



plunket
whānau āwhina



FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

ROYAL NEW ZEALAND PLUNKET TRUST

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

PAGE

ROYAL NEW ZEALAND PLUNKET TRUST

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ROYAL NEW ZEALAND PLUNKET TRUST
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$000	2022 \$000
Income			
Contract Income	5	83,226	86,050
Sponsorship/Donations/Grants Income	6	5,909	5,975
Donated Goods and Services from Sponsors and Service Providers		1,095	942
Gain on Disposal of Assets	8	259	2,637
Other Income		<u>748</u>	<u>838</u>
Total Income		91,237	96,442
Expenses			
Employee Costs		68,742	70,880
Donated Goods and Services from Sponsors and Service Providers		1,095	942
Information, Communication and Technology		3,700	4,460
Property and Equipment		4,579	4,293
Travel		3,495	3,249
Marketing and Promotion Costs		623	725
Education		218	171
Administration		597	665
Interest Expense		83	128
Professional Fees	7	667	948
Depreciation and Amortisation	9,10	2,815	3,417
Loss on Disposal of Assets	8	<u>241</u>	<u>110</u>
Total Expenses		<u>86,855</u>	<u>89,988</u>
OPERATING SURPLUS FOR THE PERIOD		4,382	6,454
Net Change in Fair Value of Available for Sale Financial Assets		<u>6</u>	<u>(16)</u>
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE PERIOD		<u>4,388</u>	<u>6,438</u>

The notes are an integral part of these financial statements.

A surplus of \$4,382,000 was achieved this year (2022: \$6,454,000) mainly due to staff vacancies. There were nearly 30 nurse vacancies at the end of the financial year. The impact of these vacancies means we are unable to deliver all our core services resulting in many older tamariki missing out on later Well Child Tamariki Ora scheduled visits.

ROYAL NEW ZEALAND PLUNKET TRUST
STATEMENT OF CHANGES IN NET EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Revenue and Expense 2023 \$000	Accumulated Revenue and Expense 2022 \$000
EQUITY OPENING BALANCE	<u>37,008</u>	<u>30,570</u>
Movements for the Period		
Operating Surplus for the Period	4,382	6,454
Net Change in Fair Value of Available for Sale Financial Assets	<u>6</u>	<u>(16)</u>
TOTAL MOVEMENTS FOR THE PERIOD	<u>4,388</u>	<u>6,438</u>
EQUITY CLOSING BALANCE	<u>41,396</u>	<u>37,008</u>

ROYAL NEW ZEALAND PLUNKET TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	June 2023 \$000	June 2022 \$000
CURRENT ASSETS			
Cash and Cash Equivalents	12	9,990	15,200
Receivables		371	1,411
Government Contract Exchange Receivable		8,352	66
Prepayments		855	755
Inventory		62	61
Income Accrued		217	186
Properties Held for Sale	11	969	0
TOTAL CURRENT ASSETS		<u>20,816</u>	<u>17,679</u>
 NON CURRENT ASSETS			
Property, Plant and Equipment	10	<u>33,602</u>	<u>35,204</u>
Intangible Assets	9	<u>5,058</u>	<u>6,503</u>
Investments			
Fixed Interest Investments		74	33
Shares in Listed Companies		<u>186</u>	<u>125</u>
		<u>260</u>	<u>158</u>
TOTAL NON CURRENT ASSETS		<u>38,920</u>	<u>41,865</u>
TOTAL ASSETS		<u>59,736</u>	<u>59,544</u>

The notes are an integral part of these financial statements.

ROYAL NEW ZEALAND PLUNKET TRUST

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 (continued)

	Notes	June 2023 \$000	June 2022 \$000
EQUITY			
TRUST'S FUNDS			
General Funds and Reserves		<u>41,396</u>	<u>37,008</u>
TOTAL FUNDS HELD		<u>41,396</u>	<u>37,008</u>
CURRENT LIABILITIES			
Payables		3,395	3,138
Accruals		315	531
Employee Entitlements	13	5,920	5,767
Income Received in Advance	14	1,460	11,537
Income Invoiced in Advance	15	6,354	54
Finance Leases	16	<u>304</u>	<u>557</u>
TOTAL CURRENT LIABILITIES		<u>17,748</u>	<u>21,584</u>
TERM LIABILITIES			
Finance Leases	16	84	388
Make Good Provision		<u>508</u>	<u>564</u>
TOTAL TERM LIABILITIES		<u>592</u>	<u>952</u>
TOTAL EQUITY AND LIABILITIES		<u>59,736</u>	<u>59,544</u>

The notes are an integral part of these financial statements.

