PEGASUS HEALTH (CHARITABLE) LIMITED

NOT FOR-PROFIT ENTITY

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 June 2023

TABLE OF CONTENTS

COMPANY DIRECTORY

For the Year Ended 30 June 2023

The Directors are pleased to present the financial statements of Pegasus Health (Charitable) Ltd for the year ended 30 June 2023.

REGISTERED OFFICE	Pegasus Health (Charitable) Ltd 401 Madras Street Christchurch
DIRECTORS	Mr B J Bragg - Chair (Appointed 28 September 2022) Mr B M Chambers (Appointed 23 March 2023) Mr B P Kepes Dr C M Christie - Deputy Chair Mr G J Muir (Appointed 14 December 2022) Dr H R H Royal Ms J C Huria Ms N M Scott Dr R A Rawstron Dr S M H Wynn Thomas
AUDITOR	BDO Christchurch Audit Limited
LEGAL ADVISORS	Lane Neave
SHARES	12,000 Ordinary Shares
SHAREHOLDERS	Mr B J Bragg Mr B M Chambers Mr B P Kepes Dr C M Christie Mr G J Muir Dr H R H Royal Ms J C Huria Ms N M Scott Dr R A Rawstron Dr S M H Wynn Thomas

For the Year Ended 30 June 2023

1 Company Objects

The purpose for which the Company is established is to apply and utilise the assets and investments of the company in furtherance of the exclusively charitable objects of the Company (Charity registration number CC29755) (as approved and recognised by the Commissioner of Inland Revenue) which include, without limitation, the following objects:

a. The enhancement of health and health care and facilitation of the provision of health care to individuals, their whanau/families and all the population of Canterbury;

b. The improvement of the health status of individuals, their whanau/families and all the population of Canterbury;

c. The reduction of disparities between the health of Māori and other identified groups within the population of Canterbury and the reduction of barriers to the timely access to appropriate health services;

d. The education of the public and health care providers as to health related issues;

e. The greater participation of the population of Canterbury in health related issues, through proactive consultation and communication with communities and in keeping with the spirit of the Treaty of Waitangi;

f. The improved availability of health related information;

g. The improvement of integration and liaison between health care providers and others in Canterbury to ensure that health care services are coordinated around the needs of the population of Canterbury; and

h. The creation or development of, or the enhancement of cooperation with, other entities that have similar objects.

2 Dividend

No dividend can be paid as a condition of the Company's charitable status.

3 Audit Fees

Audit fees of $51,500 were paid to BDO Christchurch. During the year BDO provided non audit services in relation to the review of holiday pay.

4 Directors' Interests

As required by Section 211 of the Companies Act we disclose the following information:
The following entries were made in the Interest Register during the financial year;
Some Directors entered into an agreement to provide services to the Company as the Company may require from time to time. These amounts are distinct from directors' fees.
The Directors hold an interest in the Pegasus Health Directors and Officers insurance policy.

5 Use of Company Information

No notices were received during the year.

6 Remuneration and Other Benefits - Directors' Fees

Directors' fees for their board activities totalled $571,772. Other remuneration of $266,907 was paid to Directors' during the year. The shareholders unanimously agree in terms of s211(3) of the Companies Act 1993 not to report s211(f).

7 Directors' Board Meeting Attendances

	Number of attendances	Number of apologies
Dr C M Christie	11	2
Ms J C Huria	11	2
Mr B P Kepes	12	1
Dr H R H Royal	12	1
Dr R A Rawstron	13	0
Ms N M Scott	13	0
Dr S M H Wynn Thomas	10	3
Mr B J Bragg (Appointed 28 September 2022)	11	0
Mr G J Muir (Appointed 14 December 2022)	7	1
Mr B M Chambers (Appointed 23 March 2023)	4	0
Dr B Hudson (Retired 14 December 2022)	5	0
Mr P R Townsend (Retired 14 December 2022)	4	1

For the Year Ended 30 June 2023

8 Share Dealing

All current Directors of the Company have a shareholding of 1200 shares each.

9 Provision of Services

Associated doctors and nurses, including directors, have been remunerated on an hourly basis for assignments carried out at the request of the company.

10 Employees

The number of employees whose remuneration and benefits are within specific bands is as follows:

Salary Bracket	No. of employees
100,000 -110,000	28
110,001 -120,000	20
120,001 -130,000	18
130,001 -140,000	10
140,001 -150,000	6
150,001 -160,000	2
160,001 -170,000	3
170,001 -180,000	4
180,001 -190,000	0
190,001 -200,000	1
200,001 -210,000	2
210,001 -220,000	2
220,001 -230,000	1
230,001 -240,000	2
240,001 -250,000	2
250,001 -260,000	1
260,001 -270,000	0
270,001 -280,000	2
280,001 -290,000	0
290,001 -300,000	0
300,001 -340,000	2
340,001 -350,000	0
> $350,001	1

FOR AND ON BEHALF OF THE BOARD, 27 September 2023

B J Bragg
Chair

Dr C M Christie
Deputy Chair

The Financial Reporting Act 2013 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the financial position and financial performance of the company for that period. In preparing those financial statements on pages 8-40 the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1993. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOR AND ON BEHALF OF THE BOARD, 27 September 2023

B J Bragg
Chair

Dr C M Christie
Deputy Chair

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PEGASUS HEALTH (CHARITABLE) LIMITED

Report on the Audit of the General-Purpose Financial Report

Opinion

We have audited the general-purpose financial report of Pegasus Health (Charitable) Limited (" the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated financial statements, and the consolidated service performance information. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, 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 general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 30 June 2023, and (of) its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated service performance for the year ended 30 June 2023, in accordance with the Group's service performance criteria,

in accordance with Public Benefit Entity Standards 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 and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. 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 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 company or any of its subsidiaries.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the general-purpose financial report but does not include the consolidated service performance information and the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated service performance information and 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 service performance information and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated service performance information and 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 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.

Directors' Responsibilities for the General-Purpose Financial Report

Those charged with governance 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 Standards issued by the New Zealand Accounting Standards Board;

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

(c) such internal control as those charged with governance 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 general-purpose financial report those charged with governance 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 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 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general-purpose financial report.

A further description of the auditor's responsibilities for the audit of the general-purpose financial report is located at the XRB's website at
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/

This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Who we Report to

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

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
27 September 2023

Consolidated Statement of Service Performance – FY2023

Our Visions and Values

Who We Are

Pegasus Health is a charitable organisation committed to improving health outcomes for the people of Canterbury through innovation in service design and delivery, collaboration with partners and continuous improvement. Our purpose is that All people who live in Canterbury lead healthy lives, and our role is Together making Canterbury the best place to receive and provide primary care. Our values of Inclusive, Strive, Connection and Integrity, underpinned by our guiding principle of Manaakitanga, create the fabric of our ways of being as an organisation.

Pegasus has a commitment to ensure that we overtly, purposefully and strategically thread equity and Te Tiriti o Waitangi through all we do and how we operate. We ensure equity is prioritised in our considerations, structures, decisions and processes so that we are able to improve the health outcomes of all people and communities in Canterbury.

In particular:

- The reduction of disparities between the health of Māori and other identified groups within the population of Waitaha Canterbury and the reduction of barriers to the timely access to appropriate health services.
- The greater participation of the population of Waitaha Canterbury in health-related issues through proactive consultation and communication with communities and in keeping with the wairua of the Te Tiriti o Waitangi.
- The improvement of integration and liaison between healthcare providers and others in Waitaha Canterbury to ensure that healthcare services are coordinated around the needs of the population.

What We Do

Our work focuses on 4 key areas of activity:

- **Improving Health Outcomes**
  Together with our partners we work to identify opportunities to improve health outcomes and address health inequities. This includes activities associated with advocacy, maintaining partnerships with our community, and supporting the co-design of health and social services.
- **General Practice Care Delivery**
  We support our network of General Practice teams enabling them to work in ways that best use their skills and enable patients to receive the best care possible. This includes a range of activities across clinical quality and education, service co-ordination and service subsidies.
- **Pegasus Care Delivery**
  We deliver care directly to patients, often in partnership with general practice, delivering services that extend the community-based services offered by general practice.
- **Integrating Health Care Delivery**
  We partner with others to develop and manage digital systems that support integrated health care delivery. This includes services such as telehealth, facilitating the sharing of health information and referrals for care.

Programme Delivery

Pegasus deliver a range of health services to our community and support our primary care partners. The work we do aligns with our purpose, role, and charitable objectives. The activities we undertake are designed to contribute to the achievement of our short and longer-term outcomes. The relationship between our outcomes and our activities are set out in the Programme Results Framework below. Short term outputs and outcomes are grouped by our key areas of activity.

Programme Results Framework

Context for programme results – Working in Partnership

Pegasus works within the context of the wider Waitaha Canterbury Health System, delivering a range of activities funded by the Te Whatu Ora Waitaha, working in partnership with the Canterbury Clinical Network (a collaborative of health professionals, mana whenua, consumers, and cross sector partners). Our efforts support the delivery of:

- The New Zealand Health Strategy (MoH).
- Te Pae Tata, the Interim New Zealand Health Plan 2022
- He Korowai Oranga |Māori Health Strategy and Whakamaua | Māori Health Action Plan 2020-2025 (MoH).
- Te Whatu Ora Waitaha district objectives and plans.

Our Programme and Results framework will evolve over time to reflect our role in the national health system established through the Pae Ora (Healthy Futures) Act 2022, which took effect on 1 July 2022. The Act establishes three new entities:

- a new Public Health Agency within the Ministry of Health to lead and strengthen public health,
- Te Whatu Ora (Health New Zealand) as the national organisation to lead and coordinate delivery of health services across the country,
- Te Aka Whai Ora (the Māori Health Authority) as an independent statutory authority to drive improvement in hauora Māori.

The Act also establishes Iwi-Māori Partnership Boards to represent local Māori perspectives on the needs and aspirations of Māori with respect to planning and decision-making for health services at the local level. The implementation of the objectives of the Pae Ora (Healthy Futures) Act will over time reshape our role in the Waitaha Canterbury Health system.

Programme Results

Improving Health Outcomes

Together with our partners we work to identify opportunities to improve health outcomes and address health inequities. This includes activities associated with advocacy, maintaining partnerships with our community, and supporting the co-design of health and social services.

Improve performance against key health targets

Reduce inequities in performance

The targets against which we measure Improving Health Outcomes are set at a national level. At this level and for Canterbury and Pegasus practices, performance against these targets has been low due to the ongoing impact of COVID-19 and an increased demand for acute care on primary health care capacity. This has particularly affected Diabetes Annual Reviews, Smoking Cessation and Cervical Screening.
Pegasus' performance exceeded the target for total population for Breast Screening. Breast Screening is provided by Screen South. Pegasus is providing additional subsidies to improve access to care for priority women.

Across all measures the Māori population had lower rates of uptake of these services, with the gap being particularly significant for Breast Screening, and Child Immunisation.

FY23 performance against FY22 performance has improved for two measures (Smoking Cessation and B4 School Checks). Performance has remained relatively stable for five measures and declined slightly for one (Cervical Screening). The most significant improvements in the equity gap for Māori were in Smoking Cessation, B4 School Checks and Immunisation of 2 year olds.

