Heart Foundation™

National Heart Foundation of New Zealand

Consolidated financial statements for the year ended 30 June 2025

Contents

Consolidated statement of service performance	**3**
Consolidated statement of comprehensive revenue and expense	**4**
Consolidated statement of financial position	**5**
Consolidated statement of changes in members' equity	**6**
Consolidated statement of cash flows	**7**
Notes to the consolidated financial statements	**8**
1. Overview	**8**
2. Revenue	**11**
3. Direct and other expenditure	**11**
4. Cash and cash equivalents	**12**
5. Prepayments	**12**
6. Trade and other receivables	**12**
7. Financial Instruments	**12**
8. Fair value of financial instruments	**16**
9. Property, plant and equipment	**18**
10. Intangible assets	**19**
11. Trade and other payables	**19**
12. Unearned income	**20**
13. Employee entitlements	**20**
14. Provisions	**20**
15. Contingent liabilities	**20**
16. Commitments	**20**
17. Related parties	**21**
18. Events subsequent to balance date	**21**
19. Reconciliation of net cash from operation activities	**21**
Independent Auditors Report	**22-24**
Appendix: Board and sub-committee attendance	**25**

Consolidated statement of service performance

Purpose

The National Heart Foundation of New Zealand is a charity with the charitable purpose:

"to stop all people in New Zealand dying prematurely from heart disease and enable people with heart disease to live full lives"

To achieve the purpose, the mission is to constantly strive to improve the heart health of every New Zealander through:

- leading and funding life-saving research activities, including the provision of grants, furthering the education of cardiologists.
- the delivery of services and messages to improve the heart health of New Zealanders.
- improving the preventable health components that lead to heart disease.
- growing and diversifying revenue ensuring financial sustainability.

Strategic service performance measures

Key strategic service performance measures include:

- increasing the number of applications and investment into life-saving research for all New Zealanders
- increasing the awareness of early recognition of heart disease through our My Heart Check risk assessment tool
- growing the heart health educational messages to the wider public through more resources and online interactions.

		2025		2024
Increasing the number and investment into life-saving research on Heart Disease for all New Zealanders				
Number of research grant applications received		122		98
Number of research grants awarded		47		54
Research grants committed ($'000)	$	4,901	$	4,612
Increasing the awareness of early recognition of heart disease through our My Heart Check risk assessment tool				
Number of My Heart Check risk assessments, both online and in person ('000s)		51		49
Growing the heart health educational messages to the wider public through more resources and online interactions.				
Number of heart health resources distributed, both down loaded and printed ('000s)		239		227
heartfoundation.org.nz number of unique users (million)		1.7		1.5

Key judgements

The Board exercises judgement in selection, measurement, and presentation of service performance information. This judgement focuses on determining the most appropriate performance measure that are in line with foundation key objectives.

Judgements are applied at all stages of assessing research applications. Applications are reviewed and assessed by a scientific committee of the Board, made up of specialists in the field. This Committee recommends to the Board for approval, the proposed recipients of the grants.

Outlook for 2026 and beyond

Working hand-in-hand with our donors and supporters, we help New Zealanders live longer, healthier lives. Through investment in life-saving heart research, empowering the next generation to make healthy choices and providing support for those living with heart disease, we make a difference, impacting thousands of lives every day. All research grant funding will continue to align with the organisation's purpose. In communities across New Zealand, the Heart Foundation delivers expert advice, support and education on heart health and positive lifestyle choices so everyone can live longer, healthier lives.

KPMG

Consolidated statement of comprehensive revenue and expense

For the year ended 30 June 2025
in New Zealand Dollars

	Note	2025 $ 000	2024 $ 000
Revenue			
Fundraising and lottery ticket sales		22,043	19,698
Donations and legacies		12,284	13,507
Contract services		3,904	3,860
Investment income	7	3,899	3,123
Other income		999	802
Total revenue	2	**43,129**	**40,990**
Direct expenses	3	(20,708)	(19,499)
Operating surplus		**22,421**	**21,491**
Other Expenditure			
Research - grants & administration		(6,025)	(5,626)
Public Health		(3,683)	(3,585)
Pacific Heartbeat		(1,328)	(1,273)
Heart Healthcare		(3,930)	(3,597)
Programme support		(2,840)	(2,731)
Depreciation, disposals and amortisation	9,10	(690)	(862)
Total other expenditure	3	**(18,496)**	**(17,674)**
Net surplus for the year		**3,925**	**3,817**

This statement is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2025
in New Zealand Dollars

	Note	2025 $ 000	2024 $ 000
Assets			
Cash and cash equivalents	4	3,285	3,978
Prepayments	5	13,191	10,884
Trade and other receivables	6	487	393
Investments	7, 8	731	-
Inventories		104	154
Total current assets		**17,798**	**15,409**
Investments	7, 8	48,157	44,785
Property and equipment	9	5,670	5,860
Intangible Assets	10	61	60
Total non-current assets		**53,888**	**50,705**
Total assets		**71,686**	**66,114**
Liabilities			
Trade and other payables	11	4,384	3,435
Unearned income	12	5,911	5,128
Employee entitlements	13	974	896
Provisions	14	3,852	4,015
Total current liabilities		**15,121**	**13,474**
Total liabilities		**15,121**	**13,474**
Net assets		**56,565**	**52,640**
Equity			
Retained earnings		56,565	52,640
Total members' equity		**56,565**	**52,640**

For and on behalf of National Heart Foundation of New Zealand

M T Tomlinson
Chairman
Date 10 October 2025

W Fletcher
Director
Date 10 October 2025

This statement is to be read in conjunction with the notes to the consolidated financial statements.

