PERIOD ENDED 31 AUGUST 2006

NATURE OF BUSINESS

Collaborative Health IT Projects

BUSINESS LOCATION

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

DIRECTORS

Candace Kinser
Andrea Pettett
Malcolm Pollock
Lynn Taylor
Brian Vass
James Webster
Gavin Wright

BANKERS

ASB Bank
Auckland

ACCOUNTANTS

Horwath Strategy (Wellington) Limited
Wellington

AUDITORS

Horwath Audit (Wellington)
Wellington

SHAREHOLDERS

<u>NAME</u>	<u>SHAREHOLDING</u>
The New Zealand Health IT Cluster Inc	100
Total Shareholding	<hr/> 100

THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 AUGUST 2006

	Note	<u>2006</u>
<u>INCOME</u>		
Microsoft		541,142
Foundation for Science, Research & Technology		370,301
TOTAL INCOME		<u>911,443</u>
<u>EXPENSES</u>		
Accounting Fees	2,450	
Bank Charges	10	
Legal Expenses	10,036	
Project Expenses	<u>806,329</u>	
TOTAL EXPENSES		<u>818,824</u>
<u>NET SURPLUS/(DEFICIT) BEFORE TAX</u>		92,620
Tax Expense	3	0
<u>NET SURPLUS/(DEFICIT) AFTER TAX</u>		<u>\$ 92,620</u>

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

THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

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

	Note	<u>2006</u>
Balance at Beginning of Year		0
Increase in Capital		100
Less Unpaid Capital		<u>(100)</u>
Contribution from Owners		0
Net Surplus/(Deficit) After Tax		92,620
<u>BALANCE AT END OF YEAR</u>		<u>92,620</u>

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

THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2006

	Note	<u>2006</u>
<u>EQUITY</u>		
Accumulated Funds Account		92,620
TOTAL EQUITY		<u>\$92,620</u>
 Represented By :		
<u>CURRENT ASSETS</u>		
Bank Accounts	2	143,844
G.S.T. Refund		<u>18,538</u>
TOTAL CURRENT ASSETS		162,382
		<hr/>
<u>TOTAL ASSETS</u>		162,382
 <u>CURRENT LIABILITIES</u>		
Accounts Payable		69,762
Income Tax Payable		<u>0</u>
TOTAL CURRENT LIABILITIES		69,762
		<hr/>
<u>TOTAL LIABILITIES</u>		69,762
		<hr/>
<u>NET ASSETS</u>		<u>\$92,620</u>

The New Zealand Health IT Cluster Limited authorised these financial statements

for issue on _____

Director : _____

Date : _____

Director : _____

Date : _____

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

THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

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 New Zealand Health IT Cluster Limited.

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 Limited qualifies for differential reporting as it is not publicly accountable and has not been classified as being large. The New Zealand Health IT Cluster Limited 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.

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.

THE NEW ZEALAND HEALTH IT CLUSTER LIMITED

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

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

As this is the first year of operation, no comparative figures are available. Standard accounting policies have been applied.

NOTE 2 - BANK ACCOUNTS

<u>Description</u>	<u>2006</u>
ASB Cheque Account	143,844
Total	<u>\$143,844</u>

NOTE 3 - TAXABLE INCOME RECONCILIATION

<u>Income Adjustments</u>	<u>2006</u>
Accounting Profit / (Loss) Before Tax	<u>92,620</u>
Taxable Profit / (Loss)	92,620
Loss Offset	(92,620)
Net Taxable Profit / (Loss)	<u><u>\$0</u></u>

NOTE 4 - CONTINGENT LIABILITIES & COMMITMENTS

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

NOTE 5 - RELATED PARTY TRANSACTIONS

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