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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



For the Eastern Bay Primary Health Alliance (EBPHA), the past year was for the most part business as usual. That meant that, as her report makes clear, our Chief Executive, Michelle Murray, and her first-class team,

“Maintained over the whole period their usual high standards of commitment and performance in delivering primary health care to patients in the Eastern Bay.”

But in other respects, the year was by no means without incident. The performance of our usual tasks was achieved against a backdrop of considerable disruption. This began with the decision by Green Cross, the private firm that owns a number of general practices across the country, to move their practices in the Eastern Bay from EBPHA and to sign up instead with the Western Bay PHO (WBoP). The reason they gave for doing so was that they believed that the WBoP would allow them more discretion as to what they did with their funding and they presumably saw in this a possibility that would benefit their shareholders.

Whatever their motivation, their decision caused a temporary rupture in the EBPHA's relationship with the WBoP. That rupture was quickly remedied, but it was no doubt one of the factors that prompted the District Health Board (DHB) to issue a formal Request for Information, which required the three PHOs in the Bay as a whole to produce a combined response that would describe how they would work together to deliver more effective health care to patients and would address the central issue of the disparity between Māori and non-Māori health outcomes.

The preparation of that combined response was a major undertaking that occupied a great deal of the attention and energy of the respective Boards and staffs of the PHOs involved. The outcome, which is currently being evaluated by the DHB, was a constructive and well thought-out proposal for improvements in the way that the three PHOs work together; we believe that it offers the real prospect of better delivery of primary health

care and of a successful attack on inequality (not to say inequity) in health outcomes.

Throughout the year, I was very grateful for the excellent work of Michelle Murray and her team, and for the continued support and cohesion of my Board. We lost some members during the course of the year and I pay particular tribute to the long and faithful service of Don Riesterer and Timi Peri. We also welcomed some new members, including Fiona Wiremu and Dr Paul Anderson and a returning member in Shaneen Almond-Simpson.

As the year concluded, I was obliged, on health grounds, to tender my resignation from the Board. I regard the eight years I spent as Chair as among the most worthwhile things I have done, and I wish all my colleagues the best of success for the future in the important and valuable work they do.

Bryan Gould

Board Chair

A handwritten signature in black ink that reads "Bryan Gould". The signature is written in a cursive, flowing style.

CHIEF EXECUTIVE'S REPORT

MICHELLE MURRAY

This Annual Report highlights the collective commitment of the Eastern Bay Primary Health Alliance (EBPHA) Board, staff, Clinical Advisors, General Practice and health Providers in improving health outcomes and reducing inequalities for the Eastern Bay of Plenty (EBoP) population. With the ongoing changing health environment and the endless list of activities to do, I would like to take this opportunity to reflect on the achievements of 2017/2018, noting the list below is not exhaustive.

STRATEGIC INTENTIONS

A refined EBPHA Strategic Intentions for 2018 – 2019 was implemented (refer to Page 6). The key changes included the addition of a fourth outcome, centred specifically around General Practice and an overarching focus on effective and equitable primary care services that meet the needs of our population.

PRIMARY CARE ENVIRONMENT

The Bay of Plenty District Health Board (BoPDHB) sought a request for information from the three Bay of Plenty PHOs in relation to how primary care can improve, particularly around Health Target performance, achievement of the BoPDHB's Strategic Health Services Plan, better outcomes for Māori and more collaborative approaches. The three PHOs submitted a collective proposal to the BoPDHB that includes proposed changes to the local health system.

EBPHA held a farewell for the Green Cross staff and acknowledged the General Practice staff for their longstanding and significant contribution to the EBPHA with regard to leadership, advocacy for patient outcomes, health target achievement, input into service design and for their staff resilience and unwavering dedication to providing quality patient care during an extended period of uncertainty and significant change.

NEW IMMUNISATION MODEL OF CARE (MOC)

A concerted bay wide effort towards implementation and continual modification of the new immunisation



MoC. I am proud of the collaborative approach taken by the Collective PHOs and Community Health for Kids. The collective approach has addressed a number of system issues and seen improved performance for missed kids and the Māori population. For the EBPHA we have increased performance by 7% from the period ending June 2017 to the period ending June 2018.