KPMG

Consolidated statement of changes in members' equity

For the year ended 30 June 2025
in New Zealand Dollars

	Retained earnings $ 000	Total members' equity $ 000
Balance at 1 July 2023	**48,823**	48,823
Surplus for the year	3,817	3,817
Balance at 30 June 2024	**52,640**	**52,640**
Balance at 1 July 2024	**52,640**	**52,640**
Surplus for the year	3,925	3,925
Balance at 30 June 2025	**56,565**	**56,565**

This statement is to be read in conjunction with the notes to the consolidated financial statements.

KPMG

Consolidated statement of cash flows

For the year ended 30 June 2025
in New Zealand Dollars

	Note	2025 $ 000	2024 $ 000
Fundraising activities, donations & legacies		35,093	34,566
Contract and other services		3,904	3,860
Interest received		573	591
Dividends received		520	441
Other income		224	303
Net GST (paid) / received		(296)	67
Purchase of lottery properties		(8,446)	(4,220)
Direct expenses for operating income generation		(13,792)	(13,208)
Research and health services		(14,464)	(13,290)
Other operating and administration		(2,333)	(2,557)
Net cash flows from operating activities	**19**	**983**	**6,553**
Proceeds from sale of Fair Value Through Surplus financial assets		17,348	10,013
Proceeds from sale of investments carried at amortised cost		-	507
Payments made upon settlement of foreign currrency hedge		(122)	(106)
Purchase of Fair Value Through Surplus financial assets		(18,378)	(13,483)
Purchase of property, plant and equipment		(524)	(1,335)
Net cash flows used in investing activities		**(1,676)**	**(4,404)**
Net cash flows from financing activities		-	-
Net (decrease) / increase in cash held		**(693)**	**2,149**
Cash at the beginning of the year		3,978	1,829
Cash at the end of the year	**4**	**3,285**	**3,978**

This statement is to be read in conjunction with the notes to the consolidated financial statements.

KPMG

Notes to the consolidated financial statements

1 Overview

a Reporting Entity

The reporting entity, known as the Heart Foundation, comprises The National Heart Foundation of New Zealand, the Trust for the Chair in Cardiovascular Studies and the Heart Health Research Trust, together referred to as the "Group". The National Heart Foundation is a charitable trust based in Auckland, which is incorporated under the Charitable Trusts Act 1957 and registered under the Charities Act 2005 (registration number CC23052).

The National Heart Foundation of New Zealand's purpose is "to stop all people in New Zealand dying prematurely from heart disease and enable people with heart disease to live full lives" through:
- funding research activities, including the provision of grants, furthering the education of cardiologists.
- the delivery of messages and services to improve the heart health of New Zealanders.
- the improvement of the health components that lead to heart disease.
- raising funds to pursue its charitable objectives.

Governance

The National Heart Foundation is governed by a Board that oversees and governs the strategic direction of the organisation as it drives to achieve it's charitable purpose. The Board has committees that focus on remuneration, finance, risk and audit, investments and scientific grant allocations.

The Chief Executive is responsible for the leading and managing of the organisation, with support from the Senior Management Team, to deliver programmes that meet the charitable purpose.

Fiscal sustainability and Governance

Reserves are held by the organisation to ensure the organisation can fund the ongoing commitments to deliver against its charitable purpose and not be at the risk of short-term fluctuations of economic conditions that affect its funding streams . The programs in the community and research that the organisation engage in are often multi year endeavours.

The investment funds are managed by two professional fund managers, who independently invest the funds on behalf of the organisation. The fund managers are governed by a Statement of Investment Policy and Objective (SIPO) that outlines the following.
- Specifies the organisations beliefs and philosophy.
- Details the Heart Foundation's investment strategy.
- Details the asset sector objectives.
- Specifies the terms of the investment mandates and constraints, including investing in socially responsible investments.

The performance and compliance to the SIPO is monitored by the Finance Risk and Audit Committee and independent Actuary.

b Basis of preparation

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the PBE Accounting Standards as appropriate for Tier 1 not-for-profit public benefit entities. As a registered charity, National Heart Foundation of New Zealand is required to prepare statements in accordance with NZ GAAP as specified in standard XRB A1. The Group is a Tier 1 reporting entity as it has total expenditure greater than $30 million in the two preceding reporting periods.

<u>Functional and Presentation Currency</u>

The consolidated financial statements are presented in New Zealand Dollars ($), which is the Foundation's functional currency, rounded to the nearest thousand, and have been prepared on the historical cost basis except for financial assets which are measured at fair value through surplus or deficit (FVTSD).