Improving Health Outcomes

Service	Measure	Target	Total Population		Māori		Notes
			FY2023	FY2022	FY2023	FY2022	
Diabetes Annual Reviews	% Patients up to date for 6 core elements of diabetes care for patients diagnosed with diabetes	90%	68%	69%	66%	66%	(a)
Smoking	% of current Smokers aged 15-74 offered help to quit smoking in the last 15 months	90%	80%	74%	78%	73%	(a)
Cervical Screening	% of women aged 25-69 have had a cervical smear in the last 3 years	80%	67%	69%	64%	64%	(a)
Breast Screening Coverage	% of women aged 45-69 have had a screening mammogram in the last 2 years	70%	76%	76%	68%	67%	(b)
B4 School Checks	% of children receive a B4 School Check	90%	94%	80%	91%	74%	(a)
	% of obese children identified are offered a referral to a health professional for clinical assessment and family-based nutrition, activity and lifestyle interventions	95%	98%	98%	98%	99%	(a)
Immunisation	% of 8-month-olds who are fully immunised	95%	93%	92%	86%	85%	(a)
	% of two year olds are fully immunised	95%	91%	90%	85%	80%	(a)

(a) Pegasus PHO
(b) Canterbury District (Te Whatu Ora)

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General Practice Care Delivery

We support our network of General Practice teams to enable them to work in ways that best use their skills and enable patients to receive the best care possible. This includes a range of activities across clinical quality and education, service co-ordination and service subsidies.

General Practice Care Delivery across the total population has remained fairly stable for FY23 compared with FY22 across all measures, with a small decline in Small Group Attendee for clinical education of 5.1%.

Improve patient access to general practice care

Improve quality of care

Reduce unnecessary acute hospitalisations

There have been improvements of more than 5% in Avoidable admissions for Māori (12.1% fewer) and Acute Hospital Bed Days per 100 people (7.5% fewer) in FY23 compared with FY22. There has been a small decline in barriers to Access to Care Patient Experience for Māori in FY23 of 5% points compared with FY22.

General Practice Care Delivery

Service	Measure	Total Population		Māori		Notes
		FY2023	FY2022	FY2023	FY2022	
First Level Services	General Practice Consultations	1,974,437	2,026,461			(a)
Acute Demand Episodes	Number of acute package of care episodes	25,169	23,439			(a)
	Acute hospital bed days per 100 people	38	37	49	53	(b)
Avoidable admissions	Ambulatory Sensitive Hospitalisation rate per 1000 for 0-4 Year olds	51	51	58	66	(a)
Patient Experience	Access to Care - Wait Times: % who did not mind the wait for the next available appointment.	77%	80%	79%	81%	(a)
	Access to Care - Wait Times: % same day response when contacting GP/Nurse clinic for important issues.	75%	75%	73%	73%	(a)
	Access to Care - Barriers: % who could access GP/Nurse care when needed in the last 12 months.	80%	82%	72%	77%	(a)
Education	Small group attendees	2,662	2,806			(b)

(a) Pegasus PHO

(b) Small group attendees, Canterbury district wide service delivered to General Practitioners, Nurse Practitioners, Practice Nurses and Pharmacists.

(c) General Practice Consultations in the period including Did Not Attend (DNA) and cancelled appointments), excluding training records, inactive / deleted episodes of care and re-registered patients

Pegasus Care Delivery

We deliver care directly to patients, often in partnership with general practice, delivering services that extend the community-based services offered by general practice.

Within Pegasus Care Delivery, the number of Mental Health Consultations in total and per 100 of given population across Primary Mental Health – BITT and Te Tumu Waiora has increased for consultations by 17.6%, and per 100 of given population by 18.5% between FY22 and FY23.

Increased funding in the Te Tumu Waiora programme has meant that it is now available in more general practices. This has resulted in a shift in consultations from BITT to Te Tumu Waiora as these patients are now being supported by the HIPs in their practice.

Maintain current access to out of hours general practice care

Increase delivery of services that extend the scope of general practice care

Increase delivery of services that support individual to improve their well being

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Attendance at the 24-Hour Surgery has also increased between FY22 and FY23 – by 14.2%. This has been as a result of an increase in the demand for acute care across Canterbury and workforce shortages within primary care.

Here Toitū – a service to support people with health issues into work, study or volunteer work, has achieved a 68.2% increase in enrolments in FY23 compared to FY22. Increased funding for this pilot programme has allowed more people to be enrolled in this service.

Pegasus Care Delivery

Service	Measure	Total Population		Māori		Notes
		FY2023	FY2022	FY2023	FY2022	
Primary Mental Health - BITT	Total consultations in the period (includes any marked as 'did not attend' (DNA), cancelled)	14,501	18,175			(a)
	Attendance rate per 100 of given population (Total)	3.1	3.8	3.0	4.3	(a)
	Time between referral and first appointment [median - days]	27	29	25	28	(a)
Te Tumu Waiora	Consultations in the period (includes DNA appointments)	45,698	33,208			(a)
	Attendance rate per 100 of given population (Total)	9.7	7.0	12.7	6.6	(a)
	Number of practices offering the service	47	31			(a)
24 Hour Surgery	Patient Attendances	90,860	79,564			(b)
	Attendance rate per 100 of given population (Total)	15.1	13.9	19.0	16.8	(a)
Here Toitū	Enrolments during the period	276	164			(b)
	Enrolment rate per 10,000 of given population (Total)	5.8	3.5	8.9	7.2	(b)

(a) Pegasus PHO
(b) Canterbury District (Te Whatu Ora).

Integrating Health Care Delivery

Increase the utilisation of technology based solutions that integrate care delivery

We partner with others to develop and manage digital systems that support integrated health care delivery. This includes services such as telehealth, facilitating the sharing of health information and referrals for care.

ERMS (Electronic Request Management System) has experienced a 5.3% increase in referrals sent and a 11.6% increase in the number of facilities using ERMS in FY23 compared with FY22 due to expansion of the service into more allied health sectors, automating manual workflows into secondary care, and expansion into the Wanganui and Wairarapa regions in the North Island.

HealthOne (shared patient record) has experienced a 12.7% increase in accessed records and 24.0% increase in facilities using the service in FY23 compared with FY22 due to expansion of the service into more allied health sectors in the South Island.

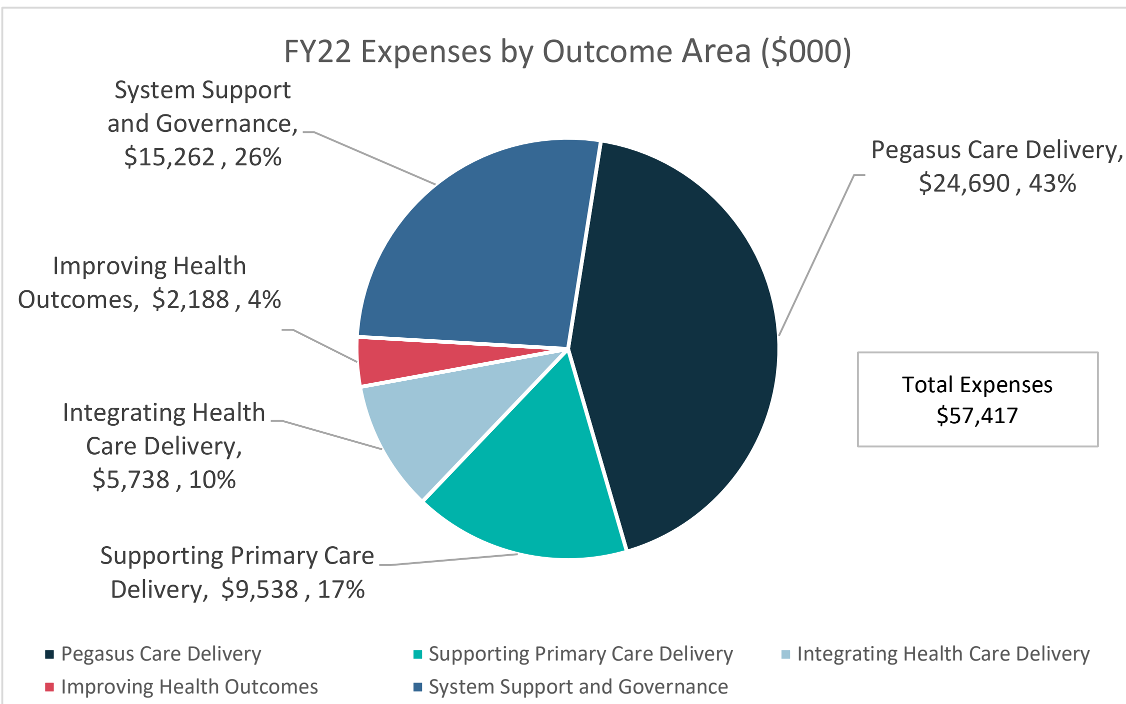
Total contacts by Whakarongorau Aotearoa in FY23 was only 38.8% of the volumes in FY22. This reflects the fall in demand to more 'normal' levels after the high demand during COVID-19.

Integrating Health Care

Service	Measure	Total Population		Notes
		FY2023	FY2022	
ERMS	Referrals Sent	985,325	935,367	(a)
	Facilities (using ERMS)	865	775	(a)
HealthONE	Total accesses in the period	4,333,000	3,843,800	(a)
	Total facilities (With Access)	941	759	(a)
Whakarongorau Aotearoa	Total Contacts (All services)	2,210,000	5,700,000	(b)

(a) Regional service (including beyond Canterbury)
(b) National Service.