INTERNATIONAL RECOGNITION - INTEGRATED CASE MANAGEMENT (ICM)

The ICM team has operated as part of the EBPHA for the past four years. In October 2017, the team was asked to submit an abstract for the 18th International Conference on Integrated Care in Utrecht, Netherlands which was peer reviewed by the International Foundation for Integrated Care and accepted. At every conference, the Integrated Care Academy awards Best Paper Awards to the most innovative, relevant and impactful presentations and the ICM abstract was nominated and short-listed for an award. The EBPHA now receives enquires from around the world to gain an understanding of the ICM MoC.

HĀPAINGA/STOP SMOKING SERVICE

The Hāpainga service remains top of the country for its quit smoking rate with a 75% successful quit smoking rate at four weeks. Again I am proud of the collaborative approach between the EBPHA and Ngā Mataapuna Oranga PHO, with credit to the five practitioners from EBPHA, Te Manu Toroa and Te Puna Hauora ki Uta ki Tai. For the EBPHA we have improved performance by 6%

from the period ending June 2017 to the period ending June 2018. EBPHA is now exceeding the Better Help for Smokers to Quit Health Target.

OTHER

Successful implementation of Patient Portals, National Enrolment System with the EBPHA leading the way nationally; Patient Experience Survey; organisation wide Health and Safety processes; Nurse Entry into Specialist Practice (NetP) within general practice and the commencement of the General Practice Strategy Relationship with owners.

“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 inequalities for Māori. To meet the needs of the EBoP, the EBPHA will continue to strengthen integrated and collaborative approaches with key stakeholders.”

While the 2017/2018 year has seen a lot of successful outcomes, our work is always far from done. As usual change continues in the health sector, which creates the need for flexibility and adaptability.

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 and General Practices who have worked extremely hard this year towards the achievements mentioned above.

2018/2019 will see the EBPHA providing a strengthened strategic approach with our nine General Practices. Some of the key initiatives to support our General Practices include the implementation of the Mōhio dashboard to support a simpler and easier claiming system; a new funding and claiming model; a single point of referral system (phased approach); support for medical and nursing students to graduate and be placed in General Practice; investigation of a centralised locum support service; support for innovative approaches; achievement of the System Level Measures; investigation of other models of care to

include Health Care Homes and the Alaskan Nuka model; strengthened General Practice strategy relationships; and the redesign of the Programmes to Improve Access. In addition to General Practice the EBPHA will focus on working more closely with Iwi Providers and implement the outcomes from the Primary Care proposal as mentioned above.

Thank you to everyone who supported the EBPHA and I look forward to working with you all in 2018/2019.



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 2018–2020

EASTERN BAY PRIMARY HEALTH ALLIANCE (EBPHA) PHILOSOPHY

Respect for kotahitanga mo ngā iwi katoa. Mana Atua, Mana Tūpuna, Mana Whenua, Mana Tangata



EBPHA will develop and deliver effective and equitable primary care services that meet the needs of our population. As a region the Eastern Bay of Plenty experiences persistent health and social inequalities particularly for Māori, children and people living with long-term chronic conditions. EBPHA is committed to reducing these inequalities through ensuring there is an equity based and evidence informed approach to our service delivery. This will ensure those with the greatest need receive the services and support they require.

The EBPHA Annual Plan will identify those particular areas we will direct our resources on to give effect to our impact and outcomes.