The consolidated statement of cash flows has been prepared using the direct method.

The accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended 30 June 2025.

KPMG

Notes to the consolidated financial statements (continued)

1 Overview (continued)

c Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with PBE Accounting Standards Tier 1 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 these 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.

d Change in Significant Accounting Policies

There are no significant changes to accounting policies.

There were new amendments to standards that have been introduced but is not yet in effect. The standards that may be relevant to the Group are set out below.

i) The amending standard Insurance Contracts in the Public Sector
The amending standard Insurance Contracts in the Public Sector adds public sector modifications to PBE IFRS 17 Insurance Contracts to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026. The Group will continue to monitor this standard, any amendments and additional guidance from regulators to determine whether this will impact the financial statements of the Group.

ii) 2024 Omnibus Amendments to PBE Standards
2024 Omnibus Amendments to PBE Standards is an amending Standard that updates the PBE IPSAS 1 and PBE IAS 12.
The amendments to PBE IPSAS 1 provide further guidance on the current/non-current distinction in the Statement of Financial Position. Application of these amendments is required for accounting periods beginning on or after 1 January 2026.
The amendments to PBE IAS 12 include disclosure requirements under the international tax reform. However, these amendments are not applicable to this entity because it is a charitable organisation exempt from income tax, and the group's revenue has not met the threshold of EUR 750 million or more in at least two of the last four years.

iii) PBE Conceptual Framework Update (Amendments to Chapter 3 Qualitative Characteristics and Chapter 5 Elements in General Purpose Financial Reports)
The Authoritative Notice amends Chapter 3 Qualitative Characteristics and Chapter 5 Elements in General Purpose Financial Reports of the Public Benefit Entities' Conceptual Framework,based on the IPSASB's updates to Chapters 3 and 5 of its Conceptual Framework. Application of these amendments is required for accounting periods beginning on or after 1 January 2028. The Group will continue to monitor this Authoritative Notice, any amendments and additional guidance from regulators to determine whether this will impact the financial statements of the Group.

Iv) Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025
The amending standard applies to entities that are required to determine whether they meet the definition of 'large' or 'specified non-for-profit entity' in sections 45 and 46 of the Financial Reporting Act 2013. Application of these amendments is required for accounting periods beginning on or after 29 September 2025. The Group will continue to monitor this standard, any amendments and additional guidance from regulators to determine whether this will impact the financial statements of the Group.

e Basis of consolidation and accounting

The consolidated financial statements includes the National Heart Foundation of New Zealand (NHF), the Trust for the Chair of Cardiovascular Studies (CVS) and the Heart Health Research Trust (HHRT). All three entities are registered Charitable Trusts.

NHF appoints the Trustees of CVS and HHRT and therefore has control over these entities.

On that basis consolidated financial statements for the group are prepared. All significant intra-group transactions and balances are eliminated on consolidation.

KPMG

Notes to the consolidated financial statements (continued)

1 Overview (continued)

f Impairment

Property and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through use or sale. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive revenue and expense.

Intangible assets

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through use or sale. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive revenue and expense.

Receivables

Receivables are assessed for impairment at each balance date. If there is objective evidence of impairment, an impairment loss is recognised in the consolidated statement of comprehensive revenue and expense.

g Taxes

The Foundation is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions. Withholding and other taxes deducted at source from investments income on overseas investments are applied against the respective income in the consolidated statement of comprehensive revenue and expense. The consolidated statement of comprehensive revenue and expense has been prepared so that all components are stated exclusive of GST. All items in the consolidated statement of financial position are stated net of GST, with the exception of receivables and payables, which are stated inclusive of GST.

h Volunteer services

Volunteer services provided at a discount or at no cost are not recognised in the consolidated statement of revenue and expense because they cannot be measured reliably. Donated services and other forms of assistance provided to the Foundation are acknowledged elsewhere in the annual report.

i Research projects and grants

All grant applications are evaluated based on their alignment to the purpose of the Heart Foundation. The Foundation makes the following categories of award:

Project Grants

- for work on a clearly defined research project with a maximum term of three years.

Fellowships and Scholarships

- Senior fellowships for cardiologists holding an appropriate postgraduate qualification to work in New Zealand primarily in cardiovascular research. Maximum duration is three years.
- Overseas training fellowships for medical graduates to engage in further clinical training or research in cardiovascular disease. These are normally tenable for one year and fellows are expected to return to New Zealand to continue a career.
- Research fellowships are granted to support graduates engaged in full-time research related to the aims of the Foundation. These grants are tenable in New Zealand for up to three years.
- Postgraduate scholarships provide personal support to graduate students of New Zealand universities whose cardiovascular research for a higher degree will further the aims of the Foundation. These scholarships are tenable only in New Zealand within a faculty of medicine and are normally awarded for a total of three years.

Limited Budget Grants - these fund a wide variety of research related activities in three areas:

- Small projects have a maximum value of $15,000
- Grants in aid for purposes such as the publication of a book, a health education project or the purchase of research equipment
- Travel grants for travel in New Zealand or overseas for short-term study or to attend conferences.