For and on behalf of the Royal New Zealand Plunket Trust:

31 October 2023



Fran Wilde
Chairperson



Alex Skinner
RAAC Chairperson

ROYAL NEW ZEALAND PLUNKET TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$000	2022 \$000
CASHFLOWS FROM OPERATING ACTIVITIES			
Cash Receipts		78,554	100,444
Interest and Dividends Received		240	28
Cash Paid to Employees and Suppliers		<u>(82,548)</u>	<u>(86,864)</u>
NET CASH (OUTFLOWS) / INFLOWS FROM OPERATING ACTIVITIES		<u>(3,754)</u>	<u>13,608</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property Plant and Equipment		547	2,716
Proceeds from Sale of Investments		0	54
Acquisition of Intangibles		(0)	(346)
Acquisition of Property Plant and Equipment		(1,267)	(1,920)
Acquisition of Investments		<u>(96)</u>	<u>(31)</u>
NET CASH (OUTFLOWS) / INFLOWS FROM INVESTING ACTIVITIES		<u>(816)</u>	<u>473</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of Finance Lease Liabilities		<u>(640)</u>	<u>(759)</u>
NET CASH (OUTFLOWS) / INFLOWS FROM FINANCING ACTIVITIES		<u>(640)</u>	<u>(759)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(5,210)	13,322
Add Cash at Beginning of Period		<u>15,200</u>	<u>1,878</u>
CASH AT END OF PERIOD	12	<u>9,990</u>	<u>15,200</u>

The notes are an integral part of these financial statements.

Net Cash (Outflow) / Inflow from Operating Activities decreased by \$17,362,000. This mainly relates to the reduction in cash receipts of \$21,890,000. \$13,141,000 of this relates to the change of terms of invoicing of the Te Whatu Ora contract, a one off contribution of \$5,000,000 towards working capital in 2022, and the sale of the Queenstown property in 2022 \$2,500,000.

ROYAL NEW ZEALAND PLUNKET TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023 (continued)

	2023 \$000	2022 \$000
RECONCILIATION OF SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the Period	<u>4,382</u>	<u>6,454</u>
Items not Involving Cash Flows		
Depreciation and Amortisation	2,815	3,417
Interest on Finance Leases	83	128
Foreign Exchange Loss on Investments	0	2
Loss on Sale of Assets	0	21
Gain on Sale of Property Plant and Equipment (Classed as Investing)	<u>(18)</u>	<u>(1,423)</u>
	<u>2,880</u>	<u>2,145</u>
Impact of Changes in Working Capital Items	<u>(11,016)</u>	<u>5,009</u>
Net Cash (Outflow) / Inflow from Operating Activities	<u>(3,754)</u>	<u>13,608</u>

ROYAL NEW ZEALAND PLUNKET TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. REPORTING ENTITY

The Royal New Zealand Plunket Trust (the 'Trust') is a not-for-profit organisation registered under the Charities Act 2005, 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 Trust's registered office and principal place of business is the Plunket Support Office based at 40 Mercer Street, Wellington.

The Trust is New Zealand's largest provider of support services for the development, health and wellbeing of children under five, and works together with families and communities. It is guided by its vision to make the difference of a lifetime in the first 1000 days of a child's life. The Trust is committed to becoming a pro equity organisation and to delivering all Whānau Āwhina Plunket services equitably by 2025.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) and other applicable Financial Reporting Standards, as appropriate for Tier 1 not-for-profit public benefit entities. As a registered charity, the Trust is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1. The Trust has elected to report under the Tier 1 reporting standards.

The financial statements have been prepared on a going concern basis in accordance with the PBE Standards. The Trust has received a new two year contract from Te Whatu Ora to continue to fund the Trust. Should future funding not be at current levels the Trust may need to reconsider the services it provides.

These financial statements were authorised for issue by the Board on 31 October 2023.

b) Measurement Basis

The 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:

- Available for sale financial instruments
- Long-term employee benefits

c) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is the Trust's presentation currency, rounded to the nearest thousand.

d) New Financial Reporting Standards Adopted this Financial Year

The Service Performance Report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. PBE FRS 48 has been adopted by the Trust effective for the year ended 30 June 2023.

The Trust has also adopted PBE IPSAS 41 Financial Instruments effective for the year ended 30 June 2023. There were no material changes required to the financial statements following adoption of this new accounting standard.

ROYAL NEW ZEALAND PLUNKET TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

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.

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- Recognition of Revenue – non-exchange revenue (conditions vs. restrictions)
- Valuation of Property, Plant and Equipment – realisable values of Property, Plant and Equipment
- Valuation of Intangible Assets – remaining useful economic lives of non-cash generating assets

4. SIGNIFICANT ACCOUNTING POLICIES

The Trust has consistently applied the following significant accounting policies to all periods presented in these financial statements.

a) Revenue

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

i) Revenue from Exchange Transactions

Contract Income

Contract income is recognised in the period in which it relates, with any amounts owing at balance date being included as a current asset. A liability is recognised where contract income is received in advance of the provision of the services to which they relate and where there is an obligation to repay such funds if the services are not performed.

ii) Revenue from Non-Exchange Transactions

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) without giving approximately equal value in exchange. Funding received from non-exchange transactions is recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same funding received. Liabilities are recognised in relation to funding received when there is a resulting present obligation to perform or satisfy a condition (or milestone), and the failure of which will result in the refund of any funding that has been received in relation to the specified condition (or milestone). The following are the recognition criteria in relation to the Trust's non-exchange transactions.

Sponsorship, Donations and Grants Income

The recognition of non-exchange revenue from *Sponsorship, Donations and Grants Income* depends on the nature of any stipulation attached to the inflow of resources received, and whether this creates a liability (i.e. use or return obligation) rather than the recognition of revenue.