THE YEAR IN NUMBERS

WE SERVE A POPULATION OF

488,521

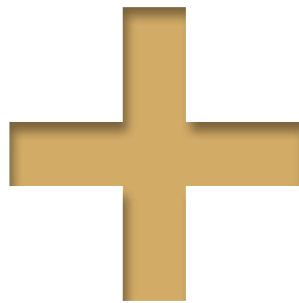
PEOPLE IN 12 PRACTICES

35%
under 25

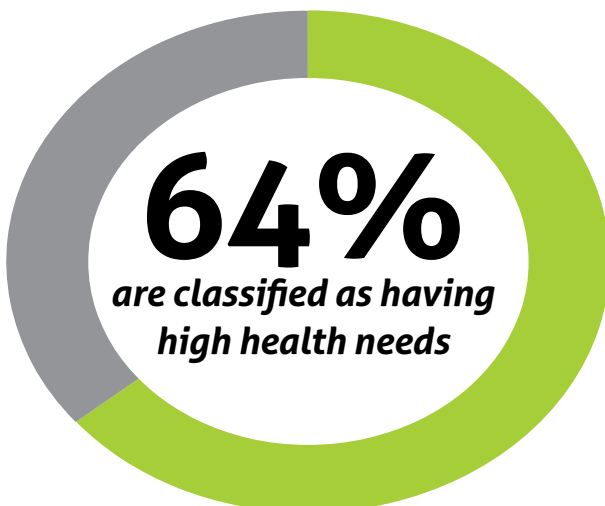


49%
IDENTIFY AS HAVING
MĀORI ETHNICITY

18%
65+



49%
LIVE IN DEPRIVED
CIRCUMSTANCES



780
BABIES
WERE BORN IN EBOP

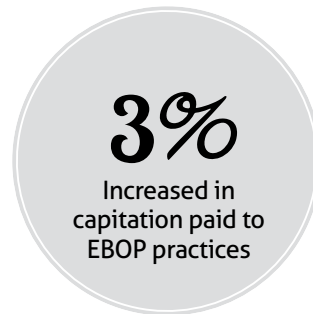
GENERAL PRACTICES



Under the PHO services agreement, EBPHA provides a set of essential primary care services through Contracted Provider agreements with our 12 General Practices. 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. Ten of our 12 Practices have Very Low Cost Access (VLCA) status due to over 50% of their enrolled population being "high needs". This means they receive additional funding to allow for subsidised consultations for their patients.

EBPHA would like to acknowledge the hard work, dedication and effort General Practice practitioners (GPs), nurses and operational staff have undertaken throughout the year to meet the often complex and 'far from routine' needs of their patients. It is appreciated by EBPHA and the wider Eastern Bay community.

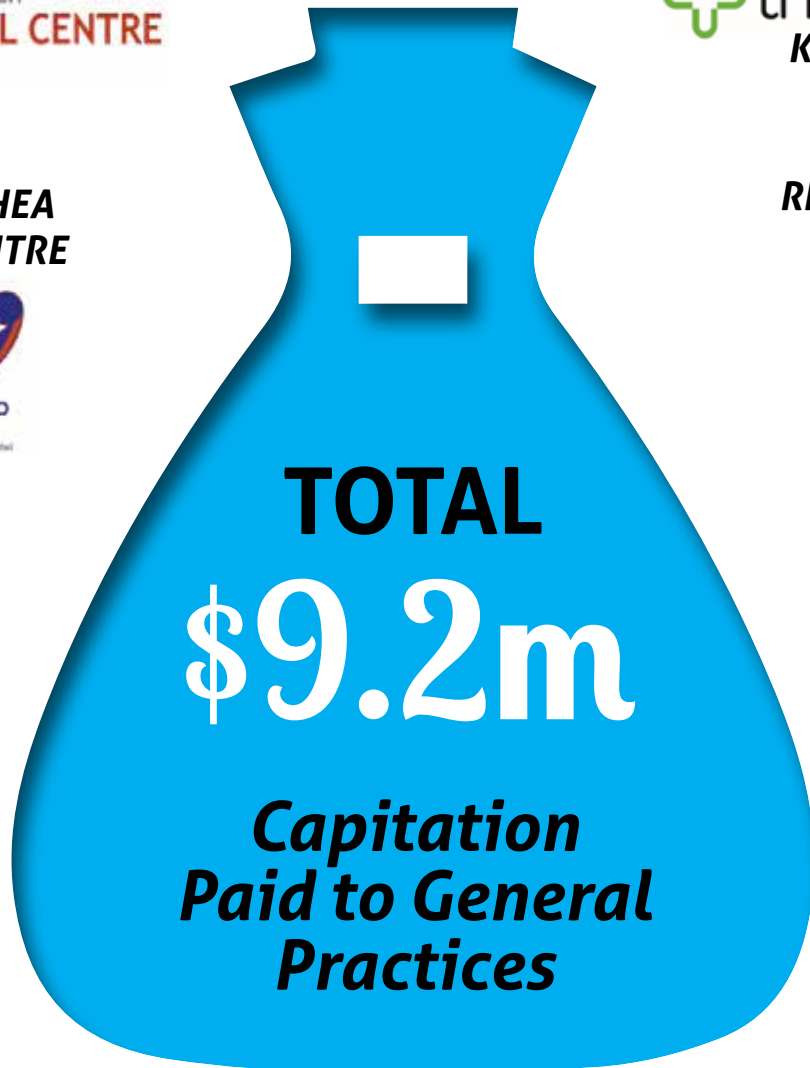
Through combined efforts, we have exceeded the Ministry of Health (MoH) 'Better help for smokers to quit' target. Whilst we have not achieved the MoH 'Increased Immunisation' target, we have seen an increase from the previous year.