The Scientific Committee awards all grants during the first quarter of the financial year except some travel and some limited budget grants, which are awarded progressively during the year.

Project grants are recognised as an expense in the year granted. The annual amounts granted for Fellowship and Scholarships are recognised in each year of the term of the grant.

The existing grants are reviewed regularly to write off unspent amounts and allow for additional spending on individual grants, if required.

KPMG

Notes to the consolidated financial statements (continued)

2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Foundation and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

a Fundraising activities
Fundraising activities are non-exchange transactions where the income is recognised on receipt of the donation.

b Lottery ticket sales
Income from lottery ticket sales are exchange transactions. Income from lottery ticket sales is recognised when the draw is completed for the final prize for the respective lottery. Where ticket sales in a lottery have occurred but the lottery has not been drawn the income is held as unearned income.

c Donations and legacies
Donations and legacies include income from donations, legacies and grants and are classified as non-exchange transactions. Grant and donation income is recognised as income when it becomes receivable unless the Foundation has a liability to repay the grant if the requirements of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period. Grants include those provided by community trusts. Some community trusts require specific acknowledgement as a condition of their support. Legacies are recognised in the consolidated statement of comprehensive revenue when probate of the will has been granted, receipt of the bequest is probable and the amount of the bequest can be measured reliably. Some bequests that are tagged to an expenditure activity are held as unearned income until that activity ihas occured.

d Contract services
Contract services are classified as exchange transactions. Income from service contracts is recognised when the contracted deliverables are provided. The unused portion of this income is recorded as unearned income.

e Investment income
Investment income includes interest income, dividend income, changes (gain or loss) in fair value of equity investments held at FVTSD and gain/loss from settlement of FX hedging contracts. Interest is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Foundation's right to receive payments is established.

f Other income
Revenue from the sale of goods and services is recognised when the goods or services are delivered to customers.

g Exchange and Non-exchange transactions
Exchange revenue transactions for 2025 amounted to $23,343 (2024: $21,792). Non-exchange revenue transations for 2025 amounted to $15,887 (2024: $16,075).

3 Direct expenses and Other Expenditure

The following items are included in direct expenses and other expenditure:	2025 $ 000	2024 $ 000
Auditors remuneration for KPMG audit services - consolidated financial statements	76	65
Auditors remuneration for KPMG audit services - lottery	33	29
Depreciation and amortisation expense	690	862
Operating lease expense	301	315
Employee related expenses	11,592	10,823
Other direct operating costs	18,627	17,616
Research costs	6,025	5,626
Other Overheads	1,860	1,841

Payments made under operating leases are recognised in the consolidated statement of comprehensive revenue and expense on a straight-line basis over the term of the lease.

KPMG

Notes to the consolidated financial statements (continued)

4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash at bank, deposits held on call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Short term deposits are financial assets that are classified at amortised cost.

	2025	2024
	$ 000	$ 000
Bank balances	1,878	1,806
Liquid assets with investment brokers	1,407	2,172
	3,285	**3,978**

5 Prepayments

Prepayments include expenditure paid in advance of the service being delivered, product being delivered, or in the corresponding revenue occurring in a future period.

	2025	2024
	$ 000	$ 000
Property acquired and work in progress for lottery prizes	12,451	10,358
Other prepayments	740	526
	13,191	**10,884**

6 Trade and other receivables

Receivables are initially recognised at the original invoice amount less impairment losses (2025: Nil , 2024: Nil). Receivables are financial assets that are classified as loans and receivables. Information about the Group's exposure of credit risk and impairment deficits for trade and other receivables is included in Note 8.

	2025	2024
	$ 000	$ 000
Trade receivables	372	358
GST Receivable	115	-
Interest income accrued	-	35
	487	**393**

7 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Surplus or Deficit (FVTSD) transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

(ii) Classification and subsequent measurement of Financial assets

On initial recognition, a financial asset is classified as measured at:

a) Amortised cost

b) Fair Value through Other Comprehensive Revenue and Expenses (FVOCRE)– debt investment

c) Fair Value through Other Comprehensive Revenue and Expenses (FVOCRE) – equity investment

d) Fair Value Through Surplus or Deficit (FVTSD)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

KPMG

Notes to the consolidated financial statements (continued)

7 Financial instruments (continued)

(ii) Classification and subsequent measurement of Financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:
— it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCRE if it meets both of the following conditions and is not designated as at FVTSD:
— it is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in comprehensive revenue and expenses (CRE). This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCRE as at FVTSD if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Management model assessment

The Group has an finance risk and audit committee which makes an assessment of the objective of the management model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
— the stated policies and objectives for the portfolio and the operation of those policies in practice.
These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
— how the performance of the portfolio is evaluated and reported to the Group's Board of Trustees
— the risks that affect the performance of the management model (and the financial assets held within that management model) and how those risks are managed;
— how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
— the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
— contingent events that would change the amount or timing of cash flows;
— terms that may adjust the contractual coupon rate, including variable-rate features;
— prepayment and extension features; and
— terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

KPMG

Notes to the consolidated financial statements (continued)

7 Financial instruments (continued)

Financial assets – Subsequent measurement and gains and losses

Financial Assets at FVTSD	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit. All the equity investments are classified and subsequently measured at FVTSD.
Financial Assets at Amortised Cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit. Cash and cash equivalents, term deposits and fixed interest investments are classified and subsequently measured at amortised cost.
Debt Investment at FVOCRE	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Other net gains and losses are recognised in OCRE. On derecognition, gains and losses accumulated in OCRE are reclassified to surplus or deficit. No financial assets are classified in this category.
Equity Investment at FVOCRE	These assets are subsequently measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCRE and are never reclassified to surplus or deficit. No financial assets are classified in this category.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus of deficit.