Donated Goods and Services

The Trust has recognised donated goods and services as revenue and expenses when their fair value can be measured with reliability. The recognition of donated goods and services increases both recorded revenue and expenses and has no impact on the deficit or surplus achieved. Donated services and other forms of assistance provided to the Trust are acknowledged elsewhere in the Annual Report. The donated goods and services received by the Trust include advertising, printing and promotion material, sample products and the use of equipment at no cost.

ROYAL NEW ZEALAND PLUNKET TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

b) Employee Entitlements

A provision for employee entitlements is recognised for benefits earned by employees but not paid at reporting date. Employee benefits include salaries, wages, annual leave, long service leave and sick leave.

c) Receivables

Receivables are recognised at the original invoice amount less impairment losses. Receivables are assessed for impairment at each balance date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Revenue and Expense.

d) Payables

Trade and other payables are usually settled within 30 days. Given their short term nature, the carrying values are considered a reasonable approximation of their fair values.

e) Cash and Cash Equivalents

Cash and cash equivalents comprise short term deposits with banks and bank and cash balances. Deposits are included when they have a maturity of three months when invested.

f) Property, Plant and Equipment (PP&E)

Items of PP&E are stated at cost, less accumulated depreciation and impairment losses. The cost of PP&E is generally the purchase cost, together with any incidental costs of integration or acquisition.

Depreciation

Depreciation is calculated so as to write off the cost amounts of PP&E, less any assigned residual value, on a straight-line basis over the expected useful economic lives of the asset.

The estimated useful lives or depreciation rates of assets are as follows:

- | | |
|---------------------------|------------------|
| • Buildings | 50 years |
| • Furniture and Equipment | 3 to 5 years |
| • Computer Equipment | 3 to 10 years |
| • Leasehold Improvements | 10 years |
| • Motor Vehicles | 25% per annum DV |

Held for Sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

g) Intangible Assets

Intangible assets are measured at cost less accumulated amortisation. These intangible assets comprise of information systems, which are amortised using the straight line method over a period of 3 - 10 years as appropriate for each system.

The ePHR asset is accounted for as three separate components: the front-end application component had an expected useful life of three years; the back end and integration layer components have expected lives of 10 years.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Trust intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in surplus or deficit as incurred.

ROYAL NEW ZEALAND PLUNKET TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (continued)

h) Impairment of Assets

Management perform an annual assessment of financial assets for any indicators of impairment. Any impairment losses are recognised in "Other Financial Expenses" in the Statement of Revenue and Expense.

PP&E and Intangible Assets

All PP&E and intangible assets are non-cash generating assets as they are not held with the primary objectives of generating a commercial return. The Trust assesses at each reporting date whether there is an indication of impairment. If any indication exists, the Trust estimates the asset's recoverable service amount, which is the higher of the non-cash generating asset's fair value less cost to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

Income Tax

The Trust is wholly exempt from New Zealand income tax and gift duty having fully complied with all statutory conditions for these exemptions.

i) Goods and Services Tax

The financial statements have been prepared so that all components are stated exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST.

j) Accounting Standards Not Yet Effective

There are no new, revised or amended standards that have been issued but are not yet effective that would have a significant impact on the Trust's financial statements.

5. CONTRACT INCOME

	2023	2022
	\$000	\$000
Te Whatu Ora / Health New Zealand	70,226	73,067
Ministry of Education	408	545
District Health Boards	7,905	7,931
Oranga Tamariki - Ministry for Children	2,371	2,378
Other Contracts	<u>2,316</u>	<u>2,129</u>
	<u>83,226</u>	<u>86,050</u>

The current core "Well Child Health" contract with Te Whatu Ora / Health New Zealand expired on 30 June 2023. Te Whatu Ora / Health New Zealand have agreed to a new two year contract which expires 30 June 2025.

6. SPONSORSHIP / DONATION / GRANT INCOME

	2023	2022
	\$000	\$000
Sponsorship	1,687	1,550
Donations	1,994	2,640
Grants	<u>2,228</u>	<u>1,785</u>
	<u>5,909</u>	<u>5,975</u>

ROYAL NEW ZEALAND PLUNKET TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

7. PROFESSIONAL FEES

	2023	2022
	\$000	\$000
<i>Operating expenses include the following:</i>		
Auditor's Fees (for the audit of the financial statements)	<u>73</u>	<u>69</u>
	<u>73</u>	<u>69</u>

8. NET GAIN ON DISPOSAL OF ASSETS

	2023	2022
	\$000	\$000
Gain on Disposal of Assets	259	2,637
Loss on Disposal of Assets	<u>241</u>	<u>110</u>
	<u>18</u>	<u>2,527</u>

Plunket sold 15 properties during the year where 9 resulted in a Gain on Disposal of \$259,000, and 6 properties (and other Intangible asset disposals) resulted in a Loss on Disposal of \$241,000. In 2022, Plunket sold 16 properties where 13 resulted in a Gain on Disposal of \$2,637,000 and 3 properties (and other ECE related assets) resulted in a Loss on Disposal of \$110,000.

