



2017
ANNUAL
REPORT
EASTERN BAY
PRIMARY HEALTH
ALLIANCE

EBPHA | GENERAL PRACTICE | COMMUNITY



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BACKGROUND

The Eastern Bay Primary Health Alliance (EBPHA) is a Primary Health Organisation (PHO) that is funded by the Bay of Plenty District Health Board and others to support the provision of essential primary health care services through General Practices and Health Providers to the people of the Eastern Bay of Plenty.

EBPHA provides health services either directly or through its Provider members. These services are in place to improve and maintain the health of the enrolled PHO population. The aim is to ensure General Practice services are better linked with

other primary health services to ensure a seamless continuum of care, in particular to better manage long term conditions and reduces inequalities.

EBPHA was established on the 1st October 2010 through the amalgamation of three former PHO's in the Eastern Bay of Plenty. The former PHO's were Eastern Bay; Kawerau and Te Ao Hou, Ōpotiki PHO's.

EBPHA is a Charitable Trust incorporated under the Charitable Trust Act 1957 and registered under the Charities Act 2005 on the 27 July 2010.



*The main frond represents the Eastern Bay Primary Health Alliance.
With the smaller fronds representing our Providers that are in partnership with EBPHA.*

KOTAHITANGA MO NGĀ IWI KATOA
MANA ATUA, MANA TŪPUNA, MANA WHENUA, MANA TANGATA

CHAIRMAN'S REPORT

BRYAN GOULD



The past year was again one of solid achievement. With seven years of experience and achievement behind us, we know what we need to do to meet our responsibilities to our communities.

But we can never say that we can relax or function on auto-pilot. Our task now is to refresh, not to rest on our laurels, to do better the things we already do well, and to identify new tasks, new goals and new horizons.

We have good evidence that the high standards we reach, almost as a matter of course, are well recognised. We have again had success in tendering for the delivery of new services – the Stop Smoking programme, Immunisation, and Support for Breast and Cervical Screening – and we have also been able to save money and achieve higher levels of service by taking back in-house services that were formerly provided by external private contractors.

But major challenges remain. The perennial gap, in terms of health, between our Māori and pakeha communities is not easy to close. Particular health issues, such as mental health, obesity, diabetes and rheumatic fever, require ever more resource, education and effort if they are to be overcome. We need to place greater emphasis on particular areas, such as diet, where we have now directed more resource. Integrated services, delivered closer to home, remain at the heart of what is needed across the board. A strong relationship with general practice is always a priority, and needs constant attention and understanding on both sides.

As always, our achievements – and our plans for the future – rest hugely on the efforts and expertise of our Chief Executive, Michelle Murray, and her hard-working and skilled staff. They have faced a number of unusual challenges over the past year – from moving the whole operation from

the three premises we previously occupied to a single integrated facility in new, virtually purpose-built leased premise, to providing the focused and immediate support needed by our general practices when faced with natural disasters in the form of cyclones and the Edgumbe floods.

*“On top of these efforts, they went on efficiently and conscientiously with their day-by-day jobs.
The Eastern Bay is well served by people like these.”*

The EBPHA Board has again had a good year. We underwent an external review of how we were operating and emerged with a very good report. We are now focused on ensuring that our members can access the level of professional guidance they need on how best to meet their responsibilities. I should like to thank all my colleagues for their care and commitment. It is a pleasure to work with people who share such enthusiasm for what we are trying to achieve.

Bryan Gould

CHIEF EXECUTIVE'S REPORT

MICHELLE MURRAY

This Annual Report highlights the collective commitment of the Eastern Bay Primary Health Alliance Board, staff, Clinical Advisors, General Practice and health Providers to improving health outcomes and reducing inequalities for the Eastern Bay of Plenty (EBOP) population. Eastern Bay Primary Health Alliance is in its seventh year of operation and has had a number of successes as well as felt the impact of some significantly difficult events in the EBOP.

“I am very proud that the Eastern Bay Primary Health Alliance has grown in its service provision through being awarded three new services through tendering processes”.