(iii) Derecognition

Financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognised.

Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

(iv) Offsetting

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

KPMG

Notes to the consolidated financial statements (continued)

7 Financial instruments (continued)

(v) Impairment of non-derivative financial assets

The Group recognises loss allowances for ECLs on:
— financial assets measured at amortised cost; and
— debt investments measured at FVOCRE.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
— debt securities that are determined to have low credit risk at the reporting date; and
— other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
— the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
— the financial asset is more than 90 days past due.

The Group considers a fixed interest, cash and cash equivalents and term deposits financial instruments to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(vi) Carrying Value – Classification Basis

The Group has investment in the fixed interest instruments. In 2024, the investment committee of the foundation has changed the management model in relation to the investment in fixed interest instruments with the objective of achieving both contractual cash flows and held for trading purpose. The change in the business model was approved by the Finance Risk and Audit Committee. As a result, the investment in debt instruments are reclassified from initial recognition of carrying at amortised cost to Fixed interest instruments carried at FVTSD.

	2025	2024
Non-Current Financial Assets	**$ 000**	**$ 000**
Term Deposits	-	200
Fixed interest instruments carried at FVTSD	7,344	7,464
Equity investments - mandatorily at FVTSD	40,813	37,121
	48,157	**44,785**
Current Financial Assets		
Cash and Cash equivalents	3,285	3,978
Term Deposits	731	-
	4,016	**3,978**

The term deposit and fixed interest instruments held at FVTSD have interest rates ranging from 0.25% to 6.73% (2024 0.25% to 7.06%).

(vii) Carrying Value - Fair Value

The table below compares the carrying value and the fair value.

	2025	2025	2024	2024
	$ 000	$ 000	$ 000	$ 000
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-Current Financial Assets				
Term Deposits	-	-	200	200
Fixed interest instruments carried at FVTSD	7,344	7,344	7,464	7,464
Equity investments - FVTSD	40,813	40,813	37,121	37,121
	48,157	**48,157**	**44,785**	**44,785**
Current Financial Assets				
Cash and Cash equivalents	3,285	3,285	3,978	3,978
Term Deposits	731	731	-	-
	4,016	**4,016**	**3,978**	**3,978**

KPMG

Notes to the consolidated financial statements (continued)

7 Financial instruments (continued)

(vii) Investment income

	2025	2024
Investment income (net) includes:	**$ 000**	**$ 000**
Interest income from investments carried at amortised cost	538	597
Dividend income from investments carried at FVTSD	767	633
Realised changes in fair value of investments held at FVTSD	2,565	(95)
Unrealised changes in fair value of investments held at FVTSD	91	1,994
Losses on foreign currency hedging	(62)	(6)
	3,899	**3,123**

8 Fair value of financial instruments

The fair values of financial instruments are categorised into a fair value category based on inputs used in the valuation technique adopted.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Foundation's investments are measured using Level 1 inputs for equity investments carried at FVTSD, that is the Market Comparison technique. The fair value are based on the market price of the equity investment in the active market.

Financial risk management

The Groups Board has overall responsibility for the establishment and oversight of the Finance, Risk and Audit Committee which is responsible for managing and montioring the risk management of the group. Exposure to credit, interest rate, foreign currency, equity price and liquidity risks arise in the normal course of the Foundation's operations.
Exposure to interest rate, foreign currency, equity price and liquidity risks are managed through the engagement with professional fund managers that manage the risks closely inder the Statement of Investment Policy and Objectives. These fund managers report regularly to the Finance, Risk and Audit Committee.
The Foundation is risk averse and seeks to minimise its exposure to risks associated with financial assets and liabilities.

Credit risk

Credit risk is the risk that one party will fail to discharge their obligation and thereby cause a financial loss to the other party.
The Foundation is exposed to credit risk through its customer base and through its investment portfolio.
The customer base is predominantly with the Ministry of Health which is less than 30 days. The associated credit risk is assessed to be minimal. Geographically, there is no concentration of credit risk.
The Foundation is guided by its Finance Risk and Audit Committee when making investment decisions. The Foundation has developed a Statement of Investment Policy Objectives (SIPO) to be followed by the Finance Risk and Audit Committee. The SIPO seeks to minimise the Foundation's exposure to credit risk by adopting the following guidelines:

- No more than 10% of the investment portfolio may be invested in any one entity or organisation other than the New Zealand government .