9. INTANGIBLES ASSETS

Intangible assets comprise separately identifiable information systems;

	2023	2022
	\$000	\$000
Period Ended 30 June		
At 1 July 2022, Net of Accumulated Amortisation		
Amortisation	6,503	7,652
Additions	0	345
Disposals	(153)	(0)
Amortisation Charge for the Period	(1,292)	(1,494)
At 30 June, Net of Accumulated Amortisation	<u><u>5,058</u></u>	<u><u>6,503</u></u>
As at 30 June		
Cost	17,759	18,695
Accumulated Amortisation and Disposals	<u>(12,701)</u>	<u>(12,192)</u>
Net Carrying Amount	<u><u>5,058</u></u>	<u><u>6,503</u></u>

Intangible assets predominantly relate to the resources required to establish a digital infrastructure. This includes; technical, policies, culture and processes to enable Plunket to improve its technology capability. This effort has provided Plunket with the following information systems; an Electronic Plunket Health Record (ePHR) database, automated accounts payable system, improved intranet and internet capability that amongst several features has provided enhanced social media connection with clients.

The Intangible Assets have been progressively developed over recent years. The Trust has recognised the effort of the cost of developing the above capability onto the balance sheet, as part of "intangible assets".

ROYAL NEW ZEALAND PLUNKET TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

10. PROPERTY PLANT AND EQUIPMENT

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
<u>Costs</u>			
Balance as at 1 July 2022	37,363	7,898	45,261
Additions	915	352	1,267
Disposals	<u>(1,936)</u>	<u>(4,166)</u>	<u>(6,102)</u>
Balance as at 30 June 2023	36,342	4,084	40,426
<u>Accumulated Depreciation and impairment deficits</u>			
Balance as at 1 July 2022	<u>4,266</u>	<u>5,791</u>	<u>10,057</u>
Depreciation	599	924	1,523
Disposals	<u>(596)</u>	<u>(4,160)</u>	<u>(4,756)</u>
Balance as at 30 June 2023	<u>4,269</u>	<u>2,555</u>	<u>6,824</u>
<u>Carrying Amounts</u>			
At 1 July 2022	<u>33,097</u>	<u>2,107</u>	<u>35,204</u>
At 30 June 2023	<u>32,073</u>	<u>1,529</u>	<u>33,602</u>

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
<u>Costs</u>			
Balance as at 1 July 2021	38,419	6,450	44,869
Additions	967	1,598	2,565
Disposals	<u>(2,023)</u>	<u>(150)</u>	<u>(2,173)</u>
Balance as at 30 June 2022	37,363	7,898	45,261
<u>Accumulated Depreciation and impairment deficits</u>			
Balance as at 1 July 2021	<u>3,893</u>	<u>5,100</u>	<u>8,993</u>
Depreciation	1,106	817	1,923
Disposals	<u>(733)</u>	<u>(126)</u>	<u>(859)</u>
Balance as at 30 June 2022	<u>4,266</u>	<u>5,791</u>	<u>10,057</u>
<u>Carrying Amounts</u>			
At 1 July 2021	<u>34,527</u>	<u>1,349</u>	<u>35,876</u>
At 30 June 2022	<u>33,097</u>	<u>2,107</u>	<u>35,204</u>

11. PROPERTIES HELD FOR SALE

	2023 \$000	2022 \$000
6 Lombard Street, St Heliers, Auckland	<u>969</u>	<u>0</u>
	<u>969</u>	<u>0</u>

ROYAL NEW ZEALAND PLUNKET TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

12. CASH AND CASH EQUIVALENTS

	2023	2022
	\$000	\$000
Forsyth Barr	27	114
BNZ	<u>9,963</u>	<u>15,086</u>
	<u>9,990</u>	<u>15,200</u>

Cash and cash equivalents decreased this year due to the repayment of the Te Whatu Ora Income Received in Advance.

13. EMPLOYEE ENTITLEMENTS

	2023	2022
	\$000	\$000
Annual Leave	3,372	3,667
Salary and Wage Accrual	<u>2,548</u>	<u>2,100</u>
	<u>5,920</u>	<u>5,767</u>

14. INCOME RECEIVED IN ADVANCE

	2023	2022
	\$000	\$000
Contract Income – Te Whatu Ora / Health New Zealand	240	10,465
Other Contracts	161	269
Grants	<u>1,059</u>	<u>803</u>
	<u>1,460</u>	<u>11,537</u>

Relates to July 2023 contract services and other income invoiced and received in 2023 financial year.

15. INCOME INVOICED IN ADVANCE

	2023	2022
	\$000	\$000
Contract Income – Te Whatu Ora / Health New Zealand	6,207	0
Other Contracts	<u>147</u>	<u>54</u>
	<u>6,354</u>	<u>54</u>

Relates to July 2023 contracted services invoiced in June 2023 but received in July 2023.

ROYAL NEW ZEALAND PLUNKET TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

16. FINANCE LEASES

Finance lease liabilities are payable as follows:

	Future Minimum Lease Payments	Interest	Future Minimum Lease Payments	Interest
	2023 \$000	2023 \$000	2022 \$000	2022 \$000
Less than One Year	333	29	640	83
Between One and Five Years	87	3	420	32
More than Five Years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>420</u>	<u>32</u>	<u>1,060</u>	<u>115</u>

17. FINANCIAL INSTRUMENTS

The Trust is risk averse and seeks to minimise its exposure to risks associated with financial assets and liabilities.