**WHAKATŌHEA
HEALTH CENTRE**

**RIVERLEA MEDICAL
CENTRE**



**TOTAL
\$9.2m**

**Capitation
Paid to General
Practices**

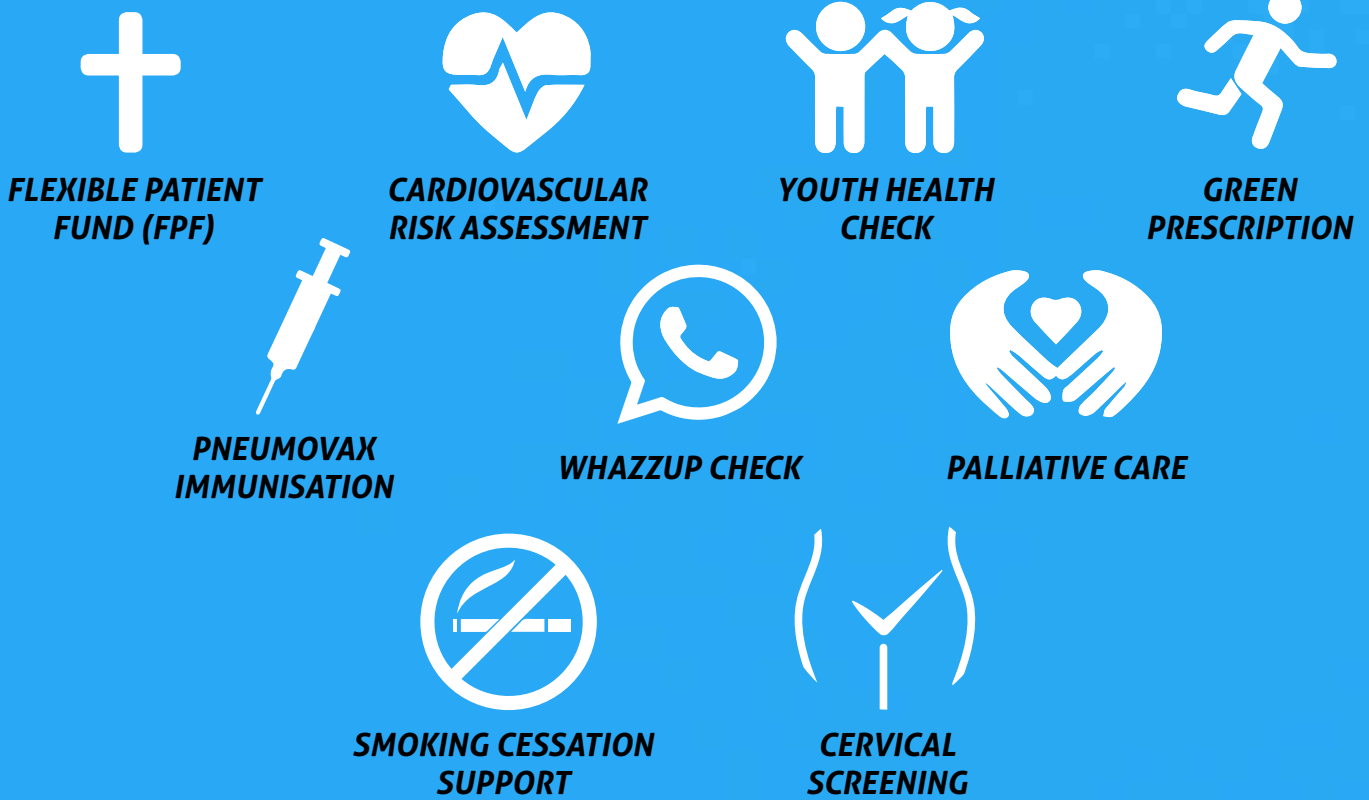