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at balance date was:

	2025	2024
	$ 000	**$ 000**
Cash and cash equivalents	3,285	3,978
Trade and other receivables	487	393
Term Deposits	731	200
Fixed interest instruments carried at FVTSD	7,344	7,464
Equity investments - FVTSD	40,813	37,121
	52,660	**49,156**

KPMG

Notes to the consolidated financial statements (continued)

8 Fair value of financial instruments (Continued)

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity requirements are monitored on a ongoing basis and sufficient cash funds are maintained to meet obligations. The Foundation has a policy of paying its obligations to suppliers in accordance with the agreed terms of trade.

2025	Carrying amount $ 000	Cash flows $ 000	1 year or less $ 000	More than 1 year $ 000
Trade Payables	3,396	3,396	3,396	-
Other Payables and accruals	988	988	988	-
Employee entitlements	974	974	974	-
Provisions	3,852	3,852	3,852	-
	9,210	**9,210**	**9,210**	-

2024	Carrying amount $ 000	Cash flows $ 000	1 year or less $ 000	More than 1 year $ 000
Trade Payables	2,662	2,662	2,662	-
Other Payables and accruals	773	773	773	-
Employee entitlements	896	896	896	-
Provisions	4,015	4,015	4,015	-
	8,346	**8,346**	**8,346**	-

Market risk

Market risk is the risk that the fair value of future cash flows of an investment will fluctuate because of changes in market prices.

The Foundation's investment portfolio is exposed to market risk which includes currency risk, other price risk and interest risk. The Foundation's SIPO is used to guide investment decisions which aim to achieve a balanced and diversified portfolio. The Foundation's Finance Risk and Audit Committee has implemented asset allocation bands and associated guideline trading ranges to guide the diversification of the investment portfolio across investment sectors. Diversification across the various asset classes reduces portfolio risk and diversification across countries also reduces portfolio risk. The allocation and range for cash and short term deposits is higher than would normally be adopted in recognition of the timing fluctuations in the receipt of the Foundation's income.

Interest Rate Risk

The Group is exposed to interest rate risk as entities in the Group investment in fixed deposits at fixed interest rates. No interest rate hedging was undertaken during the year . The Group's exposure to interest rates on financial assets and financial liabilities are detailed as follows:

	Weighted average fixed interest rate		Carrying value $000	
	2025	**2024**	**2025**	**2024**
Fixed deposit and fixed interest carried at amortised cost	1.3%	1.3%	731	200
Interest Rate Sensitivity - Change in interest rate of 1% on surplus or (deficit)			7	2

Price Risk

The Group is exposed to equity price risk, which arise from investment measured at fair value through surplus or deficit. The management of the Group monitors the proportion of equity securities in this investment portfolio based on the market indices. The primary goal of the Group investment strategy is to maximise the investment returns.

	2025 $ 000	2024 $ 000
Investment FVTSD	48,157	44,585
Market Price Sensitivity - Change in market price of 1% on surplus or (deficit)	482	446

Capital management

The Foundation's policy is to maintain a strong capital basis to maintain stakeholder and supplier confidence and a consistent level of service despite potential fluctuations in donated income. The Foundation prepares an annual budget for income and expenditure and endeavours to ensure that expenditure does not exceed planned income. Actual financial results are regularly monitored and reported to the Board on a quarterly basis.

KPMG

Notes to the consolidated financial statements (continued)

8 Fair value of financial instruments (Continued)

Currency Risk

The Group is exposed to currency risk to the extent there there is a mismatch between the currencies in which investments are denominated and the The following table identifies the composition (in New Zealand dollars) of the Foundation's investment portfolio according to currency:

2025 $000'	Total	NZD	AUD	GBP	USD	Euro	JPY
Term Deposits	731	731	-	-	-	-	-
Investments - FVTSD	48,157	26,618	5,764	131	15,108	439	97
Total	**48,888**	**27,349**	**5,764**	**131**	**15,108**	**439**	**97**
Sensitivity Analysis							
1% stengthening or weakening effect on Surplus / (deficit) and investment value			58	1	151	4	1

2024 $000'	Total	NZD	AUD	GBP	USD	Euro	JPY
Term Deposits	200	200	-	-	-	-	-
Fixed interest	-	-	-	-	-	-	-
Investments - FVTSD	44,585	25,548	4,855	106	13,676	400	-
Total	**44,785**	**25,748**	**4,855**	**106**	**13,676**	**400**	**-**
Sensitivity Analysis							
1% stengthening or weakening effect on Surplus / (deficit) and investment value			66	1	122	5	-

9 Property and equipment

Recognition and measurement

Items of property, plant and equipment, are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost is generally the purchase cost, together with any incidental costs of acquisition. The cost of donated items is the fair value at the date of acquisition. Where an item of plant and equipment is disposed of, the gain or loss recognised in the consolidated statement of comprehensive revenue and expense is calculated as the difference between the net sale price and the carrying amount of the asset.

Land and buildings consist of the Foundation's Auckland offices. An independent valuation was obtained as at 23 September 2022 for the Foundation's Auckland office; the market value was assessed to be $9,375,000.