Programme Expenses



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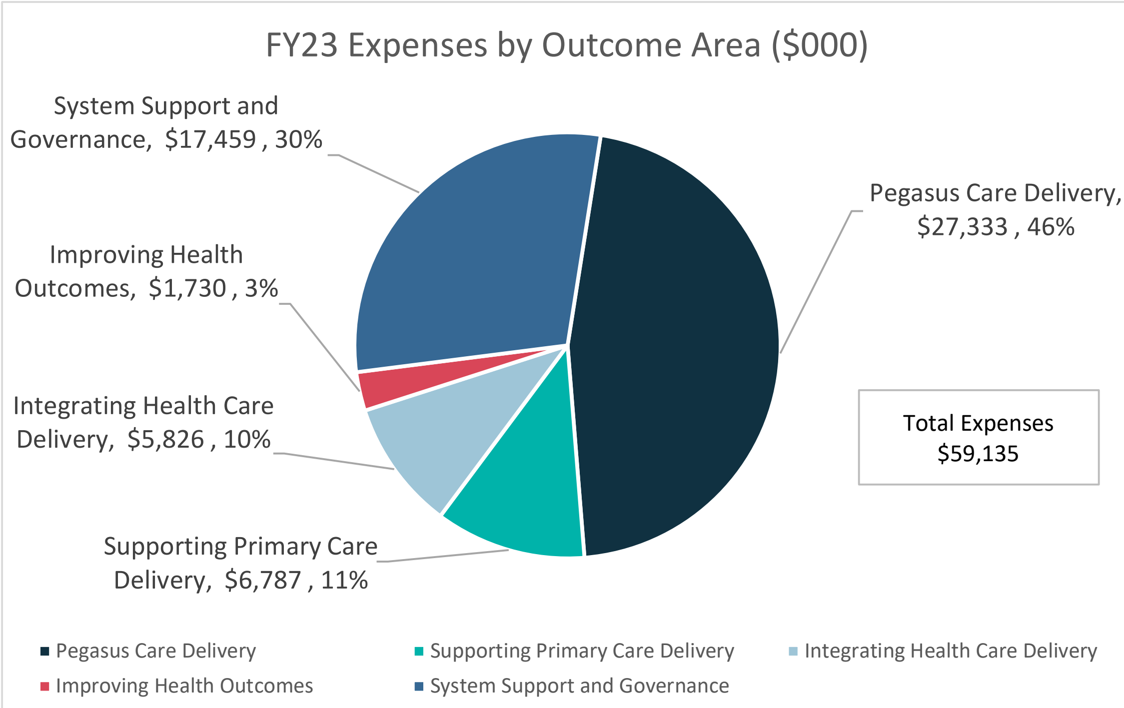
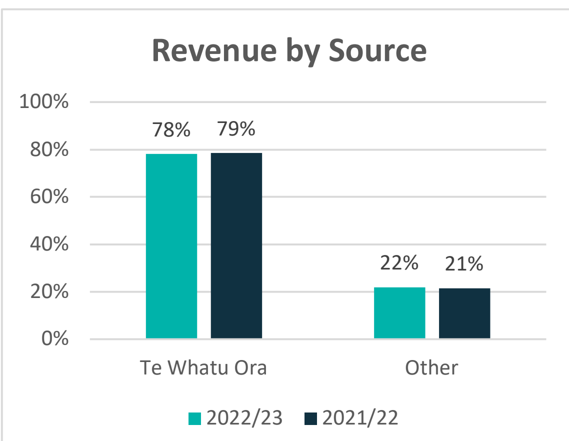
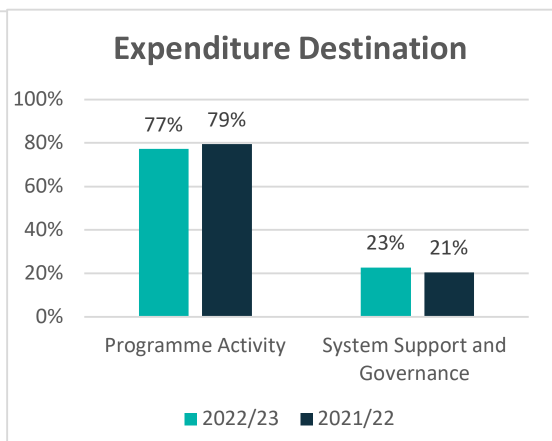


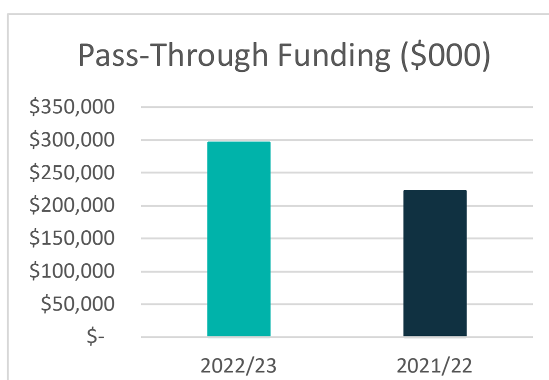
Funding Sources and Destinations





Pass-Through Funding

Pass-through funding reflects funds paid to primary and community providers by Pegasus as a payment agent for organisations such as the Te Whatu Ora, ACC and Ministry of Social Development. This includes capitation payments made to general practice.



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Judgements:

Statement of Service Performance

In compiling the Group's Statement of Service Performance report, Management has made judgements in relation to which outcomes and outputs best reflect the achievement of our performance for the Group's vision.

The Group delivers targeted outputs in accordance with its programme strategy, service contracts, and budget.

Our purpose is that all people living in Canterbury lead healthy lives, and our role is 'together making Canterbury the best place to receive and provider care'. Our activities are designed to contribute to achievement of our intermediate and long-term outcomes, with a particular focus on addressing health inequities.

Reporting the patient focused outcomes or the impacts of our activities are difficult to measure and attribute to the work of Pegasus or General Practice alone. Measures have therefore been included within the results framework on the following basis:

- Te Whatu Ora (as our main funder) and the People of Canterbury are the primary audience for this report.
- Provide measurement across dimensions of activity (the volumes of service delivered), equity and access.
- Reflect those measures that are important indicators of health outcomes or services that utilise significant resources in their delivery.
- Service performance information is primarily based on the goods and services delivered with the objective of improving performance against these measures utilising our historical performance as a baseline for comparative purposes.
- This framework will evolve over time in response to goals and objectives that result from the health reforms and as our performance monitoring systems mature.

Outputs and outcomes are aggregated from information reported from Pegasus Health systems, affiliated general practice teams, Te Whatu Ora and the Ministry of Health. Where available we have utilised data collected directly from Health Care Provider systems as we believe its context for collection being aligned with the delivery of care. Where data is not directly available from a Health Care provider system, we have sourced data from trusted system partners such as Health Quality and Safety Commission, Te Whatu Ora (Health New Zealand) and Manatū Hauora (Ministry of Health). In utilising the data from trusted partners, we have made the judgement that these data sources will continue to be available in future periods.

Variation in Performance – explanations are provided for material variations (greater that 10%) in the current year verse last year or the specified target.

BDO Christchurch

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ended 30 June 2023

		Group		Company	
	Note	2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Total revenue	8	56,407	56,772	56,287	56,772
Operating expenses	9	(59,522)	(57,417)	(59,135)	(57,417)
Net operating surplus/(deficit)		(3,115)	(645)	(2,848)	(645)
Dividend from subsidiary		-	-	7,341	2,253
Finance Revenue (on financial assets at amortised costs)		119	7	119	7
Finance Expenses (on liabilities at amortised cost)		(468)	(508)	(468)	(508)
Net finance Revenue/ (expense)		(349)	(501)	(349)	(501)
Share of surplus/ (deficit) from Associates	15	(614)	11,750	(11)	-
Surplus/(deficit) for the year attributable to equity holders of the parent		(4,078)	10,604	4,133	1,107
Other comprehensive revenue and expense					
Gain on revaluation/ (Impairment) of land and buildings	12	(2,399)	4,989	(2,399)	4,989
Other comprehensive revenue and expense for the year		(2,399)	4,989	(2,399)	4,989
Total comprehensive revenue and expense for the year attributable to equity holders of the parent		(6,477)	15,593	1,734	6,096

These financial statements should be read in conjunction with the Independent Auditors' Report and accompanying Notes

BDO Christchurch

Group

	Note	Share capital	Revaluation reserve	Accumulated revenue and expense	Total
		$'000	$'000	$'000	$'000
Balance as at 1 July 2021		12	2,922	20,247	23,181
Surplus/(Deficit) for the year		-	-	10,604	10,604
Other comprehensive income for the year		-	4,989	-	4,989
Total comprehensive income for the year		-	4,989	-	4,989
Closing balance as at 30 June 2022		12	7,911	30,851	38,774
Surplus/(Deficit) for the year		-	-	(4,078)	(4,078)
Other comprehensive income for the year	12	-	(2,399)	-	(2,399)
Total comprehensive income for the year		-	(2,399)	(4,078)	(6,477)
Closing balance 30 June 2023		12	5,512	26,773	32,297

These financial statements should be read in conjunction with the Independent Auditors' Report and accompanying Notes

BDO Christchurch

Company

	Note	Share capital	Revaluation reserve	Accumulated revenue and expense	Total
		$'000	$'000	$'000	$'000
Balance as at 1 July 2021		12	2,922	17,915	20,849
Surplus/(Deficit) for the year		-	-	1,107	1,107
Other comprehensive income for the year	12	-	4,989	-	4,989
Total comprehensive income for the year		-	4,989	-	4,989
Closing balance as at 30 June 2022		12	7,911	19,022	26,945
Surplus/(Deficit) for the year		-	-	4,133	4,133
Other comprehensive income for the year	12	-	(2,399)	-	(2,399)
Total comprehensive income for the year		-	(2,399)	4,133	1,734
Closing balance 30 June 2023		12	5,512	23,155	28,679

These financial statements should be read in conjunction with the Independent Auditors' Report and accompanying Notes

BDO Christchurch

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	3,437	4,039	3,073	4,037
Receivables	11	7,002	13,711	6,929	13,711
Loan receivable	15 e)	-	-	1,005	255
Inventories		28	34	28	35
Derivative financial assets	20 d)	-	12	-	12
Prepayments		656	614	655	614
Total current assets		11,123	18,410	11,690	18,664
Non-current assets					
Property, plant and equipment	12	26,802	29,161	26,774	29,161
Intangibles	13	649	1,258	457	1,258
Investment in controlled entities	15 a)	-	-	3,105	2,875
Investment in equity accounted investees	15 b)	6,833	15,094	489	-
Total non-current assets		34,284	45,513	30,825	33,294
Total assets		45,407	63,923	42,515	51,958
LIABILITIES					
Current liabilities					
Payables	16	6,791	12,176	6,910	11,417
Employee benefit liability		3,611	3,260	3,596	3,260
Finance lease	21 c)	37	43	37	43
Advance from subsidiary	15 e)	-	-	623	623
Loans	17	-	9,000	-	9,000
Total current liabilities		10,440	24,479	11,166	24,343
Non-current liabilities					
Funds held in Trust		670	670	670	670
Loans	17	2,000	-	2,000	-
Total non-current liabilities		2,670	670	2,670	670
Total liabilities		13,110	25,149	13,836	25,013
NET ASSETS / EQUITY					
Share capital	18	12	12	12	12
Revaluation reserve		5,512	7,911	5,512	7,911
Accumulated revenue and expense		26,773	30,851	23,155	19,022
Total net assets/equity		32,297	38,774	28,679	26,945
Total net assets/equity and liabilities		45,407	63,923	42,515	51,958

FOR AND ON BEHALF OF THE BOARD, 27 September 2023

B J Bragg
Chair

Dr C M Christie
Deputy Chair

These financial statements should be read in conjunction with the Independent Auditors' Report and accompanying Notes

BDO Christchurch

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2023

	Note	Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Proceeds from:					
Rental income		302	212	302	212
Proceeds from cash receipts from customers		62,199	50,147	62,954	50,529
Payments to suppliers and employees		(62,316)	(52,553)	(61,940)	(52,554)
Dividends received		-	-	7,341	2,253
Interest received		119	7	119	7
Interest expense on Finance Lease and Loans		(453)	(508)	(453)	(508)
GST Receipts/Payments		(58)	342	(36)	342
Agency receipts		295,918	222,223	295,918	222,223
Agency payments		(296,240)	(222,291)	(296,240)	(222,291)
Net cash inflow/(outflow) from operating activities	10	(529)	(2,421)	7,965	213
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for purchase of property, plant and equipment		(594)	(766)	(563)	(766)
Increase in intangible assets		(87)	(113)	118	(113)
Investment in controlled entities	14	-	-	(230)	(250)
Investment in equity accounted investees	15	7,614	2,638	(500)	252
Net cash inflow/(outflow) from investing activities		6,933	1,759	(1,174)	(877)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan Receivable		-	-	(750)	-
Capital Repayment of finance lease and Bank Loans		(7,006)	(2)	(7,006)	(2)
Net cash inflow/(outflow) from financing activities	10	(7,006)	(2)	(7,756)	(2)
Net increase/(decrease) in cash and cash equivalents		(602)	(664)	(964)	(665)
Cash and cash equivalents at beginning of year	10	4,039	4,703	4,037	4,702
Cash and cash equivalents at the end of year	10	3,437	4,039	3,073	4,037

These financial statements should be read in conjunction with the Independent Auditors' Report and accompanying Notes

1 Reporting Entity

Pegasus Health (Charitable) Limited is a Tier 1 Public Benefit Entity (the 'controlling entity') and a charity registered under the Charities Act 2005. The entity is domiciled in New Zealand, and is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013. The controlling entity's registered office and principal place of business is 401 Madras Street, Christchurch. The controlling entity is a Tier 1 entity as it is publicly accountable for funds held in a fiduciary capacity as part of its primary business, and it is considered large as it has total expenses over $30 million.