The new services that provide a robust wraparound service to our General Practices include Stop Smoking/Hāpainga, Immunisation and Support to Service (Breast and Cervical Screening). Furthermore the services have reduced inequalities for the communities we serve. As well as the new services, Eastern Bay Primary Health Alliance in-sourced two services delivered by external contractors, these included Integrated Case Management and Primary Health Counselling. This has created resource efficiencies, provided flexibility to refine the models of care to meet the community demand and increased utilisation of the services by both General Practice and therefore their patients. In addition to the in-sourcing of services, EBPHA has worked closely with the Bay of Plenty District Health Board to increase resources for services where the community demand has increased or gaps in service were identified. For example a service gap was identified under the new Ministry of Health's Childhood Obesity direction, resulting in the Eastern



Bay Primary Health Alliance implementing a new Dietitian Maternal Child and Youth service.

The growth has seen the Eastern Bay Primary Health Alliance move from three separate buildings into one, which has created efficiencies and supported a more integrated approach to service delivery.

The 2016/2017 year has also unfortunately been marked by some difficult events such as a General Practice flood, the Edgumbe flood and the EBOP cyclones that damaged many parts of the EBOP. I am proud of the effort that the General Practices and Eastern Bay Primary Health Alliance made to support the affected General Practices and their enrolled populations. The impact of the Edgumbe flood on families continues and Riverslea Medical Centre, as well as the Eastern Bay Primary Health Alliance continue to work with other health Providers to support these families.

While the 2016/2017 year has seen a lot of successful outcomes, our work is far from done. As usual change continues in the health sector, which creates the need for flexibility and adaptability. During the past 12 months we have had to adapt our strategies and refocus priorities in order to keep pace with the current policy context and meet the needs of the EBOP population to include reducing the inequalities for Māori. To meet

the needs of the EBOP, the Eastern Bay Primary Health Alliance will continue to strengthen integrated and collective approaches; its support for General Practice capacity through increased Programmes to Improve Access that focus on reducing inequalities and achieving the System Level Measures; support medical and nursing students to graduate and be placed in General Practice; provide IT support to General Practices and health Providers with the newly implemented IT tools such as Patient Portals, National Enrolment System, Patient Experience Survey; and deliver services closer to home.

The achievements and support for families during the difficult events is a credit to the continuous effort of all involved and I appreciate everyone's contribution in providing quality community based primary healthcare to the EBOP communities.

I would like to thank Bryan Gould and the EBPHA Board for their direction and support. I would also like to thank the EBPHA staff who have worked extremely hard this year towards the achievements mentioned above.

2017/2018 will be just as exciting and challenging through the pending outcome of the Government elections and with the Eastern Bay Primary Health Alliance's strategic direction of integration; consolidation of growth; support nationally for improvement in General Practice funding; the achievement of the System Level Measures; the social investment focus; the increased mental health focus; the rollout of the integrated community nursing services; care closer to home (health care homes) and continuous refinement of services.

Thank you to everyone who supported the EBPHA and I look forward to working with you all in 2017/2018.

Michelle Murray
Chief Executive

VISION

Healthy Whānau, Healthy Lives

MISSION

To lead community health care

VALUES

+ ASPIRATIONAL

to be passionate (care) about all we do, thereby delivering superior value to our communities. We aspire to be recognised as an innovative health leader.

+ RESPECT

to respect all individuals, value their contributions, and recognise the importance of diversity. We will work collaboratively with all health Providers, communities and sectors to ensure everyone can enjoy a healthy life.

+ EXCELLENCE

to be our best in everything we do. We will deliver high quality services for the best possible outcomes.

**WE
ARE
EASTERN BAY
PRIMARY
HEALTH
ALLIANCE**

STRATEGIC INTENTIONS 2015–2020

FUTURE FOCUSED, INTERWOVEN AND SUSTAINABLE



HĀPAINGA STOP SMOKING



SUPPORT TO SCREENING



MATERNITY, CHILD AND YOUTH DIETITIAN



IMMUNISATION MODEL OF CARE



INTEGRATED CASE MANAGEMENT



PRIMARY HEALTH COUNSELLING



TAKING RESPONSIBILITY FOR YOUR HEALTH



HEALTHY HOME REFERRALS

Damp, cold homes are a major contributor to poor health. The EBPHA have made healthy homes a primary focus when visiting homes and as such have made 26 referrals to Sustainable Options this year. Twenty five of those referrals have been assessed and approved with homes receiving between **\$500 TO \$5,000** worth of improvements on their homes.