**TARAWERA
MEDICAL
CENTRE**

**TOI ORA
HEALTH**

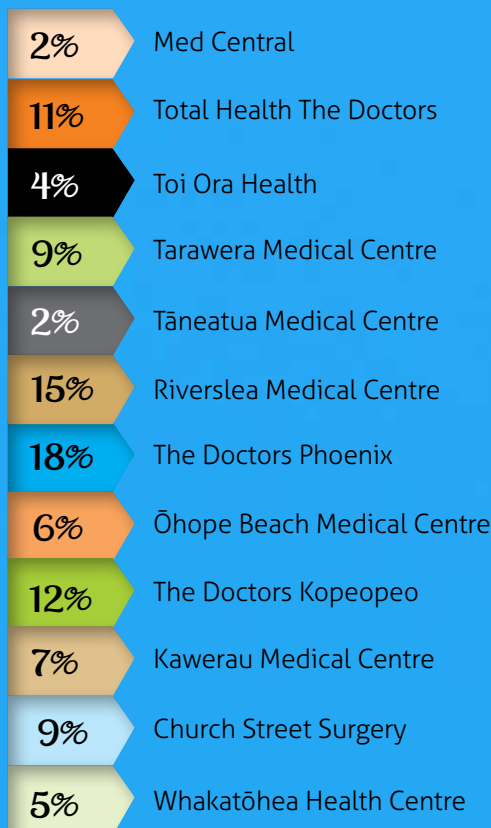


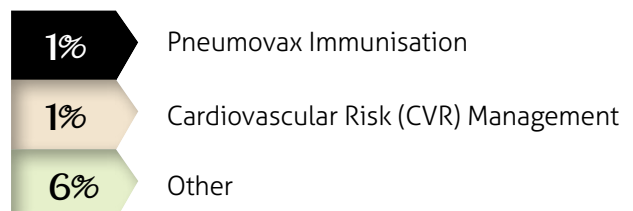
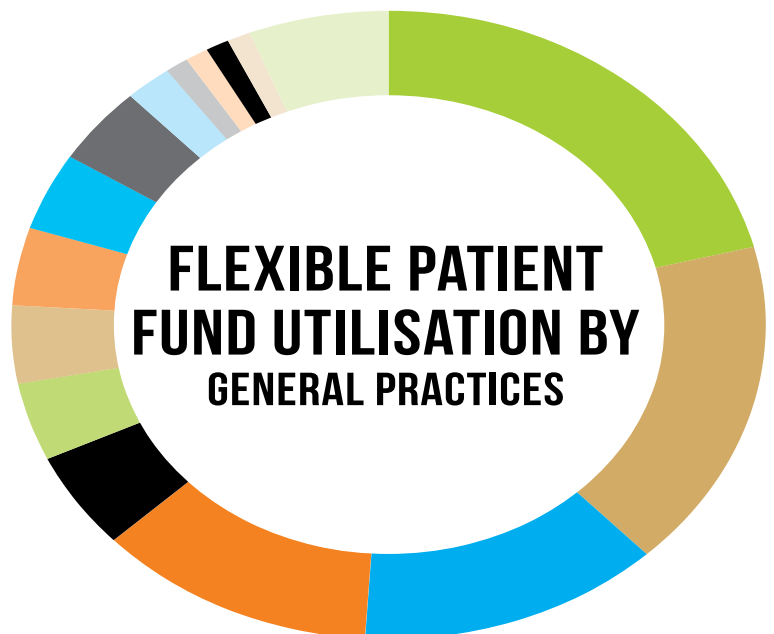