The main risks arising from the Trust's financial instruments are equity price, interest rate risk, liquidity risk, and credit risk.

Market Risk

A decrease of 100 basis points in interest rates at the reporting date would have (decreased) profit and loss by \$100,000. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Other Price Risk

Equity price risk arises from available-for-sale equity securities held by the Trust. It is estimated a 10% increase (decrease) in the market value of equity investments would have increased or decreased in Comprehensive Income by \$19,000. Investments are made in accordance with the Investment Policy, as endorsed by the Board. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Credit Risk

The Trust does not anticipate non-performance by counterparties and has no significant concentrations of credit risk. The Trust further minimises its credit exposure by using only registered banks and other nominated institutes approved by the Trust's Investment Policy.

Liquidity Risk

The Trust pays trade and other payables when they fall due.

ROYAL NEW ZEALAND PLUNKET TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

18. RELATED PARTY DISCLOSURE

Key Management Personnel – Remuneration

The total remuneration of members of the Board and the number of individuals receiving remuneration in this category are as follows.

	2023	2022
	\$000	\$000
• Trustee remuneration	97	102
• Number of persons	7 persons	9 persons

The total number of meeting days involving Board Members held during the period was 20.

The total remuneration of the senior management group and the number of managers, on a full-time equivalent basis, receiving remuneration in this category are:

	2023	2022
	\$000	\$000
• Senior Management	1,666	1,210
• Number of persons	9 persons	8 persons

19. CAPITAL COMMITMENTS AND LEASES

	2023	2022
	\$000	\$000
Capital Commitments		
Capital expenditure contracted for at the end of the reporting period but not yet incurred for property, plant and equipment	<u>0</u>	<u>0</u>
Non-Cancellable Operating Leases		
Due within One Year	2,872	2,771
Due One to Two Years	2,282	2,183
Due Two to Five Years	3,123	3,648
Over Five Years	<u>743</u>	<u>638</u>
	<u>9,020</u>	<u>9,240</u>

The Trust has entered into commercial leases for rental properties, motor vehicles, and photocopiers where it is not in the best interest of the Trust to purchase these assets. These leases have an average life of between 1 and 5 years with renewal terms included in the contracts.

20. CONTINGENT LIABILITIES

At the date of this report there are no known contingent liabilities for which the Trust may be liable.

ROYAL NEW ZEALAND PLUNKET TRUST

SERVICE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The services we provide are funded by Government, District Health Boards, and Whānau Āwhina Plunket fundraising - Community Trusts, grants, sponsorships, donations, and partnerships.

Although we deliver a diverse range of services, our four largest service lines together account for 87% of our total revenue, with number of smaller services accounting for the remaining 13% of service revenue.

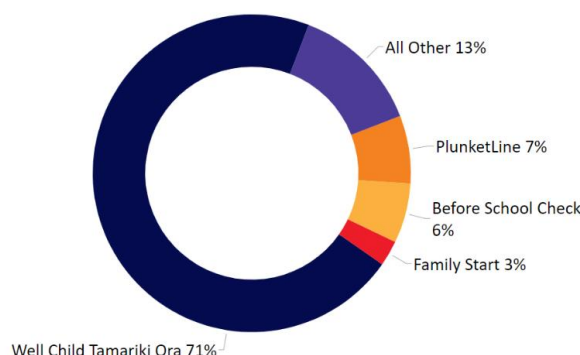
In the following pages we provide non-financial reporting on our service performance in relation to each of our two largest service lines: Well Child Tamariki Ora and PlunketLine.

Further information on who we are, what we do and the difference we want to make is provided in the Annual Report.

How we selected our measures

Whānau Āwhina Plunket has service performance contracts in place with Te Whatu Ora for WellChild and PlunketLine. These contracts include metrics to measure the performance of these services. Based on selected key metrics under these contracts, we further refined and developed a suite of measures to best articulate our performance in the delivery of these services. Measures were developed in consultation with the Board, Executive Leadership Team and key management personnel.

Relative Size of Whānau Āwhina Plunket Service



Well Child Tamariki Ora Service

Service description

The Well Child Tamariki Ora programme is a series of health visits and support, offered free to all whānau for pēpi and tamariki from around six weeks to five years. Whānau Āwhina Plunket is the largest provider of this service.

This service helps whānau to improve and protect their children's health. Targeted and specialist health, education, and social supports can be accessed through the service for those requiring additional help. Whānau Āwhina Plunket clinical staff (Plunket nurses, kaiāwhina and community karitāne) work in partnership with whānau and families to understand their health needs and develop a care plan to improve their child's health outcomes. Our nurses complete a health and development assessment with each child to check they are growing and developing as expected. These checks are critical for picking up any concerns early, so children can have the best possible start in life.

More information on the Well Child Programme can be found at [Well Child Tamariki Ora visits | Ministry of Health NZ](#)

ROYAL NEW ZEALAND PLUNKET TRUST

SERVICE PERFORMANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (continued)

How is the service funded?