RHEUMATIC FEVER IN RURAL SCHOOLS

Through effective **COLLABORATION** between the EBPHA RF Team Lead, Te Kura Mana Māori o Maraenui (Kura), Whakatōhea RF team and Te Whānau-ā-Apanui Medical Centre, the Kura is now undertaking their own RF prevention activity. Taking on average three swabs per week for the Kura's 58 enrolled tamariki and delivering these to the Medical Centre has greatly improved health outcomes and efficiencies. Discussions have occurred around how this model can be implemented in other rural schools.

RELATIONSHIPS



HEALTH PLANNING TOOL

This year saw all 12 Practices using the Health Planning Tool which brings into one, information about the holistic wellbeing of a patient. This multidisciplinary approach has seen an increase in referral numbers this year by **290%**.

THE YEAR IN NUMBERS

WE SERVE A POPULATION OF

48,037

PEOPLE IN 12 PRACTICES

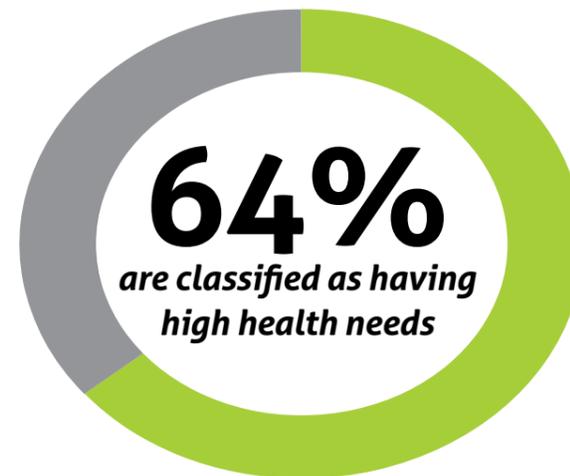
35%
under 25



48%
IDENTIFY AS HAVING
MĀORI ETHNICITY

18%
65 +

47%
LIVE IN DEPRIVED
CIRCUMSTANCES



705
BABIES
WERE BORN IN EBOP

GENERAL PRACTICES



The EBPHA has a PHO Services Agreement with the Bay of Plenty District Health Board to provide a set of essential primary care services. These services are reflected through the Contracted Provider Agreements we have with our 12 Partners. The benefits of this partnership are that Practices receive capitation funding based on their enrolled population and their patients are able to access some services for free. A Practice can apply to have Very Low Cost Access (VLCA) status where the criteria is based on 50% of their enrolled population being "high needs". Ten of our 12 Practices have VLCA status and receive additional

funding to allow for subsidised consultations for their patients. This year Riverslea Medical Centre were badly affected by the onslaught of Cyclone's Cook and Debbie forcing them and most of the community of Edgumbe to evacuate. He Tohunga Ora mō Rangitāiki and Te Kura o Te Teko made available premises at 8 Te Teko Road for Riverslea Medical Centre to operate from as the clean-up of Edgumbe began and is still continuing today. This was a true example of community goodwill and absolute resilience by the team to ensure minimal disruption to patients.

1,504
Increased Enrolments

1,563
Tracked ICT and practice support contacts

5%
Increased in capitation paid to EBOP practices

 the doctors
PHOENIX

 Church St Surgery
The home of quality healthcare

 Ohope Beach
MEDICAL CENTRE

 the doctors
KOPEPEO

**WHAKATŌHEA
HEALTH CENTRE**

 TE POU ORANGA O
WHAKATŌHEA
Whānau Ora, Hāpū Ora, Kā Ora ahi nei

**RIVERLEA MEDICAL
CENTRE**



 Kawerau
Medical
Centre
Te Haka Māori o Te Huarua
The Future of Health Care

**TOTAL
\$8.9m**

 Med Central

**TARAWERA
MEDICAL
CENTRE**

**Capitation Paid
to Practices**

**TOI ORA
HEALTH**

TOTAL HEALTH
the doctors
care for you

 Tāneatua
MEDICAL
CENTRE

Welcome

PROGRAMMES TO IMPROVE ACCESS

The EBPHA has continued to support General Practice and their patients through the provision of PIAs. While the allocation of PIA's can depend on the size of a Practice, it is very much Practice driven.