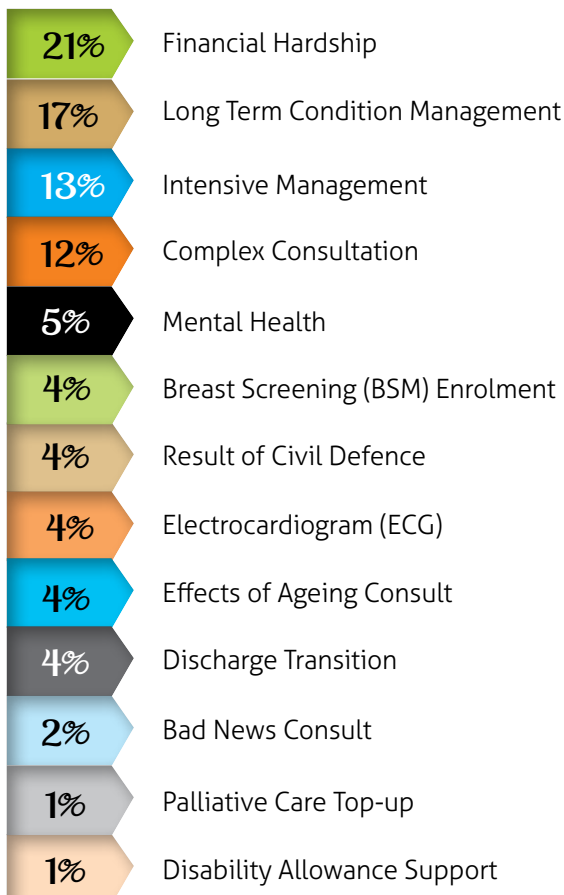
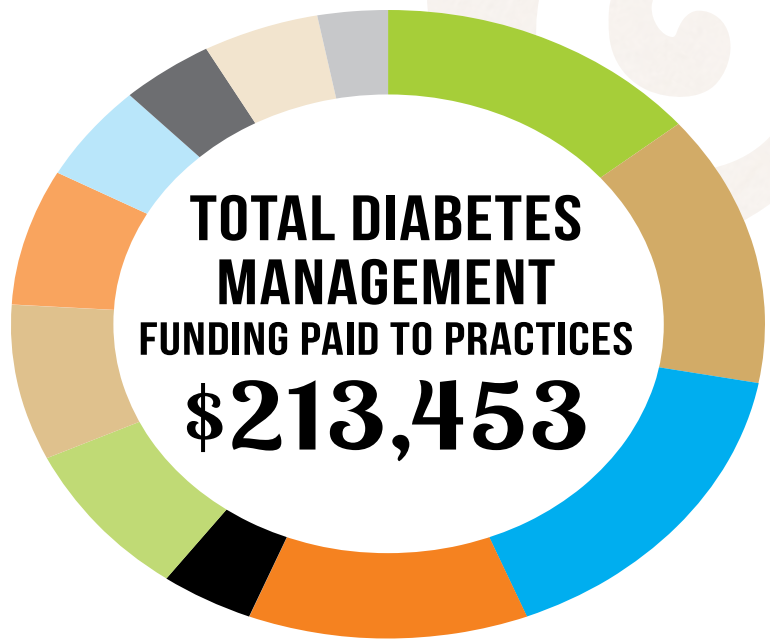
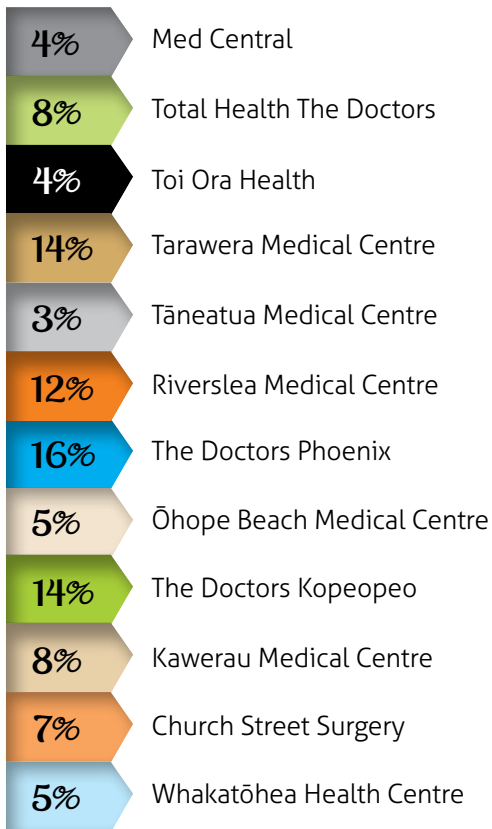
PROGRAMMES TO IMPROVE ACCESS (PIA)