In 2023 Whānau Āwhina Plunket was contracted by Te Whatu Ora to manage, deliver, and report on its Well Child service.

WCTO Income Source	2023 Income
Te Whatu Ora	\$ 64,457,768
Grants & Other Income	\$ 407,135
Overall Service Revenue	\$ 64,864,903

Measuring Our Service Performance - Well Child

Performance Overview

The national nursing shortage and an increased pay gap between our nurses and frontline health workers continues to impact on us having sufficient kaimahi to deliver services to those who need us most.

In 2023, this has been further exacerbated by ongoing covid restrictions, higher rates of sickness for both kaimahi and whānau and the impact of significant adverse weather events in early 2023. On average, we had 23 fewer frontline kaimahi out delivering to whānau in 2023 compared to 2022. These 23 frontline kaimahi would likely deliver approximately 35,000 contacts per year.

However, the performance results on the following pages show that, despite these difficult circumstances, we have still managed to deliver this critical service for whānau.

Performance Results

The following performance indicators have been selected to measure the effectiveness, timeliness, and accessibility of Whānau Āwhina Plunket's Well Child services and service delivery to all enrolled¹ pēpi, and their whānau.

In line with our goal of equitable service delivery by 2025, performance for each of these measures is reported by ethnic grouping - Māori, Pacific Peoples and Non-Māori-Non-Pacific Peoples. Performance targets for 2023 have been set for each of these measures in alignment with meeting our goal of equitable service delivery by 2025.

1. Percentage of pēpi who receive core contact 1 before 50 days of age

What does the measure mean?

Core contact 1 is generally our nurse's first opportunity to assess a child's needs and complete a care plan to best support pēpi and whānau. Completing core 1 on time (i.e. before 50 days of age) is important to the long term health outcomes of pēpi and whānau's as concerns can be identified and addressed at an early stage of life. If the core contact 1 is completed on time, infants are more likely to receive the other core contacts on time, therefore leading to improved health outcomes.

Core contacts can only be delivered by a registered nurse.

This measure allows us to assess whether core contact 1 has been completed before 50 days of pēpi age.

¹ 'Prospective' clients become classified as 'enrolled' once their consent has been provided. The definition of 'enrolled' excludes those who have declined our service or who have transferred out to another provider. This measure includes those who are enrolled or referred to Whānau Āwhina Plunket at least 22 days before the core contact is due, and are enrolled on the day the core contact is due.

ROYAL NEW ZEALAND PLUNKET TRUST

SERVICE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023 (continued)

Scope of the measure

Initial access to the Well Child service generally occurs through referral of pēpi and whānau - most commonly by the Lead Maternity Carer (who works alongside the whānau during the birth and first six weeks after birth) to their Well Child provider of choice, or whānau can also refer themselves. The timeliness of this referral therefore directly impacts on our ability to deliver core contact 1 before 50 days of age.

Some whānau may also choose to change their choice of Well Child provider before they receive their core 1 contact.

To enable an accurate assessment of our service performance, this measure is calculated excluding all late referrals (defined as referrals received after 28 days from birth or 22 days before the core contact is due) and all transfers out to other providers before 50 days of age.

Our Performance Results

Measure Description	Result 2023	Target 2023	Target 2025	Result 2022
Percentage of pēpi who receive the core 1 contact before 50 days of age*				
Māori	82%	86%	93%	83%
Pacific Peoples	86%	88%	93%	86%
Non-Māori Non-Pacific	93%	93%	93%	93%

* includes all pēpi referred before 22 days of the core contact being due

Commentary

All 2023 results are within 5% of Target for 2023 and prior year results. We remain broadly on track to achieve our goal of equitable service delivery by 2025.

2. Percentage of core contacts delivered on time

What does the measure mean?

This measure demonstrates whether pēpi and tamariki are receiving core contacts that are due to them during the financial year.

By receiving core contacts on time, infants are more likely to have health and developmental issues identified in a timely way and improve long term health outcomes.

During financial year 2023 Whānau Awhina Plunket delivered 215,000 core contacts. 12,000 (6%) of those core contacts are not included in these measures due to not meeting the measurement criteria. Examples include not being referred or enrolled 22 days prior to the due date, not subsequently being enrolled on the due date or the core contact being delivered after the due date.

Scope of the measure

This measure calculates which core contacts were delivered that were due for children, based on their age during the year. To be included, whānau must be enrolled with or referred to Whānau Awhina Plunket at least 22 days prior (a consistent time span with the minimum referral period in measure 1 above) to the core contacts being due.

ROYAL NEW ZEALAND PLUNKET TRUST

SERVICE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023 (continued)

Our Performance Results

Measure Description	Result 2023	Target 2023	Target 2025	Result 2022
Percentage difference between the number of core contacts that should have been delivered, and the number of core contacts which were delivered*				
Māori	61%	66%	75%	64%
Pacific Peoples	61%	65%	75%	63%
Non-Māori Non-Pacific	65%	71%	75%	72%

* includes all pēpi referred before 22 days of the core contact being due

Commentary

While service delivery in FY23 has not yet returned to pre-pandemic service delivery levels, it is now being delivered more equitably.