These financial statements comprise two sets of accounts for the year ended 30 June 2023. These include the controlling entity (referred to as the 'Company') and the consolidated financial statements (referred to as the 'Group') which include the Company and its controlled entities and the Groups share of profits and losses in its equity accounted investees.

Pegasus Health (Charitable) Limited is principally involved in the delivery of health services as well as being a Primary Health Organisation (PHO) that delivers PHO services across Canterbury.

The Group financial statements incorporate the activities of the following associates and subsidiaries (hereafter referred to as "the Group"):
● Pegasus Health (LP) Limited – Subsidiary
● Pegasus Health (Health One) Limited - Subsidiary
● Pegasus Health Apps Limited - Subsidiary
● Health One (General Partner) Limited - Subsidiary until May 2021 then Associate.
● HealthOne (2021) Limited Partnership - Associate.
● Practice Plus Limited Partnership – Associate
● Canterbury Community Care Trust Limited – Associate
● Whakarongorau Aotearoa New Zealand Telehealth Services LP, (previously Homecare Medical (General Partner) Ltd) – Associate
● Whakarongorau Aotearoa New Zealand Telehealth Services (GP) Ltd – Associate
● Screensouth Limited - Associate

2 Basis of Preparation

(a) Statement of compliance
The consolidated and parent financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards ("PBE Standards"), as appropriate for Tier 1 not-for-profit public benefit entities.

These financial statements were authorised for issue by the Board of Directors on 27 September 2023.

(b) Measurement basis
The parent and consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:
● Land and Buildings under the revaluation model
● Derivative financial liabilities.

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

3 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described as follows:

(a) Judgements
In the process of applying the entity's accounting policies, the Directors have made the following judgements that have had the most significant effect on the amounts recognised in the financial statements:

● The Directors have judged that the Company is a public benefit entity. They believe that the charitable objects of the Company are consistent with the public benefit entity requirements. Any equity has been provided with a view to supporting these charitable objects rather than for a financial return to equity holders.

● The Directors have judged that where part of a property is used in the supply of services and part is rented out, a more than insignificant portion is held for use in the supply of services and therefore the property is classified as property, plant and equipment, rather than as investment property.

● The Directors have judged that the Group is a going concern.

● The Directors have judged that in the case of certain entities set out in Note 15 that even though a 50% shareholding is held, the entities do not have any binding arrangement requiring such joint unanimous decision making (as per PBE IPSAS 36). These entities are therefore accounted as Investment in Associates. They do not have a quoted market price in an active market and are measured at cost (PBE IPSAS 36).

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(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2023 include the following:

Area of estimate or judgement	Note
Valuation of land and buildings	Note 12
Impairment of software	Note 13
Investment	Notes 15 and 22

Significant estimates are designated by an ⓔsymbol in the notes to the financial statements.

4 Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group except where disclosed in Note 5.

Accounting policies are disclosed within each of the applicable notes to the financial statements and are designated by a 🕮 symbol. Where a note is not required, the applicable accounting policy is disclosed in Note 6.

5 Changes in Accounting Policy

During the year, the Group adopted requirements under PBE IPSAS 41 on Financial Instruments which came into effect from 1 January 2022. In compliance with this standard, Group adopted the Expected Credit Loss (ECL) model to account for impairment on Trade Receivables using the simplified approach based on historical loss rates (please refer Note 11 for details).

In FY 2023, the Group also adopted PBE IPSAS 48 on Service Performance Reporting which came into effect 1 January 2022 and the relevant reports for the Group is listed from pages 8 to 15.

6 Other Accounting Policies

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Indefinite life intangible assets (e.g. trademarks) are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the statement of comprehensive revenue and expense.

(b) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

(c) Income tax

As the Company and some of its subsidiaries are registered charities or non-trading (Pegasus Health (Charitable) Limited charity registration number CC29755; Pegasus Health (LP) Limited charity registration number CC50324; Pegasus Health (Health One) Limited charity registration number CC58898 and Canterbury Community Trust charity registration number CC22657), they are not required to pay income tax. The Company's newly acquired subsidiary Pegasus Health Apps Limited ('PHAL'), has applied to register as a Charity and the outcome is pending.

The Company has three associates: Canterbury Community Care Trust Ltd, Health One (General Partner) Limited and Whakarongorau Aotearoa New Zealand Telehealth Services (GP) Limited, which are tax paying entities. Deferred tax is calculated as part of the value of the investments.

(d) Impairment of non-derivative financial assets classified at amortised cost

With the adoption of PBE IP SAS 41 by the Group, financial assets not subsequently measured at fair value through surplus or deficit are assessed for any change in the credit profile of the financial asset and impairment is measured based on an Expected Credit Loss (ECL) model. Group's financial assets carrying any significant credit risk comprise mainly of Trade Receivables. An impairment allowance has been made at each ageing bracket for debtors and the expected credit loss estimates are based on historical loss rates, current and projected information. The balance of the movement in impairment has been recognised in net surplus and deficit for the current financial year.

(e) Agency payments

The Company acts as agent for various funding parties and in that capacity pays a variety of claims to general practices and other parties, for which it is reimbursed. These receipts and payments do not flow through the profit or loss but are included in the operating cash flows. Agency payments are shown gross in the cashflow statement. The prior year cashflow has been restated for consistency with the current year presentation.

(f) Funds held in trust

Funds are held in trust where they have been received by the Group for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the statement of revenue and expense. The Group holds sufficient funds to enable the funds to be used for their intended purpose at any time.

(g) Employee benefits liability

i. Short-term employee benefits liability

Short-term employee benefits are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided wholly within 12 months of the reporting date and are measured on an undiscounted basis and are expensed as the related service is provided. Accrual is recognised for the amount expected to be paid under outstanding annual leave balances if the Group or Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

ii. Defined contribution plans liability
Contributions to defined contribution pension schemes are charged to the statement of comprehensive revenue and expense in the year to which they relate.

iii. Long-term employee benefits
Long-term employee benefit obligations are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided beyond 12 months of reporting date.

iv. Termination benefits
Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer would be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

7 Accounting Standards Issued Not Yet Effective

At the date of authorisation of the financial statements of Pegasus Health (Charitable) Limited for the year ended 30 June 2023, no PBE Standards have been assessed as relevant to the Group that are in issue but not yet effective.

8 Revenue

Revenue is recognised when the amount of revenue can be measure reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.
The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions
Delivery of Health Services
Revenue from health services rendered is recognised at the fair value of consideration received or receivable, including related profits or losses in proportion to the stage of completion of the transaction at the reporting date. The services revenue includes the delivery and provision of health care, PHO related services, education, software, IT support services, and HR consulting services.
The Group and Company operate within the health services sector. The stage of completion of different types of revenue is assessed as follows:

● Where the service involves an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that another method better represents the stage of completion.
● Where the contract delivery is subject to significant seasonality variations, the revenue is recognised on the basis of service delivery patterns. Revenue that compensates for expenses incurred is recognised on a systematic basis matching the pattern of the related expenses.

Rental Income
Rental income is recognised in surplus or deficit on a straight-line basis over the term of the lease.

Sale of Goods
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement. For the sales of vaccines, transfer occurs when the product is dispatched from the Group entity's facility.

Revenue from non-exchange transactions
Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return. With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:
• It is probable that the associated future economic benefit or service potential will flow to the entity, and
• Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow. Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:
• It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
• The amount of the obligation can be reliably estimated.

Delivery of Health Services, IT Services & Other Services

The recognition of non-exchange revenue from delivery of health services, IT services & other services depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a liability that is subsequently recognised as revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a liability, which results in the immediate recognition of revenue.

		Group		Company	
	Note	2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Revenue from exchange transactions:					
Delivery of health services		11,429	11,083	11,396	11,083
IT services		5,533	5,138	5,446	5,138
Sale of vaccines		347	225	347	225
Other services		618	1,517	618	1,517
Rental income		158	68	158	68
Rental income from sub-lease of operating leases	21 b)	144	144	144	144
Revenue from non-exchange transactions:					
Delivery of health services		38,033	38,136	38,033	38,136
Other services		142	131	142	131
Gain on sale of Investment		-	231	-	231
Gain on interest rate swaps		3	98	3	98
Total revenue		56,407	56,772	56,287	56,772

The Company delivers a further range of services primarily funded by Te Whatu Ora. These include services focused on integration of primary and secondary care, support for the provision of 24 Hour Acute Care in the community, the provision of services to residents of Child Youth and Family Residences and programme office support to the Canterbury Clinical Network (CCN) – a collaboration of the region's health professionals and others, which in conjunction with Te Whatu Ora is working towards a transformation of health care to significantly improve the delivery of patient care in the community. Te Whatu Ora also provides funding towards the development and delivery of a comprehensive clinical education programme to doctors, nurses and pharmacists working in primary care in Canterbury. In addition Te Whatu Ora also funds a programme which support general practices in developing their integrated family health services capacity and capability, and a number of sector wide information systems initiatives. The majority of these services are funded on a one to two year basis whilst some elements are funded on an annual basis.

9 Expenses By Nature

		Group		Company	
	Note	2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Employee benefits - short term employee benefits		44,255	39,672	43,938	39,672
Employee benefits - defined contribution plans		931	861	925	861
Depreciation	12	554	522	551	522
Amortisation	13	328	335	315	335
Non-cancellable operating lease payments	21	321	108	307	108
Audit Fees		52	40	52	40
Director fees	22 b)	571	454	571	454
Software licences		1,533	1,343	1,526	1,343
Medical supplies / consumables & vaccines		1,253	1,123	1,253	1,123
Clinical advice		917	808	917	808
GP subsidised procedures		2,186	1,891	2,186	1,891
Member salaries		1,160	1,107	1,160	1,107
Cost recovery (capitalised time)		-	(113)	-	(113)
Provision Expense		49	417	49	417
Other expenses		5,412	8,849	5,385	8,849
Total operating expenses		59,522	57,417	59,135	57,417

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10 Cash and Cash Equivalents

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash on hand	3,437	4,039	3,073	4,037
Cash and cash equivalents in the statement of cash flows	3,437	4,039	3,073	4,037

(a) Applicable Interest Rates

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

	Group		Company	
	2023	2022	2023	2022
Bank deposits	2.30%	0.55%	2.30%	0.55%
Bank overdrafts	10.65%	7.35%	10.65%	7.35%

A General Security Agreement is in place over all the assets of the Company. This secures the borrowings from the Westpac Bank – Note 17.

There were no Bank Term Deposits as at 30 June 2023.