Subsequent costs

The Foundation recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Foundation and the cost of the item can be measured reliably. All other costs are recognised in the consolidated statement of comprehensive revenue and expense as an expense as incurred.

Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment, less any assigned residual value, on a straight-line basis over the expected economic lives of the assets concerned. Leasehold improvements are depreciated over the term of the lease. Freehold land is not depreciated.

The estimated economic lives of the assets are as follows:

Freehold buildings	50 to 100 years	Computer hardware	2½ to 4 years
Building plant and equipment	6 ⅔ to 20 years	Office partitions and fittings	5 to 10 years
Office furniture and equipment	5 to 10 years	Motor Vehicles	5 years

KPMG

Notes to the consolidated financial statements (continued)

9 Property and equipment

2025	Land $ 000	Buildings $ 000	Office Furniture & equipment $ 000	Office partitions & fittings $ 000	Motor vehicles $ 000	Capital Work in Progess $ 000	Total $ 000
Cost							
Balance as at 1 July 2024	668	2,758	1,818	2,677	690	947	**9,558**
Additions	-	-	113	85	7	319	**524**
Disposals / Write-off	-	-	-	-	(60)	(23)	**(83)**
Transfers	-	1,202	-	-	-	(1,243)	**(41)**
Balance as at 30 June 2025	**668**	**3,960**	**1,931**	**2,762**	**637**	**0**	**9,958**
Accumulated Depreciation							
Balance as at 1 July 2024	-	(1,616)	(1,086)	(632)	(364)	-	**(3,698)**
Depreciation	-	(86)	(277)	(192)	(95)	-	**(650)**
Disposals / Write-off	-	-	-	-	60	-	**60**
Balance as at 30 June 2025	**-**	**(1,702)**	**(1,363)**	**(824)**	**(399)**	**-**	**(4,288)**
Net book value 30 June 2025	**668**	**2,258**	**568**	**1,938**	**238**	**0**	**5,670**
2024							
Net book value 30 June 2024	**668**	**1,142**	**732**	**2,045**	**326**	**947**	**5,860**

10 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Cost is the cost to purchase or to build the intangible asset. Intangible assets are recognised where there is control over the asset.

Amortisation

Amortisation is calculated so as to write off the cost of software and websites on a straight-line basis over the expected economic lives of the assets concerned.

Software and Websites 4 to 8 years

2025	Software $ 000	Total $ 000
Cost		
Balance as at 1 July 2024	131	**131**
Transfer from capital work in progress	41	**41**
Balance as at 30 June 2025	**172**	**172**
Accumulated Amortisation		
Balance as at 1 July 2024	(71)	**(71)**
Amortisation	(40)	**(40)**
Balance as at 30 June 2025	**(111)**	**(111)**
Net book value 30 June 2025	**61**	**61**
2024		
Net book value 30 June 2024	**60**	**60**

11 Trade and other payables

Included in Trade and other payables is Trade payables, Net GST payable and other payables and accruals. Trade payables and other payables and accruals represent liabilities of goods and services provided to the Foundation and which have not been paid at the end of the financial year. These amounts are usually settled within 30 days. Given their short term nature, the carrying values of trade and other payables are considered a reasonable approximation of their fair values. Trade and other payables are classified as other financial liabilities at amortised cost.

	2025 $ 000	2024 $ 000
Trade payables	3,396	2,662
GST payable	-	181
Other payables and accruals	988	592
	4,384	**3,435**

KPMG

Notes to the consolidated financial statements (continued)

12 Unearned Income

Unearned income relates to funds received for services not yet delivered as at balance date. These include proceeds from the sale of lottery tickets for the lotteries subsequently drawn after the end of the financial year and funds received for specific projects and/or contracts where deliverables have not been completed by the end of the financial year.

	2025 $ 000	2024 $ 000
Lottery income received in advance	957	459
Legacies received to be applied for future spending	4,152	3,963
Contracts invoiced in advance	288	196
Funds held for specific research projects	514	510
	5,911	**5,128**

13 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. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount.

	2025 $ 000	2024 $ 000
Annual leave provision	857	786
Accrued leave in lieu of provision	14	12
Long service leave provision	103	98
	974	**896**

14 Provisions

The provision for unclaimed grants represents the unpaid balances as at the balance sheet date on research and related grants awarded to successful applicants and projects. Awarded grants relate to current and ongoing research funded by the Foundation and to which the Foundation is firmly committed. Provisions for unclaimed grants are recognised when the Foundation has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Unclaimed Grants	2025 $ 000	2024 $ 000
Balance as at 1 July	4,015	3,627
Provisions made during the period	4,724	4,286
Grants drawn during the period	(4,220)	(3,494)
Grants unused	(667)	(404)
Balance as at 30 June	**3,852**	**4,015**

15 Contingent liabilities and assets

At the date of this report there are no known contingent liabilities for which the Foundation may be liable (2024: Nil).

16 Commitments

The total commitment to fund future Project and Travel Grants, Fellowships and Grants-in-Aid as awarded by the Scientific Committee is $7,506,508 (2024: $7,510,928). Included within this balance, is the grant round post 30 June 2025 for projects, fellowships and scholarships of $3,953,101 (2024: $4,068,388).