The EBPHA continues to support General Practice and their patients through the provision of PIAs. Over 20,000 financial claims were made by General Practices. Following consultation with General Practices, this year EBPHA introduced the very popular Flexible Patient Fund PIA which provides the General Practice with the ability to fund patient need locally.



2018 IN NUMBERS





COMMUNITY SERVICES

The EBPHA has 28 contracted health services that are delivered to the Eastern Bay of Plenty population. Many of the services are enhanced through the support and collective effort of other health and community organisations within the Eastern and Western Bay of Plenty.

We would like to specifically acknowledge the following organisations:

- He Tohunga Ora mo Rangitaiki
- Ngā Mataapuna Oranga PHO
- Te Ao Hou Trust
- Te Ika Whenua Hauora
- Te Kaha Medical Centre

- Te Kaokao ō Takapau
- Te Kupenga Hauora o Tauranga Moana
- Te Manu Toroa Trust
- Te Puna Hauora ki Uta ki Tai
- Te Puna Ora o Mataatua
- Te Tohu o te Ora o Ngāti Awa
- Te Uru Taumatua Tūhoe
- Te Wheke Atawhai
- Tūwharetoa ki Kawerau Health, Education and Social Services
- Whakatōhea Māori Trust Board

Several of our services are out sourced to other Community Health Providers who do a fantastic job in ensuring we meet the needs of our population.



SNAP SHOT OF SERVICES

14,309

Contacts with patients or clients were made by staff of EBPHA

- 1,456** Priority women were screened for cervical cancer by General Practices and EBPHA
- 831** Eligible women who had never screened or not screened for the last five years for Cervical or Breast Cancer were contacted by EBPHA's Support to Screening Service
- 422** Of those eligible women screened were facilitated by the Support to Screening Service
- 268** People attended Long Term Conditions Self-Management classes
- 308** One on one sessions with clients and 41 group sessions with 301 attendees were carried out by the Community Dietitian
- 108** Clients were seen by the Maternal, Child and Youth Dietitian over eight months
- 1,165** People were seen by EBPHA's new Sexual Health Nursing Service
- 278** Youth attended the Youth Sexual Health Education Service
- 811** Vaccinations were completed across the Bay of Plenty by the Regional Childhood Immunisation Support Services
- 303** Children in rural and isolated communities received their vaccinations from the Outreach Immunisation Service
- 1,219** Vaccinations were given by the Outreach Immunisation Service
- 722** People were assisted and navigated through EBoP health services by the Integrated Case Management services
- 3,285** Throat swabs of children were taken by the Kawerau Rheumatic Fever Prevention team
- 1,309** Skin assessments of children were carried out and 1,103 healthy skin packs were given out by the Kawerau Rheumatic Fever Prevention team to prevent serious skin infections from occurring
- 533** Children from Kawerau and Whakatāne communities were identified as having a Strep A throat infection and at risk of developing Rheumatic Fever
- 103** Visits to patients were made by GPs to manage wound care as part of a new EBPHA initiative
- 387** Minor skin surgeries were carried out by GPs to detect and prevent melanoma and non-melanoma skin cancer
- 4,381** Visits were made by high school students to School Based Health Service nurses and GPs
- 208** Assessments for psycho-social health and wellbeing, hearing, vision, chronic illness were carried out with high school students by the School Based Health Service
- 1,075** Sexual health consults were carried out by School Based Health Service nurses
- 738** Injuries and accidents were treated by School Based Health Service nurses
- 725** Smokers choose to enrol into EBPHA's Hāpainga Stop Smoking Service across the Bay of Plenty
- 297** Smokers with a target quit date managed to quit within 4 weeks in EBPHA's Hāpainga Stop Smoking Service; equating to a 73% quit rate
- 702** Clients were seen by the Primary Health Counselling service
- 72** Outreach clinics in Waiohau and Waimana were held to improve access to services for rural and isolated communities