The 'equity gap' for this measure between Māori and Non-Māori non-Pacific has improved this year to 4%. This compares to 8% in financial year 2022. Between Pacific Peoples and Non-Māori non-Pacific, the 'equity gap' was 4% in financial year 2023, compared to 9% in financial year 2022.

4% of all cores in Financial Year 2023 equates to a gap of 2,144 core contacts annually to Māori and 782 core contacts annually to Pacific Peoples.

To manage the impact of ongoing pandemic restrictions, adverse weather events in early 2023 and reduced staffing levels, financial year 2023 saw us continue to prioritise cores 1,2 and 3 and our services to High Needs whānau – particularly Māori and Pacific Peoples across cores 4,5, 6 and 7. This has resulted in there being no equity gap for Māori or Pacific Peoples in the delivery of cores 4 – 7 in financial year 2023, with the entirety of the gap being at cores 1- 3.

As we transition back to a more 'normal' state of service delivery, our focus is on delivering all cores on time to all whānau. The challenge for Whānau Āwhina Plunket as we return to delivering more cores 4,5,6 and 7, is doing so in a way which maintains the equitable service provision that has been achieved to date, and building on this as we continue to move towards our goal of equitable service delivery by 2025. It is also worth noting that the decrease on our 2022 results relates partly to changes to how core contacts were counted in early FY22. Our 2022 results include some cores delivered by phone call or video conference, which enabled us to achieve higher rates of delivery on time during that financial year.

3. Percentage of Additional contacts, by Need, delivered in the year

What does the measure mean?

Additional contacts are provided to tamariki and their whānau where there is an assessed need for intensive additional support. This need may be short term, or long term. These can be delivered in person, virtually or in groups. These can be delivered by a Registered Nurse, Kaiāwhina or Community Karitāne.

Our nurses are continually assessing the need levels of whānau using three categories of need so we can target our resources to those who need us most.

ROYAL NEW ZEALAND PLUNKET TRUST

SERVICE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023 (continued)

Scope of the measure

This measure calculates the distribution of additional contacts delivered, by category of need. The delivery of an additional contact is demand-based and driven by whānau level of need. As such, no targets for 2023 are set.

Our Performance Results

Measure Description	Result 2023		Result 2022	
Percentage of Additional, by Need, delivered in the year				
	Percent	Number	Percent	Number
High need – long term	42%	69,805	40%	73,699
High need – short term	38%	63,127	38%	69,360
Low need	11%	18,654	12%	21,114
Level not assessed *	9%	14,518	12%	18,885

* Level not assessed definition – an additional contact delivered to a client who has not yet received a needs assessment. Needs assessments are conducted at core contacts. An additional contact may be delivered prior to the client receiving core contact 1.

4. Percentage of whānau who receive SUDI information before 50 days

What does the measure mean?

Sudden Unexpected Death in Infancy (SUDI) is the leading cause of preventable mortality in New Zealand infants. Around 60-70 babies die suddenly in their sleep every year in New Zealand. Providing SUDI prevention information is a critical part of what we do to help whānau make informed decisions and take action to protect their pēpi. We provide SUDI prevention information either face-to-face at the core 1 contact, or through other modes of communication. The goal is to provide information before 50 days of pēpi age to reduce SUDI risks.

Scope of the measure

For the reasons noted in the first measure, this measure is calculated excluding all late referrals (defined as referrals received after 28 days from birth) and all transfers out to other providers before 50 days of age.

Our Performance Results

Measure Description	Result 2023	Target 2023	Target 2025	Result 2022
Percentage of whānau who receive SUDI information before 50 days*				
Māori	81%	83%	90%	81%
Pacific Peoples	84%	86%	90%	84%
Non-Māori Non-Pacific	90%	89%	90%	89%

* includes all pēpi referred before 28 days of birth

ROYAL NEW ZEALAND PLUNKET TRUST

SERVICE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023 (continued)

Commentary

All 2023 results are within 5% of Target for 2023 and prior year results. We remain broadly on track to achieve our goal of equitable service delivery by 2025.

5. Percentage of women screened at least twice for Maternal Mental Health (MMH) during pēpi first year

What does the measure mean?

Maternal mental health and wellbeing is one of the foundations of strong families, whānau, and communities. Our nurses review our maternal mental health at each core visit. The Patient Health Questionnaire (PHQ-3) is ideally administered at the Core 1 and Core 3 visits to ensure issues are identified and appropriate timely support is offered. Identifying and providing support for positive screenings improves the health and wellbeing outcomes for the whole whānau.

Scope of the measure

To be included in this measure, pēpi must be referred or enrolled within 28 days of the child's birth and remain enrolled for the child's entire first year.

Our Performance Results

Measure Description	Result 2023	Target 2023	Target 2025	Result 2022
Percentage of women screened at least twice for Maternal Mental Health during pēpi first year*				
Māori	77%	81%	90%	77%
Pacific Peoples	76%	80%	90%	76%
Non-Māori Non-Pacific	85%	86%	90%	85%

* includes all pēpi referred before 28 days of birth

Commentary

All 2023 results are within 5% of Target for 2023 and prior year results. We remain broadly on track to achieve our goal of equitable service delivery by 2025.