(b) Reconciliation of operating cash flows to net surplus

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Net surplus / (deficit)	**(4,078)**	**10,604**	**4,133**	**1,107**
Adjustments for non-cash items:				
Depreciation	554	522	551	522
Amortisation	328	335	315	335
Provision expense	(49)	417	(49)	417
(Gain)/Loss on derivative	-	(98)	-	(98)
Write-off of intangibles	417	-	417	-
Gain on sale of intangible asset	-	(231)	-	(231)
Share of surplus/ (deficit) from Associates	614	(11,750)	11	-
Adjustments for movements in:				
(Increase)/decrease in receivables	6,742	(6,575)	6,781	(6,575)
(Increase)/decrease in inventories	7	(13)	7	(13)
(Increase)/decrease in funds held in advance	(967)	424	(132)	805
Increase/(decrease) in payables	(4,097)	3,944	(4,069)	3,944
Net operating cash inflow / (outflow)	(529)	(2,421)	7,965	213

(c) Reconciliation of financial liabilities to financing cash flows

	Interest payable on loans & borrowings	Current loans & borrowings (Note 16)	Non-current loans & borrowings (Note 16)	Derivative liabilities (Note 19d)	Total
	$'000	$'000	$'000	$'000	$'000
As at 30 June 2021	30	5,040	4,000	86	9,156
Cash flows					
Repayment of loans and borrowings	8	-	-	-	8
Non-cash flows					
Fair value movements	-	(40)	-	(98)	(138)
Reclassification of borrowings	-	4,000	(4,000)	-	-
As at 30 June 2022	38	9,000	-	(12)	9,026
Cash flows					
Repayment of loans and borrowings	(38)	(9,000)	2,000	-	(7,038)
Non-cash flows					
Movements in accrued interest	-	-	-	-	-
Fair value movements	-	-	-	12	12
As at 30 June 2023	-	0	2,000	-	2,000

BDO Christchurch

11 Receivables

Company has adopted requirement for PBE IPSAS 41 on Financial Instruments which includes Trade Receivables and has applied the simplified approach using provision matrix to calculate Expected Credit Losses (ECLs). Trade and Receivables are recognised initially at fair value and subsequently at amortised cost, less recognition of ECLs . Bad debts are written-off when they are considered to have become uncollectable.

		Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Net trade receivables from exchange transactions	Note 11a	841	732	851	732
Net trade receivables from non-exchange transactions	Note 11a	3,840	10,748	3,840	10,748
Sundry receivables		2,321	2,231	2,238	2,231
Total receivables		7,002	13,711	6,929	13,711

(a) Ageing of Net Receivables

The Credit risk weighted ageing of Net Receivable based ECL model:

Company

	2023 Estimated Gross amount at default $'000	2023 ECL Rate %	2023 Impairment $'000	2023 Net Receivable $'000	2022 Estimated Gross amount at default $'000	2022 ECL Rate %	2022 Impairment $'000	2022 Net Receivable $'000
Current	$ 3,372	0%	$ -	$ 3,372	$ 10,306	0%	$ -	$ 10,306
30 days	$ 545	0.4%	$ 2	$ 543	$ 544	0%	$ 2	$ 542
60 days	$ 112	5.0%	$ 6	$ 106	$ 578	0%	$ 2	$ 576
90 + days	$ 705	5.0%	$ 35	$ 670	$ 148	62%	$ 92	$ 56
Total	**$ 4,734**	**0.9%**	**$ 43**	**$ 4,691**	**$ 11,576**	**1%**	**$ 96**	**$ 11,480**

Group

	2023 Estimated Gross amount at default $'000	2023 ECL Rate %	2023 Impairment $'000	2023 Net Receivable $'000	2022 Estimated Gross amount at default $'000	2022 ECL Rate %	2022 Impairment $'000	2022 Net Receivable $'000
Current	$ 3,361	0%	$ -	$ 3,361	$ 10,306	0%	$ -	$ 10,306
30 days	$ 545	0.3%	$ 2	$ 543	$ 544	0.4%	$ 2	$ 542
60 days	$ 112	5.0%	$ 6	$ 106	$ 578	0.3%	$ 2	$ 576
90 + days	$ 705	5.0%	$ 35	$ 670	$ 148	62.2%	$ 92	$ 56
Total	**$ 4,723**	**0.9%**	**$ 42**	**$ 4,681**	**$ 11,576**	**0.8%**	**$ 96**	**$ 11,480**

During the year ended 30 June 2023, $111k of trade receivables were written off (2022: Nil).

ECL rates and impairment for FY 2022 are higher mainly on receivables over 90 days due to accumulated FY 2022 over dues which were identified for write off (actioned in FY 2023).

No Credit risk is assumed on receivables from Te Whatu Ora or other Government related receivables due to 100% recovery of dues in the past. Therefore ECL rates mostly cover probable losses from other receivables.

(b) Credit terms for customers and interest on over dues

The average credit term on invoiced amounts is 30 days and is interest free (2022: 30 days and was interest free).

BDO Christchurch

(c) Impairment allowance

As at 30 June 2023, the impairment allowance is calculated using a forward looking ECL model based on historic loss rates on Trade receivables. The newly adopted model has not created a material additional impact based on current ECL rates. The establishment and release of impaired receivables has been included in the operating costs in the statement of comprehensive income and expenses. Movements in the impairment allowance are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
As at 1 July	96	28	96	28
Allowance for receivables impairment	58	68	58	68
Receivables written off during the year as uncollectable	(111)	-	(111)	-
Balance of the allowance account as at 30 June	43	96	43	96

12 Property, Plant and Equipment

i. Recognition and measurement

Items of property plant and equipment are initially measured at cost which includes expenditure directly attributable to the acquisition of the asset:
Items of property, plant and equipment are subsequently measured either under the:

- Cost model: Cost less accumulated depreciation and impairment (all property, plant and equipment except land and buildings)
- Revaluation model: fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation (land and buildings).

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation surplus reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment; however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of credit balance of the revaluation surplus for that class of property, plant and equipment are recognised in surplus or loss as impairment.

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

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of comprehensive revenue and expense.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus to accumulated surplus.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

iii. Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for buildings is based on the revalued amount less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, are depreciated separately.

Depreciation is recognised in the statement of comprehensive revenue and expenses on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land and assets under construction are not depreciated. The estimated straight line depreciation rates are:

	2023	2022
Buildings	2.00%	2.00%
Plant and machinery	6.67%-50.00%	6.67%-50.00%
Motor Vehicles	20.00% - 21.00%	20.00% - 21.00%
Fixtures and fittings	5.00% - 40.00%	5.00% - 40.00%
Leasehold improvements	7.00% - 20.00%	7.00% - 20.00%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Company

Cost or valuation	Land and building	Plant and equipment	Finance lease	Motor vehicles	Fixtures and fittings	Leasehold improvements	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2021	22,491	3,094	62	120	466	173	186	26,592
Additions (exchange)	8	263	-	-	33	3	460	767
Revaluation surplus	4,989	-	-	-	-	-	-	4,989
Reclassification	-	-	-	-	66	(66)	-	-
Transfers	21	46	-	48	5	66	(186)	-
Disposals	-	(120)	-	-	-	-	-	(120)
Balance as at 30 June 2022	27,509	3,283	62	168	570	176	460	32,228
Balance as at 1 July 2022	27,509	3,283	62	168	570	176	460	32,228
Additions (exchange)	11	625	-	-	337	47	(457)	563
Revaluation surplus	(2,399)	-	-	-	-	-	-	(2,399)
Balance as at 30 June 2023	25,121	3,908	62	168	907	223	3	30,392

Company

Accumulated depreciation and impairment	Note	Land and building	Plant and equipment	Finance lease	Motor vehicles	Fixtures and fittings	Leasehold improvements	Work in progress	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2021		-	2,285	31	78	257	14	-	2,665
Depreciation	9	-	420	10	22	55	15	-	522
Impairment		-	-	-	-	-	-	-	-
Disposals		-	(120)	-	-	-	-	-	(120)
Balance as at 30 June 2022		-	2,585	41	100	312	29	-	3,067
Balance as at 1 July 2022		-	2,585	41	100	312	29	-	3,067
Depreciation	9	-	372	10	22	128	19	-	551
Balance as at 30 June 2023		-	2,957	51	122	440	48	-	3,618
Net book value:									
As at 30 June 2022		27,509	698	21	68	258	147	460	29,161
As at 30 June 2023		25,121	951	11	46	467	175	3	26,774

BDO Christchurch

Group

Cost or valuation	Land and building	Plant and equipment	Finance lease	Motor vehicles	Fixtures and fittings	Leasehold improvements	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2021	22,491	3,094	62	120	466	173	186	26,592
Additions (exchange)	8	263	-	-	33	3	460	767
Revaluation surplus	4,989	-	-	-	-	-	-	4,989
Reclassification	-	-	-	-	66	(66)	-	-
Transfers	21	46	-	48	5	66	(186)	-
Disposals	-	(120)	-	-	-	-	-	(120)
Balance as at 30 June 2022	27,509	3,283	62	168	570	176	460	32,228
Balance as at 1 July 2022	27,509	3,283	62	168	570	176	460	32,228
Additions (exchange)	11	645	-	-	342	47	(451)	594
Revaluation surplus	(2,399)	-	-	-	-	-	-	(2,399)
Disposals	-	-		-	-	-	-	-
Balance as at 30 June 2023	25,121	3,928	62	168	912	223	9	30,423

Group

Accumulated depreciation and	Note	Land and building	Plant and equipment	Finance lease	Motor vehicles	Fixtures and fittings	Leasehold improvements	Work in progress	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2021		-	2,285	31	78	257	14	-	2,665
Depreciation	9	-	420	10	22	55	15	-	522
Impairment		-	-	-	-	-	-	-	-
Reclassification		-	-	-	-		-	-	-
Disposals		-	(120)	-	-	-	-	-	(120)
Balance as at 30 June 2022		-	2,585	41	100	312	29	-	3,067
Balance as at 1 July 2022		-	2,585	41	100	312	29	-	3,067
Depreciation	9	-	375	10	22	128	19	-	554
Balance as at 30 June 2023		-	2,960	51	122	440	48	-	3,621
Net book value:									
As at 30 June 2022		27,509	698	21	68	258	147	460	29,161
As at 30 June 2023		25,121	968	11	46	472	175	9	26,802

(a) Security held over items of property plant and equipment

At reporting date, all assets of the Company are subject to a General Security Agreement and land and buildings to first mortgages to secure bank borrowings (see Note 17).

(b) Revaluation / (devaluation) of Land and buildings

In FY 2023, Company has recognised an impairment of $2.399m to the building at 401, Madras Street due to remediation work required to address a water ingress issue. An estimation of costs to remediate was obtained from an independent contractor Rider Levett Bucknall, and used to determine the value of impairment. The impairment was transferred through other comprehensive revenue and expense decreasing the revaluation reserve.

The Directors have assumed the water ingress issue has a material impact on the usefulness of the building and therefore is considered to impact the fair value of the Property. The initial cost assessment has estimated essential remediation work with an approximate cost of $2.399m. Therefore, this estimation was used as an equitable value when accounting for the impairment.

In FY 2022, all land and buildings were revalued as at 24 May 2022. An independent registered valuer, GR Sellars FNZIV FPINZ at Colliers International, was engaged. The revaluation surplus arising was transferred through other comprehensive revenue and expense into the revaluation reserve.

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401 Madras Street

In estimating the fair value of land and buildings at 401 Madras Street, the comparable sales method was used, which incorporated the use of the following significant assumptions:

• Significant Assumption 1 – The valuer assessed the rental utilising the comparable rental approach and provided supporting market leasing evidence
• Significant Assumption 2 – The Colliers International database of comparable rental and sales evidence was utilised
• Significant Assumption 3 - Pegasus continues to occupy the property in the long term.