**GREEN
PRESCRIPTION**



**CARDIOVASCULAR
RISK ASSESSMENT**



**YOUTH HEALTH
CHECK**



**BREAST SCREENING
ENROLMENT**



**PNEUMOVAX
IMMUNISATION**



WHAZZUP CHECK



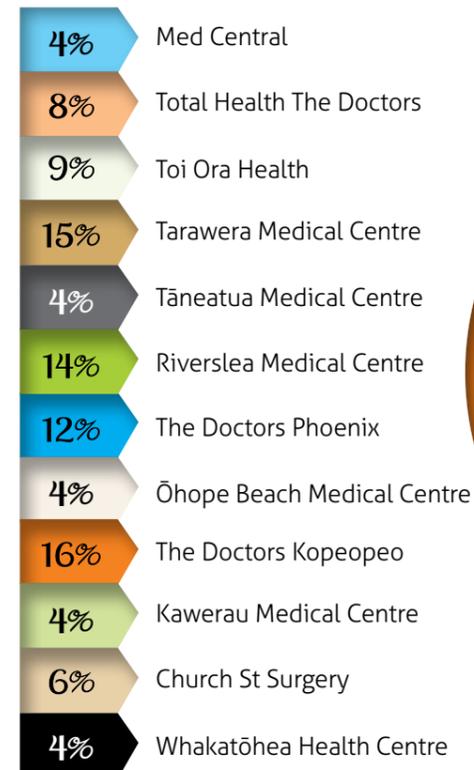
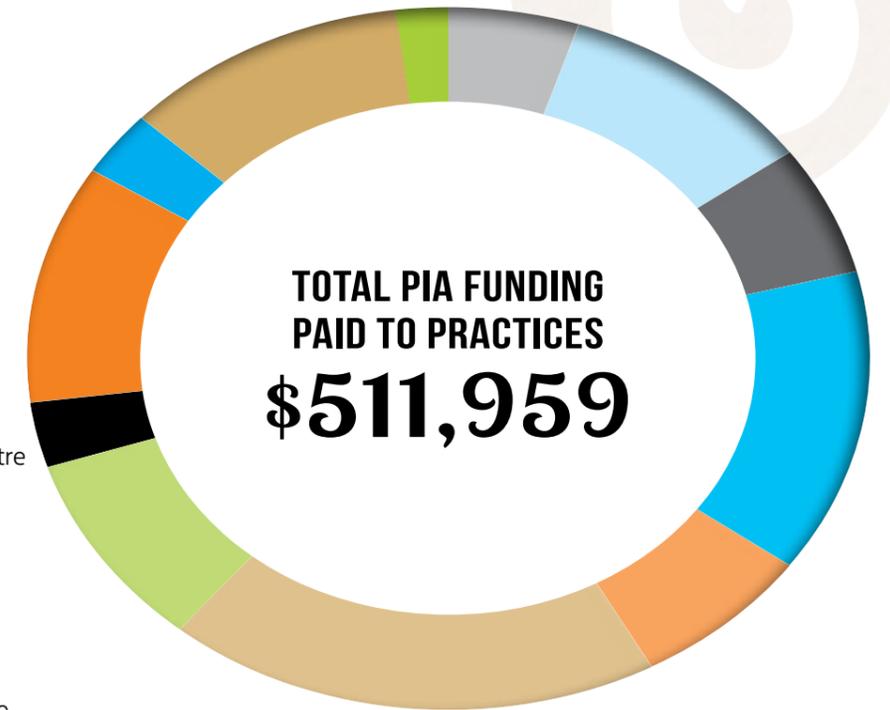
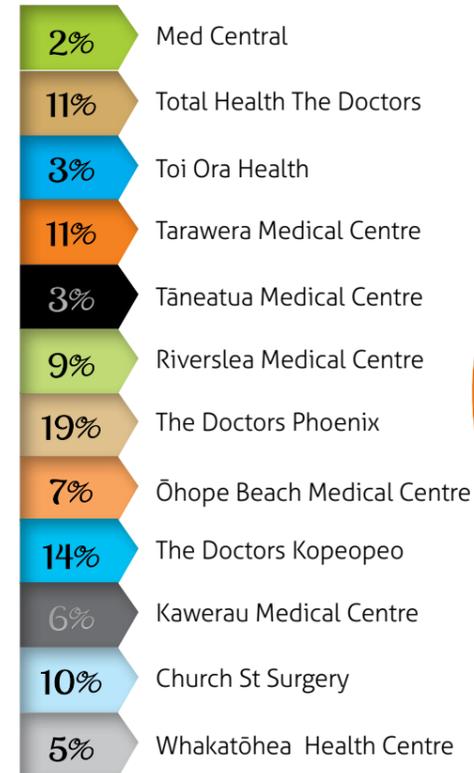
PALLIATIVE CARE



**SMOKING CESSATION
SUPPORT**



**CERVICAL
SCREENING**



COMMUNITY SERVICES

The EBPHA has 28 contracted health services that are delivered to the Eastern Bay of Plenty population. As such we have been able to offer employment to an additional 19 people this year increasing our staffing numbers from 40 to 59.