PlunketLine Service

Service Description

PlunketLine is a free 24/7 helpline for parents and caregivers of tamariki under five, regardless of whether they receive other services from Plunket not. Calls are answered by Plunket nurses who provide advice and information on parenting issues and the child's health and wellbeing.

PlunketLine also contracts with Whakarongorau Aotearoa to answer Healthline calls where there is a child under five who is sick or showing symptoms of ill health. All sick and symptomatic health-related information is recorded within the Healthline system.

When the health situation is deemed serious, PlunketLine nurses will connect emergency services and assist in the transfer of the caller.

ROYAL NEW ZEALAND PLUNKET TRUST

SERVICE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023 (continued)

PlunketLine also provides free breastfeeding and sleep support video call services, and Facebook Live sessions on health related topics.

During public health emergencies, PlunketLine works closely with the health authorities and Healthline to ensure timely support and advice to whānau.

How is the service funded?

Whānau Āwhina Plunket is contracted by Te Whatu Ora to manage, deliver, and report on its PlunketLine service. We also have a contract with Whakarongorau Aotearoa to deliver Healthline service for children under five.

PlunketLine Income Source	2023 Income
Te Whatu Ora	\$ 5,251,429
Grants & Other Income	\$ 1,055,276
Overall Service Revenue	\$ 6,306,705

Measuring Our Service Performance - PlunketLine

Performance Overview

In FY23, PlunketLine performed below our contracted target levels for both performance measures. This was largely due to experiencing higher call volumes on our Healthline service, coupled with high staff vacancy rates and staff sickness during the year.

Furthermore, calls are becoming increasingly more complex and therefore taking longer. We are seeing this come through in our talk time data, with calls taking on average 25 seconds longer per call for our WellChild calls in FY23 compared to FY22.

Performance Results

The performance indicators shown below have been selected to measure how well we deliver PlunketLine services.

1. Total Answered Calls

What does the measure mean?

The total number of calls answered is a measure of our capacity to deliver PlunketLine services. Ensuring that PlunketLine functions efficiently is particularly important during times of population-wide ill health (such as during the Covid pandemic or the measles outbreak) when call volumes increase and whānau require additional health and wellbeing support from their homes.

Under our contract with Te Whatu Ora, this service has a target range of handling between 113,000 to 123,000 calls annually. PlunketLine promotional campaigns are organised to ensure whānau are aware of services.

ROYAL NEW ZEALAND PLUNKET TRUST
SERVICE PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

Our Performance Results

Measure Description	Result 2023	Target 2023	Result 2022
Total number of calls handled			
Total	96,065	>113,000	99,137

Commentary

Our 2023 result is 16,935 calls below target for 2023. This is largely the result of staff sickness and the impact on staffing as Covid restrictions continued through FY23.

2. Call abandonment rate

What does the measure mean?

The call abandonment rate measures the percentage of incoming calls where the caller hangs up before their call is answered by PlunketLine staff. A large spike in total calls or increase in complexity (leading to increase in talk time) may impact the abandonment rate. Under our contract with Te Whatu Ora, we have a call abandonment target of 10% or less.

Our Performance Results

Measure Description	Result 2023	Target 2023	Result 2022
% of calls abandoned			
All Calls	13%	< 10%	17%

Commentary

All 2023 results are within 5% of Target for 2023 and prior year results. We remain broadly on track to achieve our goal of equitable service delivery by 2025.



Independent Auditor's Report

To the beneficiaries of Royal New Zealand Plunket Trust

Report on the audit of the financial report

Opinion

In our opinion, the financial report of Royal New Zealand Plunket Trust (the 'trust') on pages 1 to 23 presents fairly, in all material respects:

- i. the trust's financial position as at 30 June 2023 and its financial performance and cash flows for the year ended on that date; and
- ii. the service performance for the year ended 30 June 2023 in accordance with the trust's service performance criteria;

in accordance with Public Benefit Entity Standards (Not For Profit) issued by the New Zealand Accounting Standards Board.

We have audited the accompanying financial report which comprises:

- the statement of financial position as at 30 June 2023;
- the statements of comprehensive revenue and expenses, changes in net assets / equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies; and
- the service performance report on pages 16 to 23.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the statement of service performance, in accordance with the New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the trust 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and NZ AS 1 are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Other matter

The service performance report for the year ended 30 June 2022, was not audited.



Use of this independent auditor's report

This independent auditor's report is made solely to the beneficiaries as a body. Our audit work has been undertaken so that we might state to the beneficiaries those matters we are required to state to them in the independent 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 beneficiaries as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Trustees for the financial report

The Trustees, on behalf of the trust, are responsible for:

- the preparation and fair presentation of the financial report in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards (Not For Profit)) issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error;
- service performance criteria that are suitable in order to prepare service performance information in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards (Not For Profit)); and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole and the service performance report is free from material misstatement, whether due to fraud or error; and
- to issue an independent 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. They are considered material if, individually or in the aggregate and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of this financial report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our independent auditor's report.



KPMG
Wellington

31 October 2023