The Group obtains valuations as performed by external valuers in order to determine the fair value of its properties. These valuations are based upon assumptions including future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. The valuers also make reference to market evidence of transaction prices for similar properties. At valuation date, the valuer considered it appropriate to attach less weight to previous market evidence for comparison purposes. The Directors have assessed that there have not been any material changes occurring to the building or to the property market sector during the period between the date of valuation and balance date other than the impairment adjustment which equates fair value of the property at 401, Madras Street as of the reporting date. An independent valuation is to be obtained in the FY 2024 to revalue the said property.

13 Intangibles

i. Recognition and measurement

Intangible assets are initially measured at cost.

All of the Group's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment, except for the following items which are not amortised and instead tested for impairment:

• Intangible assets not yet available for use
• Intangible assets with indefinite useful lives.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed intangible assets includes the following:

• The cost of materials and direct labour.
• Costs directly attributable to bringing the assets to a working condition for their intended use.

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive revenue and expenses as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in statement of comprehensive revenue and expenses as incurred.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of comprehensive revenue and expenses as incurred.

iv. Amortisation

Amortisation is recognised in the statement of comprehensive revenue and expenses, on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

The estimated straight-line amortisation rates are:

	2023	2022
Software	10.00% - 67.00%	10.00% - 67.00%

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

The Group is required to assess, on an annual basis, whether internally generated intangible assets with an indefinite useful life have indications of impairment. The value in use is based on the ability of those assets to be used, and evidence that assets developed are owned by the Company. Where the clarity of contracts regarding ownership of software being developed is not clear, management estimates the level of impairment relating to that software.

BDO Christchurch

Company

Cost or valuation	Note	Goodwill	Software	Trademark and domain names	Intangibles under construction	Total
			$'000	$'000	$'000	$'000
Balance as at 1 July 2021			5,573	37	142	5,752
Additions (developed internally)			-	-	113	113
Transfers			242	-	(242)	-
Balance as at 30 June 2022			5,815	37	13	5,865
Balance as at 1 July 2022			5,815	37	13	5,865
Additions (developed internally)			-	-	-	-
Transfers			-	-	(9)	(9)
Balance as at 30 June 2023			5,815	37	4	5,856

Company

Accumulated amortisation and impairment	Note	Goodwill	Software	Trademark and domain names	Intangibles under construction	Total
			$'000	$'000	$'000	$'000
Balance as at 1 July 2021			4,272	-	-	4,272
Amortisation			335	-	-	335
Impairment			-	-	-	-
Transfers			-	-	-	-
Balance as at 30 June 2022			4,607	-	-	4,607
Balance as at 1 July 2022			4,607	-	-	4,607
Amortisation			315	-	-	315
Impairment			477	-	-	477
Transfers			-	-	-	-
Balance as at 30 June 2023			5,399	-	-	5,399
Net book value:						
As at 1 July 2021			1,301	37	142	1,480
As at 30 June 2022			1,208	37	13	1,258
As at 30 June 2023			416	37	4	457

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Group

Cost or valuation	**Note**	**Goodwill**	**Software**	**Trademark and domain names**	**Intangibles under construction**	**Total**
			$'000	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2021		-	5,573	37	142	5,752
Additions (developed internally)		-	-	-	113	113
Transfers		-	242	-	(242)	-
Disposals		-	-	-	-	-
Balance as at 30 June 2022		-	5,815	37	13	5,865
Balance as at 1 July 2022		-	5,815	37	13	5,865
Additions (acquired externally)		10	195	-	-	205
Transfers		-	-	-	(9)	(9)
Balance as at 30 June 2023		10	6,010	37	4	6,061

Group

Accumulated amortisation and impairment	**Note**	**Goodwill**	**Software**	**Trademark and domain names**	**Intangibles under construction**	**Total**
			$'000	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2021		-	4,272	-	-	4,272
Amortisation		-	335	-	-	335
Impairment		-	-	-	-	-
Transfers		-	-	-	-	-
Disposals		-	-	-	-	-
Balance as at 30 June 2022		-	4,607	-	-	4,607
Balance as at 1 July 2022		-	4,607	-	-	4,607
Amortisation		-	328	-	-	328
Impairment		-	477	-	-	477
Transfers		-	-	-	-	-
Disposals		-	-	-	-	-
Balance as at 30 June 2023		-	5,412	-	-	5,412
Net book value:						
As at 1 July 2021		-	1,301	37	142	1,480
As at 30 June 2022		-	1,208	37	13	1,258
As at 30 June 2023		10	598	37	4	649

(a) Amortisation

Within software, there are assets with remaining amortisation periods of between 1 to 10 years.

(b) Security and restrictions

All intangible assets are subject to the Company's General Security Agreement.

(c) Intangible assets under construction

Intangible assets under construction are tested annually for impairment by comparing costs incurred to the respective stages of the software being developed. As a result of the testing performed, there were no indicators of impairment identified.

(d) Impairment on non-cash generating asset

In FY22, an assessment was performed to identify possible obsolete software and a general provision of $417k was made in last year financials. In FY23 such identified assets from last year and few other software modules upto $477k were impaired and written down in the Software register.

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14 Business combinations

On 6 March 2023 PHCL acquired assets from Melon Health Limited for $230,000 total consideration in cash through a wholly owned subsidiary, Pegasus Health Apps Limited ('PHAL'). These assets include trademarks and intellectual property relating to the development of health application platforms. PHAL was incorporated solely for the purposes of making this investment on 27 February 2023.

(i) Net identifiable assets acquired

The Company acquired and assumed the following assets as at the acquisition date, and any material gain or loss recognised subsequently up until the reporting date:

	Acquisition date
Software platform for health applications	195,017
Computer equipment	8,699
Fixtures and fittings	4,504
Plant and equipment	11,771
Other tangible assets	9
Net identifiable assets acquired	$ 220,000
Goodwill	10,000
Total acquisition cost	**$ 230,000**

The fair values above represent the full and final amounts of each item in respect of the business combination accounting. Therefore, none of the amounts above represent 'provisional amounts' that would be subsequently finalised during the *measurement period* (being the period lasting no more than one year from the acquisition date).

As this was an acquisition of the tangible fixed assets and intangible assets, there are no receivables or liabilities noted above.

Goodwill of $10,000 was recognised on acquisition as the difference between the total consideration paid and the value of the assets acquired. There is no non-controlling interest nor any pre-existing interest in the entity.

(ii) Acquisition costs

The Company incurred a total of $67,244 in relation to acquisition costs comprising of legal fees, due diligence and consultancy fees. These costs have been included within Professional Fees in the statement of comprehensive revenue and expense.

(iii) Impact of the acquisition to the results of the Group

The results of the Group include the following impact from the acquisition.

	FY23
Revenue	$ 87,666
Loss for the period since acquisition	-$ 299,520

There is no difference in the impact to the results of the Group had Melon's assets been acquired and consolidated from the beginning of the reporting period because the Group purchased the assets of Melon (rather than shares) via the incorporation of a new entity, PHAL, on the 27 February 2023. PHAL had no pre-existing income or expenditure.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date upon which control was transferred to the Group.

The Group controls an entity when it has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

The sum of:	The fair value of consideration transferred
	The recognised amount of any non-controlling interests in the acquiree, and
	The fair value of any pre-existing equity interest in the acquiree.
Less:	The fair value of the net identifiable assets acquired and liabilities assumed.

Any gain on bargain purchase is recognised immediately through surplus or deficit.

Transaction costs related to a business combination incurred by the Group, other than those associated with the issue of debt or equity securities, are expensed through the profit and loss account.

Any contingent consideration payable is measured at fair value at the acquisition date.

The previously held equity for any staged acquisitions is remeasured at its acquisition date fair value and any resulting gain or loss is recognised through the profit and loss account.

BDO Christchurch

15 Investment in Other Entities

i. Subsidiaries

Subsidiaries are entities controlled by the Group, being where the Group is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the entity. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Group loses control over a controlled entity, it derecognises the assets and liabilities of that entity and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former controlled entity is measured at fair value when control is lost. Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

ii. Associates

The Group's interests in equity-accounted investees comprise interests in Associates and are entities in which the Group has significant influence. Significant influence is presumed to exist when the Group holds more than 20% of the voting power of another entity. In the cases of 50% shareholdings, the entities do not have any binding arrangement requiring any joint and unanimous decision making (as per PBE IPSAS 36), therefore are not considered to be jointly controlled. Investments in associates and jointly controlled entities are accounted for using the equity method and are recognised initially at cost.

The consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of its equity accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in its equity accounted Associates , the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted associates and jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(a) Subsidiaries

Name	Principal activity	% Shareholding 2023	% Shareholding 2022	Balance date
Pegasus Health (LP) Ltd	Investment	100%	100%	30-Jun
Pegasus Health (Health One) Limited	Investment	100%	100%	30-Jun
Pegasus Health Apps Limited	Health Applications	100%	N/A	30-Jun

Movement in carrying value of subsidiaries

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
As at 1 July	-	-	2,875	2,875
Investment in Pegasus Health Apps Limited	-	-	230	-
Balance at 30 June	-	-	3,105	2,875

The subsidiaries operate within New Zealand. There are no contingent liabilities of the subsidiaries for which the Company is liable.

In March 2023 Pegasus Health (Charitable) Ltd established Pegasus Health Apps Limited a 100% owned subsidiary with $230,000 of paid up share capital to provide health application services.
Pegasus Health (HealthOne) Limited was incorporated during the prior year as a 50% limited partner in HealthOne (2021) Limited Partnership.
The Company has issued an enduring letters of comfort to its subsidiaries, Pegasus Health (LP) Ltd and Pegasus Health Apps Ltd, undertaking to provide the necessary financial support to ensure that the subsidiaries continue to be able to meet their obligations as they fall due.

(b) Associates

Name	Principal activity	% Shareholding 2023	% Shareholding 2022	Balance date
Whakarongorau Aotearoa New Zealand Telehealth Services LP	Telehealth services	50%	50%	30-Jun
HealthOne (2021) Limited Partnership	Shared electronic health record	50%	50%	30-Jun
Whakarongorau Aotearoa New Zealand Telehealth Services (GP) Limited	Management	50%	50%	30-Jun
Health One (General Partner) Limited	Management	50%	50%	30-Jun
Screensouth Limited	Screening services	50%	50%	30-Jun
Canterbury Community Care Trust Limited	Corporate Trustee	33%	33%	30-Jun
Practice Plus Limited Partnership	Telehealth services	20%	N/A	31-Mar

Whakarongorau Aotearoa New Zealand Telehealth Services LP holds the National Telehealth Services contract with Te Whatu Ora providing New Zealanders with 24 hour, 7 days a week, access to a number of health telephone advice services which offer free health, mental health and addictions support across digital channels. It also provides clinical support for general practices after hours. This partnership interest is accounted for at cost plus the value of the partnership current account.

HealthOne (2021) Limited Partnership holds a contract with Te Whatu Ora to manage and develop an electronic health record system. This partnership interest is accounted for at cost plus the value of the partnership current account.

In November 2022 Pegasus Health (Charitable) Limited made a $500,000 investment in Practice Plus Limited Partnership for a 20% shareholding. Practice Plus Limited Partnership provides same day virtual after-hours clinician appointments across the country.

The Company's interest in Whakarongorau Aotearoa New Zealand Telehealth Services LP is held by the subsidiary Pegasus Health (LP) Limited (PHLPL). Likewise, the Company's interest in HealthOne (2021) Limited Partner is held by the subsidiary Pegasus Health (HealthOne) Limited (PHH1L). The Company's interest in Practice Plus Limited Partnership (PPLP) is held by Pegasus Health (Charitable) Limited (PHCL).