Our new services Hāpainga Stop Smoking and Immunisation Model of Care extend beyond the Eastern Bay to the Western Bay where we have in place Partnerships and Collectives. We would like to

acknowledge Ngā Mataapuna Oranga PHO, Te Manu Toroa and Te Puna Hauora who we have Partnered with to deliver the Hāpainga service; and the Immunisation Model of Care Collective who include Ngā Mataapuna Oranga PHO and Community Health 4 Kids.

Several of our services are out sourced to other Community Providers who do a fantastic job in ensuring we meet our commitment to funders and more importantly the community.



SNAP SHOT OF SERVICES

1,414 Women were screened for cervical cancer by Practices

282 Eligible women who had never screened or not screened for the last five years for cervical or breast cancer were contacted by EBPHA's new Support to Screening Service

277 Clients attended Long Term Conditions self-management classes

334 Clients received Community Podiatry service

1,288 Clients were screened by the Diabetes Retinal service

384 Vaccinations throughout rural and isolated communities carried out by the Out Reach Immunisation services

643 Clients assisted and navigated through EBOP health services by the Integrated Case Management service

2,762 Throat swabs of children were taken by the Kawerau Rheumatic Fever Prevention service

1,555 Skin assessments of children were carried out and 1,073 healthy skin packs were given out by the Kawerau Cellulitis Prevention service to prevent serious skin infections from occurring

862 Throat swabs taken by the Rapid Response services throughout the Whakatāne community

414 Children in Kawerau and Whakatāne communities were identified as having a Strep A throat infection and at risk of developing rheumatic fever

256 Minor skin surgeries were carried out by GP's to detect and prevent melanoma and non-melanoma skin cancer

4,685 Visits were made by high school students to School Based Health service nurses and GPs

338 Assessments for psychosocial health and wellbeing, hearing, vision, chronic illness were carried out with high school students by the school based health service

1,143 Sexual health consults were carried out by School Based Health service nurses

567 Injuries and accidents were treated by School Based Health service nurses

1,571 Clients in the EBOP received smoking cessation advice from practices

499 Clients were enrolled into Hāpainga Stop Smoking Service across the Bay of Plenty in the last six months

1,052 Clients were seen by the Primary Health Counselling service

13,040
Contacts with patients or clients were made by staff of EBPHA

FINANCIAL STATEMENTS

Eastern Bay Primary Health Alliance

FINANCIAL STATEMENTS for the year ended 30 June 2017

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Eastern Bay Primary Health Alliance

DIRECTORY

<u>CHIEF EXECUTIVE</u>	Michelle Murray
<u>CHAIRMAN</u>	Bryan Gould
<u>BOARD OF TRUSTEES</u>	Dr Mark Hayward Timi Peri Angela Jackson Donald Riesterer Linda Steel Amohaere Tangitu Sharon Kennedy-Muru Cathy Cooper Erin Beeler
<u>LOCATION</u>	31 Richardson Street Whakatane, 3120
<u>BANKER</u>	ASB Bank Ltd P O Box 35 Shortland Street Auckland
<u>ACCOUNTANTS</u>	Goldsmiths Chartered Accountants Level 1 189 The Strand Whakatane, 3120
<u>AUDITORS</u>	Ingham Mora P O Box 222 Tauranga
<u>SOLICITORS</u>	Burley Attwood Law Monmouth House 41 Monmouth Street Tauranga, 3141

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Eastern Bay Primary Health Alliance

Opinion

We have audited the financial statements of Eastern Bay Primary Health Alliance ("the Trust") on pages 19 to 32, which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2017 and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity 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)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Eastern Bay Primary Health Alliance.