The Foundation has commitments for the completion of property purchases and building contracts in connection with the lottery programme. Progress payments made or invoiced up to balance date are included in Prepayments. The balance remaining to be invoiced and paid on these contracts is $2,283,002 (2024: $2,527,602).

Rental commitments for all non-cancellable operating leases are:	2025 $ 000	2024 $ 000
Less than one year	129	76
Between 1 and 5 years	212	42
Total operating lease commitments	**341**	**118**

KPMG

Notes to the consolidated financial statements (continued)

17 Related parties

Key management personnel

Members of key management are regarded as related parties and comprise the board members and senior management of the Foundation. Remuneration and other benefits for services provided to the National Heart Foundation are as follows:

	2025 # of personnel	2024 # of personnel	2025 $ 000	2024 $ 000
Board Chair	1	1	24	24
Leadership Group	11	11	2,256	2,066
			2,280	**2,090**

Board members, other than the chair were not remunerated. As at the 30 June 2025, key personnel comprised the Chief Executive, five senior managers, Medical Director and senior advisors for Maori, Pacific, Nutrition, Strategic Planning and Development.

18 Events subsequent to balance date

There have been no other events subsequent to 30 June 2025 that would have a material impact on the consolidated financial statements (2024: nil).

19 Reconciliation of the surplus for the period with the net cash from operation activities

	2025 $ 000	2024 $ 000
Surplus for the year	3,925	3,817
Adjustments for:		
Depreciation and Amortisation	690	862
Lottery house prizes	6,340	6,815
Unrealised losses on investments	(91)	(1,994)
Foreign currency losses	(60)	(100)
Shares in lieu of dividends	(213)	(198)
Profit/(Loss) on sale of investments	(2,456)	95
	8,135	**9,297**
Change in prepayments	(8,661)	(4,180)
Change in inventories and trade receivables	(138)	(111)
Change in trade and other payables	950	(267)
Change in provisions	504	790
Change in unearned income	116	998
Change in employee benefits	77	26
	983	**6,553**

KPMG

Independent Auditor's Report

To the Members of Heart Foundation of New Zealand

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprises:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated statements of comprehensive revenue and expense, changes in equity and cash flows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the consolidated statement of service performance on page 3.

- In our opinion, the accompanying consolidated financial statements of Heart Foundation of New Zealand (the Foundation) and its subsidiaries (the Group) on pages 4 to 21 presents fairly in all material respects:
- the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date; and
- the service performance for year ended 30 June 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods.
- In accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) issued by the New Zealand Accounting Standards Board.

Basis for opinion

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

We are independent of Heart Foundation of New Zealand 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 (Revised) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to lottery audit. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Use of this independent auditor's report

This independent auditor's report is made solely to the Members. Our audit work has been undertaken so that we might state to the Members 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, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Members for our audit work, this independent auditor's report, or any of the opinions we have formed.

© 2025 KPMG, a New Zealand Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document classification: **KPMG Public**

Responsibilities of Members of the board for the consolidated financial statements

The Members of the board, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with PBE Standards issued by the New Zealand Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated financial statements that is free from material misstatement, whether due to fraud or error;
- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE Standards;
- the preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with PBE Standards;
- overall presentation, structure and content of the service performance information in accordance with PBE Standards; and
- assessing the ability of the Group 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 consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole 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 it is not a guarantee that an audit conducted in accordance with ISAs NZ and NZ AS 1 (Revised) 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 the consolidated financial statements.

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

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/

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

KPMG.

KPMG
Auckland
10 October 2025

Board and sub-committee membership and attendance

Director	July 2023 to June 2024				July 2024 to June 2025			
	FRAC Meetings Attended	*FRAC Meetings Held*	*Board Meetings Attended*	*Board Meetings Held*	*FRAC Meetings Attended*	*FRAC Meetings Held*	*Board Meetings Attended*	*Board Meetings Held*
Michael Tomlinson	5	5	5	5	4	5	4	4
Faye Sumner	5	5	5	5	3	5	3	4
Wayne Fletcher	4	5	5	5	4	5	3	4
Aroha Hudson	0	0	3	5	0	0	4	4
Ian Sutcliffe	4	5	4	5	5	5	4	4
Joel Mann	0	0	5	5	0	0	4	4
Malcolm Legget*	0	0	3	5	0	0	1	1
Matire Harwood**	0	0	0	0	0	0	2	3
Raewyn Fisher**	0	0	0	0	0	0	3	3
Steve Anderson	0	0	5	5	0	0	4	4
Gerard Devlin***	0	0	2	2	0	0	0	0
Clive Nelson***	5	5	2	2	5	5	0	0

*Malcolm Legget ceased to be a director from 1 November 2024.

**Matire Harwood and Raewyn Fisher were appointed to the Board on 18 September 2024 and were elected at the 20 November 2024 Board meeting.

***With the adoption of a revised Constitution on 22 November 2023, the Medical Director and Chief Executive became officers who attend Board Meetings.