PHLPL, PHH1L, and PHCL being limited partners, do not exercise control over the activity of their respective limited partnerships as per their Limited Partnership Agreements. The Limited Partners have no right or authority to act for the Limited Partnership neither can they take part in or in any way interfere in the conduct or management of the Limited Partnership or vote on matters relating to that. However, PHLPL, PHH1L, and PHCL do have significant influence over the respective Limited Partnerships as they can aid in the strategic decision making process, and therefore they are required to be equity accounted each year.

Canterbury Community Care Trust Limited is a non-trading entity with no material transactions to account for. Similarly, Whakarongorau Aotearoa New Zealand Telehealth Services (GP) Limited, Health One (General Partner) Limited, and Screensouth Limited have no material transactions to account for.

Practice Plus Limited Partnership is an entity providing telehealth and virtual GP appointments to patients. There were no material transactions to account for within Practice Plus.

Practice Plus reported on the year to 31 March 2023 and these figures have been included in the consolidated financial statements prepared for the year to 30 June 2023. Movements between the 31 March 2023 and 30 June 2023 are immaterial and there have been no significant events between these dates which would impact the balances reported.

From 30 June 2024, the year-end for Practice Plus will move so that it is coterminous with PHCL.

(b) Associates (continued)

The following is the Financial position and performance of the three Associates that have significant and material financial transactions namely Whakarongorau Aotearoa New Zealand Telehealth Services LP, HealthOne (2021) Limited Partnership and Practice Plus Limited Partnership :

Group	2023	2022
	$'000	$'000
Current assets	32,295	75,252
Non-current assets	13,884	14,523
Current liabilities	22,832	49,316
Non-current liabilities	4,548	5,219
Net assets	18,799	35,240
Revenue	112,773	306,976
Expenses	(115,878)	(284,242)
Net Surplus/ (Deficit)	(3,105)	22,734

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Movement in carrying value of other associates

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at 1 July	15,094	5,791	-	61
Investment in HealthOne (2021) Limited Partnership	-	250	-	-
Investment in Practice Plus Limited Partnership	500	-	500	-
Distribution of funds	(7,341)	(2,253)	-	-
Share of surplus/ (deficit) from Whakarongorau Aotearoa	(1,145)	11,875	-	-
Share of surplus/ (deficit) from Practice Plus Limited Partnership	(11)	-	(11)	-
Share of surplus/ (deficit) from HealthOne (2021) Limited Partnership	(296)	(508)	-	-
Share of surplus/ (deficit) from NZ Medicines Formulary Limited Partnership	-	(61)	-	(61)
Prior year adjustment	32	-	-	-
Balance at 30 June	6,833	15,094	489	-

Share of Associates and Partnership surplus/ (deficit)	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Share of surplus/ (deficit) from Whakarongorau Aotearoa	(1,145)	11,875	-	-
Share of partnership surplus/ (deficit) adjustment IFRS 15	195	(55)	-	-
Share of partnership surplus/ (deficit) adjustment IFRS 16	643	438	-	-
Share of surplus/ (deficit) from Practice Plus Limited Partnership	(11)	-	(11)	-
Share of surplus/ (deficit) from HealthOne (2021) Limited partnership	(296)	(508)	-	-
Share of Associates and Partnership surplus/ (deficit)	(614)	11,750	(11)	-

Whakarongorau Aotearoa NZ Telehealth Services LP applies NZ IFRS 15 & 16 which are treated differently under Public Benefit Entity Accounting Standings. The core principle of NZ IFRS 15 is to recognise revenue as a transfer of promised goods and services to customers in an amount that reflects the consideration to which the organisation expects to be entitled in exchange for those goods and services. The core principle of NZ IFRS 16 is to recognise the majority of leases on the balance sheet as a lease liability and right-of-use-asset. Public Benefit Entity Accounting Standards have different revenue and leasing principles which will result in annual adjustments to the share of profit recognised. These have been disclosed above.

(c) Equity accounting treatment of HealthOne (2021) Limited Partnership

On formation of the HealthOne (2021) Limited Partnership, Pegasus Health (Charitable) Limited (PHCL) contributed capital in the form of $500,000 cash and non-monetary intangible assets valued at $2,500,000. Prior to the formation, the assets transferred had nil carrying values.

In applying PBE IPSAS 36 for the treatment of downstream sales of non-monetary assets, gains are recognised only to the extent of the other Limited Partner's interest. The share of the gain relating to PHCL's interest (50%) is therefore eliminated.

Due to this treatment, the investment in HealthOne (2021) LP shown in these financial statements will not align with PHCL's share of the Limited Partnership's net assets. A reconciliation of this difference is set out below:

Group	2023	2022
	$'000	$'000
HealthOne (2021) Limited Partnership Net Assets	4,945	5,536
50% share of Net Assets	2,472	2,768
Elimination of downstream gains on formation	(1,250)	(1,250)
Investment in HealthOne (2021) Limited Partnership	1,222	1,518

(d) Investments held at fair value through surplus and deficit

Name	Principal activity	% Shareholding 2023	% Shareholding 2022	Balance date
Early Start Project Ltd	Family welfare service	14.29%	14.29%	30-Jun

There has been no movement in the carrying value of investments during the period (2022: $nil).

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Under PBE IPSAS 41(43), a financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortised cost (1) or fair value through other comprehensive revenue and expense (2).

(1) A financial asset shall be measured at amortised cost if both the following conditions are met:
(a) The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (the 'SPPI test').

(2) Whilst a financial asset may be held at fair value through other comprehensive revenue and expense if:
(a) It is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(b) It passes the SPPI test mentioned above.

PHCL has previously held Early Start Project Ltd at amortised cost recognising a $nil movement in the carrying value. Under IPSAS 41, the investment appears to fail the SPPI test thereby failing (1) and (2) above resulting in a measurement at fair value through surplus or deficit.

There is no movement in the current year to the fair value thus there is no financial impact recognised.

(e) Loans with subsidiaries

The Company has a $5k working capital float loan with PHLP. This is an unsecured loan which is interest free and repayable on demand.

The Company received an advance from its subsidiary during 2020 of $623k. This relates to a distribution received by PHLPL from Whakarongorau Aotearoa New Zealand Telehealth Services LP and the differences in recognition criteria between for-profit and not-for-profit framework. Subsequent distribution from PHLPL to the Company being a dividend up to the level of retained earnings held and the balance an advance. This loan is an unsecured loan, interest free and repayable on demand. During the reporting period, there were no defaults, breaches and no loans forgiven.

The Company has a $250k loan with PHH1LP. This is an unsecured loan which is interest free and repayable on demand.

The Company has loaned $750k to PHAL as at reporting date which is an unsecured loan repayable on demand with interest payable on demand. The Company has issued a Letter of Comfort to PHAL, undertaking to provide the necessary financial support to ensure that the subsidiary continues to be able to meet its obligations.

16 Payables - Exchange Transactions

Trade and other payables are recognised at face value as they are generally settled within 30 days, and are measured at amortised cost.

(a) Trade payables

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables from exchange transactions	1,040	1,170	1,014	1,170
Trade payables	1,040	1,170	1,014	1,170

(b) Maturities

The maturities of accounts payable based on the remaining period are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Total trade payables	**1,040**	**1,170**	**1,014**	**1,170**
Analysed as due:				
Less than 30 days (current)	965	1,131	965	1,131
Between 31 and 90 days	32	30	4	30
Between 91 and 365 days	45	9	45	9

The average credit term on invoiced amounts is 30 days (2022: 30 days). Accounts payable, accruals and other liabilities are interest free (2022: interest free).

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(c) Other payables

	Group 2023	Group 2022	Company 2023	Company 2022
	$'000	$'000	$'000	$'000
Non-trade payables and accrued expenses	707	4,519	752	4,519
Funding in advance	4,531	5,499	4,609	4,740
Provisions	-	417	-	417
GST payable	513	571	535	571
Other payables	5,751	11,006	5,896	10,247
Total Payables	**6,791**	**12,176**	**6,910**	**11,417**

17 Loans

Group and Company	Effective interest rate	Year of maturity	2023 Interest rate	2023 Current	2023 Non-current	2022 Interest rate	2022 Current	2022 Non-current
			%	$'000	$'000	%	$'000	$'000
Westpac Loan	Floating	2023		-	-	5.30%	5,000	-
Westpac Loan	Fixed	2023		-	-	5.60%	4,000	-
Westpac Loan	Floating	2025	7.00%	-	2,000		-	-
Total loans				-	2,000		9,000	-

(a) Security held

At reporting date, the Westpac Loan was secured by a General Security Agreement over all assets and first mortgages over all items of land and buildings (Note 12).

(b) Defaults and breaches at reporting date and during the reporting period

During the reporting period, there were no defaults or breaches. During the reporting period the Group met the bank covenant in respect of the Westpac loan.

(c) Loan forgiveness

During the period, no loans were forgiven.

(d) Current classification of loan

As at 30 June 2023, the Westpac loan is classified as non-current. This facility is available until May 2025 therefore not expected to be payable within 12 months.

(e) Changes in loan facilities

As at 30 June 2023 there were a Westpac Multi Option Credit Line facility of $9m with an expiry date in May 2025, and an uncommitted Westpac overdraft facility of $1.75m available to the Company.

During the year the $4m Westpac term loan facility and $2m Westpac flexible loan facility were replaced by an increase in the Multi Option Credit Line facility from $3m to $9m.

18 Capital and Reserves

Share capital
Ordinary shares are classified as net assets/equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from net assets/equity.

Group and Company	2023	2022
	No. Shares	No. Shares
Opening number of shares (1 July)	12,000	12,000
Closing number of shares (30 June)	12,000	12,000

All ordinary shares are issued and fully paid with no par value, with one vote per share and no rights to dividends and no other restrictions.

No ordinary shares are reserved for issue under options and other contracts.

BDO Christchurch

19 Financial Instruments

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument and the amounts are to be settled in cash.

A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group did not hold any derivative financial instruments at the year-end and does not currently consider there to be sufficient risk involved to hedge exposure.

Non-derivative financial instruments

Non-derivative financial instruments includes cash and cash equivalents (Note 10), trade and other receivables (Note 11), trade and other payables (Note 16), loans (Note 17) and related party payables (Note 22).

The Group recognises the financial instruments as follows:

(i) Cash and Cash equivalents are measured at amortised cost. These comprise cash balances held in bank accounts and/ or short term deposits with maturities of 6 months or less.

(ii) Trade and other receivables are classified as financial assets and are measured initially at fair value and subsequently at amortised cost adjusted for any expected credit losses (ECL) identified using the simplified approach allowed to calculate ECL for Trade Receivables.

(iii) Trade and other payables are recognised at the original invoice value due to the short period of the credit terms (30 days) and immateriality of the discounting (PBE IPSAS 41 paragraph 60).

(iv) The loans held in PHCL are interest-bearing borrowings which are initially recognised at fair value with subsequent measurement at amortised cost using the effective interest method.

Other investments

Other investments are equity investments which do not have a quoted market price in an active market and are measured at cost (as allowed under PBE IPSAS 29).

Classification and fair values of financial instruments

The tables below show the carrying amount and fair values (except those where carrying amount approximates fair value) of the Group's financial assets and financial liabilities.