Other Information

The Trustees are responsible for the other information. The other information is included on pages 2 to 13 in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Eastern Bay Primary Health Alliance

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

for the year ended 30 June 2017

	2017 \$	2016 \$
Revenue from Non-Exchange Transactions	0	0
	0	0
Revenue from Exchange Transactions		
DHB Funding	7,010,719	6,019,370
Interest	40,220	64,754
Other Income	24,800	123,112
	7,075,739	6,207,236
Total Revenue	7,075,739	6,207,236
Expenses		
Governance	63,494	65,675
Personnel	2,410,127	1,809,478
Service Delivery	2,761,388	3,485,171
Other Expenses	1,377,723	808,614
Depreciation	40,209	32,130
	6,652,941	6,201,068
Total Expenses	6,652,941	6,201,068
Total Surplus for the Year	422,798	6,168
Other Comprehensive Revenue and Expenses	0	0
Total Comprehensive Revenue and Expenses	422,798	6,168

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the New Zealand External Reporting Board's website.

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx.

The engagement partner on the audit resulting in this independent auditor's report is Richard Dey.

Ingham Mora

INGHAM MORA
Tauranga
16 October 2017

These financial statements should be read in conjunction with the notes to the financial statements

Eastern Bay Primary Health Alliance

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 30 June 2017

	Retained Surplus \$	Total Equity \$
Opening Balance at 1 July 2016	2,596,239	2,596,239
Surplus for the Year	422,798	422,798
Other Comprehensive Income	0	0
Transfers	0	0
Closing Equity at 30 June 2017	3,019,037	3,019,037
Opening Balance at 1 July 2015	2,590,071	2,590,071
Surplus for the Year	6,168	6,168
Other Comprehensive Income	0	0
Transfers	0	0
Closing Equity at 30 June 2016	2,596,239	2,596,239

Eastern Bay Primary Health Alliance

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash equivalents	5	2,628,167	2,351,732
Term Deposits	6	750,000	519,841
Accounts Receivable	7	448,375	391,034
		<u>3,826,542</u>	<u>3,262,607</u>
CURRENT LIABILITIES			
Trade Payables and Accruals		925,901	707,489
Goods and Services Tax		26,789	38,258
Income in Advance			0
		<u>952,690</u>	<u>745,747</u>
WORKING CAPITAL		2,873,851	2,516,860
NON-CURRENT ASSETS			
Property Plant and Equipment	8	138,306	73,804
Intangible Assets	9	6,880	5,575
		<u>145,186</u>	<u>79,379</u>
TOTAL NET ASSETS		3,019,037	2,596,239
AS REPRESENTED BY			
Total Equity	10	<u>3,019,037</u>	<u>2,596,239</u>

Signed for and on behalf of the Board of Trustees who authorised
these financial statements for issue on 9 October 2017


Trustee


Chief Executive

These financial statements should be read in conjunction with the notes to the financial statements

These financial statements should be read in conjunction with the notes to the financial statements

Eastern Bay Primary Health Alliance

CASH FLOW STATEMENT

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts			
Receipts from Non-Exchange Transactions		0	0
Receipts from Exchange Transactions		7,016,377	6,081,312
GST		8,598	0
		<u>7,024,975</u>	<u>6,081,312</u>
Payments			
Payments to Suppliers		4,121,632	4,341,343
Payments to Employees		2,363,723	1,761,897
GST			1,373
		<u>6,485,355</u>	<u>6,104,613</u>
Net Cash Flows from Operating Expenses		<u>539,620</u>	<u>(23,301)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Receipts			
Interest Received		40,784	45,634
		<u>40,784</u>	<u>45,634</u>
Payments			
Intangible Assets		11,345	1,247
Term Deposit		230,159	0
Property Plant & Equipment		62,465	41,762
		<u>303,969</u>	<u>43,009</u>
Net Cash Flows from Investing Expenses		<u>(263,185)</u>	<u>2,624</u>
Net Cash Flows from Financing Expenses		0	0
Net Increase / (Decrease) in Cash and Cash Equivalents		276,435	(20,676)
Cash and Cash Equivalents at 1 July		2,351,732	2,372,408
Cash and Cash Equivalents at 30 June	5	<u>2,628,167</u>	<u>2,351,732</u>

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

1 REPORTING ENTITY

The reporting entity is Eastern Bay Primary Health Alliance (the "Alliance"). The Alliance is domiciled in New Zealand and is a charitable organisation registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

The financial statements of the Alliance for the year ended 30 June 2017 were authorised for issue by the Board of Trustees on 9 October 2017.

2 STATEMENT OF COMPLIANCE

The Alliance's financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Alliance is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the Alliance not preparing a Statement of Service Performance for both reporting periods.

3 CHANGES IN ACCOUNTING POLICY

For the year ended 30 June 2017, there have been no changes in accounting policies.

4 SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

Basis of Measurement

These financial statements have been prepared on the basis of historical cost.

Functional and Presentational Currency

The financial statements are presented in New Zealand dollars (\$), which is the Alliance's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

These financial statements should be read in conjunction with the notes to the financial statements

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Alliance and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from Non-Exchange Transactions

Grants

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Revenue from Exchange Transactions

Government Contracts Revenue

Government Contracts Revenue are recognised as income to the extent that the services have been provided. At year end, where services have not been provided, the balance of the funds received is held as Income in Advance.

Interest Revenue

Interest revenue is recognised as it accrues, using the effective interest method.

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Financial Instruments

Financial assets and financial liabilities are recognised when the Alliance becomes a party to the contractual provisions of the financial instrument.

The Alliance derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Alliance has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Alliance has transferred substantially all the risks and rewards of the asset; or
- the Alliance has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Alliance's financial assets are classified as loans and receivables or as available for sale financial assets. The Alliance's financial assets include: cash and cash equivalents, short-term deposits, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Alliance's cash and cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions fall into this category of financial instruments.

Available for Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Impairment of Financial Assets

The Alliance assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there are any objective evidence of impairment, the Alliance first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Alliance determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial Liabilities

The Alliance's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Cash and Cash Equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Term Deposits

Term deposits which have a term of greater than three months but less than twelve months are treated as short-term investments under current assets and do not fall into the category of cash and cash equivalents. Term deposits which have a term of greater than twelve months are treated as a non-current asset.

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a diminishing value or straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Plant & Equipment	10%dv to 25%dv
Fixtures & Fittings	10%dv to 20%dv
Information Technology Equipment	25%dv to 67%dv

Significant Judgements and Estimates

In preparing the financial statements, the Board of Trustees is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The Alliance bases its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Alliance. Such changes are reflected in the assumptions when they occur.

Income Tax

Due to its charitable status, the Alliance is exempt from income tax.

Intangible Assets

Intangible assets are initially recognised at cost when acquired and then using the cost model with the asset being carried at cost less any accumulated amortisation and any accumulated impairment losses. The intangible assets have been assessed as having a finite useful life of two or three years and will be amortised over that period using the straight-line method.

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

5 CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Petty Cash	303	44
ASB Bank Ltd - 00 Account	95,475	78,730
ASB Bank Ltd - 50 Account	1,960,680	1,716,234
ASB Bank Ltd - 53 Account	571,709	556,724
	<u>2,628,167</u>	<u>2,351,732</u>

6 TERM DEPOSITS

	2017	2016
	\$	\$
ASB Term Deposit	750,000	519,841
	<u>750,000</u>	<u>519,841</u>

Reported as:	2017	2016
Current Assets	3,378,167	2,871,573
Non-Current Assets	0	0
	<u>3,378,167</u>	<u>2,871,573</u>

7 ACCOUNTS RECEIVABLES

	2017	2016
	\$	\$
Accounts Receivable	415,037	388,102
Accrued Interest	2,367	2,932
Rent Paid in Advance	30,971	-
	<u>448,375</u>	<u>391,034</u>

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

8 PROPERTY PLANT & EQUIPMENT

	Plant & Equipment \$	Fixtures & Fittings \$	Technical Equipment \$	Total \$
2017				
Opening Balance	10,187	23,784	127,160	161,131
Additions	12,898	44,382	56,985	114,265
Disposals	(5,598)	(3,120)	(18,886)	(27,604)
Closing Balance	<u>17,487</u>	<u>65,046</u>	<u>165,259</u>	<u>247,792</u>
Opening Accumulated Depreciation	2,704	10,382	74,241	87,327
Depreciation on Disposals	(1,552)	(1,885)	(14,613)	(18,050)
Depreciation Charge for Year	2,264	2,551	35,394	40,209
Closing Accumulated Depreciation	<u>3,416</u>	<u>11,048</u>	<u>95,022</u>	<u>109,486</u>
Closing Book Value	<u>14,071</u>	<u>53,998</u>	<u>70,237</u>	<u>138,306</u>