Group 30-Jun-22	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Fair value
		$'000	$'000	$'000
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	10	4,039	-	-
Receivables	11	13,711	-	-
Payables	16	-	(5,689)	-
Loans	17	-	(9,000)	-
Subsequently measured at fair value				
Derivative financial liabilities	20	12	-	-
Total		17,762	(14,689)	-

Group 30-Jun-23	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Fair value
		$'000	$'000	$'000
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	10	3,437	-	-
Receivables	11	7,002	-	-
Payables	16	-	(1,747)	-
Loans	17	-	(2,000)	-
Total		10,439	(3,747)	-

Company 30-Jun-22	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Fair value
		$'000	$'000	$'000
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	10	4,037	-	-
Receivables	11	13,711	-	-
Payables	16	-	(5,689)	-
Loans	17	-	(9,000)	-
Total		17,748	- (14,689)	-

Company 30-Jun-23	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Fair value
		$'000	$'000	$'000
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	10	3,073	-	-
Receivables	11	6,929	-	-
Payables	16	-	(1,766)	-
Loans	17	-	(2,000)	-
Total		10,002	(3,766)	-

It is considered that none of the financial instruments, except for derivative financial liabilities, fall into the fair value hierarchy in 2023. Fair value approximates carrying amount in all instances.

20 Financial Risk Management

(a) Overall risk management framework

The Company's financial risk management framework is set out in a comprehensive Treasury Policy which is reviewed regularly by the Board. Adherence to this policy is formally maintained by the Assurance and Risk Committee (ARC) of the Board, on a quarterly basis. In addition ARC considers the financial statements and risk assessments of all Group companies on an at least annual basis.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from its financial assets represented by cash & cash equivalents and trade receivables.

Financial Investments are only made in liquid securities and are placed with counterparties that are registered banks with an AA- or higher credit rating, and New Zealand Corporate Debt with an AA- or higher credit rating. To ensure appropriate diversification, the total exposure limit for each counterparty is further capped. Investments are protected by the operation of the Company's Treasury Policy.

The carrying amount of the above financial assets represent the Group's maximum exposure to credit risk.

Cash and cash equivalents

The Group has a total of $3,435,748 (2022: $4,048,984) of cash and cash equivalents with Westpac, which is solely the cash balance in Operating Accounts.

The Company's Treasury policy dictates the levels of investment allowed for a range of credit limits. It is also the Company's policy to ensure that no more than $3,000,000 of registered bank term deposits are held with a single financial institution. There were no Term Deposits held as at 30 June 2023 (2022: Nil).
Details of the spread of the Group's cash and cash equivalents between different financial institutions are provided below:

	Credit rating		% of cash funds held	
Group and Company	**2023**	**2022**	**2023**	**2022**
Westpac	AA-	AA-	100	100

(Credit Rating issued by: Standard & Poor's)

Receivables

The Group's exposure to credit risk is influenced by the specific individual characteristics of each counter party within the different sub-class of receivables presented in Note 11. The majority of accounts receivable relate to funding to be received from Te Whatu Ora (New Zealand Health) which is considered a low credit risk. Other exposures arise in relation to the delivery of patient services. There are no concentrations of credit risk beyond these exposures.

In respect to trade receivables, terms of trade require payment 20th of the month following from the date of invoice.

At reporting date, the maximum exposure to credit risk for trade receivables is detailed in the table below:

Group and Company	2023	2022
	$'000	$'000
Patient fee Receivables	153	213
Other Receivables	688	519
Total	841	732

The ageing of trade receivables and credit loss rates on same, is presented in Note 11 (a).

The movement in the impairment allowance for trade receivables is shown in Note 11 (c).

In respect of all other advances to related parties, under the Treasury Policy, the Board must approve all amounts advanced and drawn down to related parties. Refer to Note 21 for further details of terms and conditions.

The carrying amount of all other advances to related parties represents the maximum exposure to credit risk. Also, there are no amounts overdue nor impaired as at year end.

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group ensures that maturity profile of its short-term liquid financial assets (such as cash and cash equivalents, and trade receivables) is sufficient to meet the contractual cash flow obligations of its financial liabilities.

The Group also ensures that it has available lines of credit with sufficient amounts undrawn. The Group has a $1,750,000 secured overdraft facility, of which all is undrawn at balance date (2022: $2,000,000).

The table below details the undiscounted contractual cash flows (principal and interest) of the Group's financial liabilities:

	Contractual cash flows				
	0 – 1 Month $'000	1 – 3 Months $'000	3 – 12 Months $'000	12 + Months $'000	Total Amount $'000
Group Jun-22					
Non-derivative financial liabilities:					
Payables	(12,137)	(30)	(9)	-	(12,176)
Loans:					
Westpac	(41)	(82)	(9,367)	-	(9,490)
Total	(12,178)	(112)	(9,376)	-	(21,666)
Group Jun-23					
Non-derivative financial liabilities:					
Payables	(6,716)	(32)	(45)	-	(6,793)
Loans:					
Westpac	-	-	-	(2,268)	(2,268)
Total	(6,716)	(32)	(45)	(2,268)	(9,061)

As detailed in Note 17, the Group is subject to externally imposed commitments on its loan balances, the breach of which may require the Group to repay some or all of the amounts earlier than their contractual payment dates presented above.

Interest rate risk

The Group is exposed to interest rate risk in respect of its floating rate financial liabilities. As at 30 June 2022, Group had $5M (2021: $5M) floating rate loan liabilities. In the event of a movement in the margin rate, the effect of a 2% increase rate up or down on the floating loans is demonstrated below.

Existing interest rate swaps expired during the year. The $2M Westpac loan (2022: $5M) is fully at risk of interest rate changes.

	Surplus or deficit		Net assets / equity	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Interest rate increase of 5% (2022: 2%)	(100)	(100)	(100)	(100)
Interest rate decrease of 5% (2022: 2%)	100	100	100	100

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(d) Derivative financial liabilities and assets

The impact of changes in floating interest rates is recognised in the financial statements when the transactions occur.

Group and Company	2023	2022
	$'000	$'000
Statement of financial position		
Derivative financial assets	-	(12)
Derivative financial liabilities	-	-

Total unrealised gain recognised is $0k (2022: $98k)

21 Leases

Classification and treatment
Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

i. 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 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. 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 statement of comprehensive revenue and expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.
The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

ii. Operating leases
Leases that are not finance leases are classified as operating leases.
Operating leases are not recognised in the statement of financial position. Payments made under operating leases are recognised in the statement of comprehensive revenue and expense on a straight-line basis over the term of the lease.

(a) Leases as lessee

The future non-cancellable minimum lease payments of operating leases as lessee at reporting date are detailed in the table below:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Less than one year	295	351	238	351
Between one and five years	812	849	812	849
Greater than five years	298	494	298	494
Total non-cancellable operating lease payments	1,405	1,694	1,348	1,694

The Group has the following operating leases: Premises at 395 Madras Street which will end in December 2029. This lease has one further right of renewal for five additional years after this date. Premises at 270A Cranford Street which expires in September 2024 with right of renewal for further four years. Premises at 8, Kent Terrace, Wellington leased by PHAL on a periodic term of 1 month for $4,707 which is renewable each month.

(b) Leases as lessor

The future non-cancellable minimum lease payments of operating leases as lessor at reporting date are detailed in the table below:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Less than one year	144	144	144	144
Between one and five years	211	577	211	577
Greater than five years	-	79	-	79
Total non-cancellable operating lease payments	355	800	355	800

This note covers leases at 401 Madras Street and sub-leases at 395 Madras Street. Whakarongorau Aotearoa New Zealand Telehealth Services LP, a related party, subleases part of 395 Madras Street on terms identical to the head lease. Christchurch Radiology Group Limited subleases part of 401 Madras Street and can exercise two rights of renewal of five years each.

(c) Finance lease

The Group has entered into finance leases for multiple photocopiers. The net carrying amount of the leased items is shown in Note 12 as finance lease. The photocopier lease ends in September 2024 with no rights to renewal under the contract. Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in event of default of payment.

22 Related Party Transactions

(a) Transactions with other related parties

The entities, the nature of the relationship and the types of transactions with which the Company and the Group has entered into material related party transactions during the period are detailed below.

	Transaction value		Balance outstanding	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Related Party Transactions with controlled entities				
Pegasus Health (LP) Ltd: receivables	33	-	38	5
Pegasus Health (LP) Ltd: dividends	7,341	2,253	-	-
Pegasus Health (LP) Ltd: advances	-	-	(623)	(623)
Pegasus Health (LP) Ltd: share capital	-	-	1,125	1,125
Pegasus Health (HealthOne) Limited: share capital	-	-	1,750	1,750
Pegasus Health (HealthOne) Limited: Loan	-	(250)	(250)	(250)
Pegasus Health Apps Limited: receivables	32	-	4	-
Pegasus Health Apps Limited: payables	(45)	-	(45)	-
Pegasus Health Apps Limited: share capital	230	-	230	-
Pegasus Health Apps Limited: Loan	750	-	750	-
Related Party Transactions with associates				
Screen South Ltd: directors fees	25	25	2	2
bpacnz Ltd: loan (interest free, on demand)	-	40	-	-
bpacnz Ltd: directors fees	-	5	-	-
bpacnz Ltd: Sale of shares	-	250	-	-
NZ Medicines Formulary LP	-	(61)	-	-
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: rental income	104	100	-	19
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: premises cost	41	167	1	19
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: virtual services	(411)	(230)	(39)	(39)
Whakarongorau Aotearoa New Zealand Telehealth Services NZ: directors fees	50	50	-	-
Canterbury Community Care Trust Ltd : directors fees	12	8	12	4
Canterbury Community Care Trust Ltd : nurses services	2,829	2,783	244	269
HealthOne (2021) Limited: Services	2,940	2,842	367	18
HealthOne (2021) Limited: Other	(3)	-	(4)	-
HealthOne General Partner: Chair Fees	25	15	2	2
Practice Plus LP: Management fee	(15)	-	(15)	-
Practice Plus LP: investment	500	-	500	-

No related party debts have been written off or forgiven during the year. The nature and relationship of the related party transactions are presented in Note 15.

(b) Key management personnel remuneration

The Group classifies its key management personnel into one of two classes:
- Members of the governing body
- Strategic Leadership Team members, responsible for reporting to the governing body.

Strategic Leadership Team members are employed as employees of the Company, on normal employment terms.

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The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full-time-equivalents' (FTE's) for Strategic Leadership Team members) in each class of key management personnel is presented below:

	2023		2022	
	Remuneration	**Number of individuals**	**Remuneration**	**Number of individuals**
	$'000		**$'000**	
Members of the governing body - including directors' fees	838	10 People	621	10 People
Strategic Leadership Team	1,997	9 FTE's	2,012	9 FTE's
Total	2,835		2,633	

23 Commitments and Contingencies

(a) Commitments

The Group has no commitments as at 30 June 2023 (2022:nil).

(b) Contingent liabilities

At 30 June 2023 the Group had no contingent liabilities (2022: nil).

(c) Contingent assets

As at 30 June 2023, there are no contingent assets (2022: nil).

24 Health and Disability Review

Effective 1 July 2022, two new crown entities called Te Whatu Ora| Health NZ and Te Aka Whai Ora | Māori Health Authority were established and District Health Boards were disestablished. Pegasus Health Charitable's contracts have transferred from CDHB to Te Whatu Ora | Health NZ. Services have continued during the year to 30 June 2023 with little disruption.

25 Events After Reporting Date

There are no events subsequent to balance date.