2016				
Opening Balance	11,476	18,974	107,331	137,781
Additions	0	4,810	37,820	42,630
Disposals	(1,289)	0	(17,991)	(19,280)
Closing Balance	<u>10,187</u>	<u>23,784</u>	<u>127,160</u>	<u>161,131</u>
Opening Accumulated Depreciation	1,213	8,171	61,008	70,392
Depreciation on Disposals	(21)	0	(15,174)	(15,195)
Depreciation Charge for Year	1,512	2,211	28,407	32,130
Closing Accumulated Depreciation	<u>2,704</u>	<u>10,382</u>	<u>74,241</u>	<u>87,327</u>
Closing Book Value	<u>7,483</u>	<u>13,402</u>	<u>52,919</u>	<u>73,804</u>

9 INTANGIBLE ASSETS

	2017 \$	2016 \$
Internally Generated:		
Opening Cost	13,518	13,300
Additions	11,712	218
Closing Balance	<u>25,230</u>	<u>13,518</u>
Opening Accumulated Amortisation	7,943	1,897
Amortisation Charge for Year	10,407	6,046
Closing Balance	<u>18,350</u>	<u>7,943</u>
Closing Book Value	<u>6,880</u>	<u>5,575</u>

Amortisation charge for the year is included in Other Expenses.

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

10 TOTAL EQUITY

	2017	2016
	\$	\$
<u>Retained Surplus</u>		
Balance at Start of Year	2,596,239	2,590,071
Net Surplus for Year	422,798	6,168
	<u>3,019,037</u>	<u>2,596,239</u>
Transfers from / (to) Reserves:	0	0
	<u>3,019,037</u>	<u>2,596,239</u>
<u>TOTAL EQUITY AND RESERVES</u>	<u>3,019,037</u>	<u>2,596,239</u>

11 RELATED PARTY TRANSACTIONS

Dr Mark Haywood is a director of Toi Ora health Opotiki Limited which has been paid \$629,123.86 in practice payments for the year with an amount owing of \$3,736.90. (2016: Paid \$565,624.33 with amount owing \$7,148.12)

Erin Beeler is a director in East Bay Podiatry which has been paid \$121,921.91 in payments for the year with an amount owing of \$10,664.87. (2016: Paid \$135,107.24 with amount owing \$10,664.87)

No related party debts have been written off or forgiven during the year.

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, comprises of the Board of Trustees, the Chief Executive Officer and the Business Manager. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2017	2016
	\$	\$
Total Remuneration	<u>285,362</u>	<u>296,922</u>
Number of FTE's	<u>2.11</u>	<u>2.11</u>

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

12 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the statement of financial position relate to the

	2017	2016
	\$	\$
Financial Assets		
<u>Loans and Receivables</u>	448,375	391,034
	<u>448,375</u>	<u>391,034</u>
Financial Liabilities		
<u>At Amortised Cost</u>	952,690	745,747
	<u>952,690</u>	<u>745,747</u>

13 CAPITAL COMMITMENTS

There are no commitments to capital purchases at balance date (2016: \$Nil).

14 CONTINGENT ASSETS AND LIABILITIES

The trustees are not aware of any contingent assets or liabilities at balance date (2015: \$Nil).

15 EVENTS AFTER THE REPORTING DATE

The Board is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Eastern Bay Health Alliance. (2016: \$Nil).

NOTES

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

17 Commitments Under Non-Cancellable Operating Leases:

	This year	Last year
Not later than one year	211,173	148,210
Later than one year and not later than 5 years	758,245	24,947
Later than 5 years	185,824	-
Total Operating Lease Commitments	\$ 1,155,242	\$ 173,157

Lease of Property	Rental time	Monthly Rate	
Louvain Street	6 years	15,485.33	Right to renew every two years after.
Photocopier	35 months	649.96	
Vehicles			
HEN16	7 months	349.62	
KCE981	2 months	864.36	
KCE982	2 months	864.36	
KCE983	2 months	864.36	
KCE984	2 months	864.36	
KFS50	6 months	864.25	
JB993	10 months	300.21	

The total cost of leases during the year is \$260,363 (2016: \$194,564) and is included in other expenses.

18 Revenue from Exchange Transactions

In accordance with PBE IPSAS 9 amounts collected on behalf of third parties are not recognised as revenue. The amounts collected and paid on behalf are:

	2017	2016
Capitation	8,949,041	8,490,694
Rural After Hours	80,212	136,389
Rural Primary Health Care Premium	397,247	288,199

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