SERVICE SUCCESS

EBPHA'S RHEUMATIC FEVER PREVENTION AND HEALTHY SKIN PROGRAMME EXTENDED

EBPHA's Rheumatic Fever Prevention Programme has been extended to include the following schools: Edgecumbe School, Te Kura o Te Paroa, James Street School and Whakatāne Intermediate. Our team now offer convenient healthcare access to 2,533 Primary, Intermediate and Secondary students in ten Kawerau and Whakatāne based schools.

In the last school term, the Rheumatic Fever Prevention team did 1,121 throat swabs; identifying 217 children with Strep A throat infections who were then treated with antibiotics. The team also carried out 465 healthy skin care consults and gave out 393 skin care packs to prevent serious skin infections developing or worsening.

Whānau GPs are integral to the success of this programme by supporting the EBPHA team with antibiotics for positive Strep A throat infections and prompt follow-up for children identified with serious skin infections.

As part of the awareness raising for the prevention of Acute Rheumatic Fever, Purple Shirt day was held in



May 2018 across the Eastern Bay. Here James Street School Principal, Roz Dakin and Christine Pedersen proudly model their purple shirts in support.

SUCCESSFULLY SMOKEFREE

EBPHA's Hāpainga Stop Smoking Service has supported many successful quit attempts throughout the year as typified by the inspirational story below.

Young māmā-to-be Patrice Leaf sought the help of EBPHA's Hāpainga Stop Smoking service after hearing about our Hapū Māmā Incentive programme from one of her friends.

Patrice enlisted the help of Monique Rio, our Hapū Māmā Champion, at the start of her pregnancy as Patrice was determined to make better choices for the health of her unborn baby and also for herself to become smokefree.

While Patrice's journey wasn't without struggle, she was willing to do whatever it took to achieve her goal. Patrice used NRT gum and a Quit Stick; both of which are safe options for pregnant mums, to get her through



Patrice is seated on the left with her prize, next to Monique our Hapū Māmā Champion.

nicotine cravings and withdrawal. After three weeks of not smoking, Patrice managed to wean herself off both the gum and Quit stick. Months later, Patrice is still Smokefree and in her last trimester of her pregnancy.

During her smokefree journey and pregnancy, Patrice also graduated from the University of Auckland with a bachelor degree and encouraged one of her friends to sign up to become smokefree. We are really proud of Patrice's achievements and know that she will be an awesome example to her friends and whānau.

Patrice was lucky enough to be a prize winner of one of the six prizes in our World Smokefree month Hapū Māmā competition; winning herself and baby a Cosco convertible car seat.

Well done Patrice and all the best wishes from the Hāpainga team for your impending birth.

SUPPORT TO SCREENING SERVICE

The 'smear your mea' t-shirts were made available to practices throughout the Eastern Bay and EBPHA staff as part of a raising awareness campaign by EBPHA's Support to Screening Service.

Support to Screening Service provides extra support to Priority Group Women who experience barriers to accessing breast and cervical screening, assessment and treatment.



FINANCIAL STATEMENTS

Eastern Bay Primary Health Alliance

FINANCIAL STATEMENTS for the year ended 30 June 2018

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Eastern Bay Primary Health Alliance

DIRECTORY

CHIEF EXECUTIVE

Michelle Murray

CHAIRMAN

Bryan Gould

BOARD OF TRUSTEES

Dr Mark Hayward
Dr Paul Anderson
Angela Jackson
Linda Steel
Amohaere Tangitu
Sharon Kennedy-Muru
Erin Beeler
Fiona Wiremu
Shaneen Simpson-Almond

LOCATION

5 Louvain Street
Whakatāne, 3120

BANKER

ASB Bank Ltd
P O Box 35
Shortland Street
Auckland

ACCOUNTANTS

Goldsmiths
Chartered Accountants
Level 1
189 The Strand
Whakatāne, 3120

AUDITORS

William Buck Audit (NZ) Ltd
P O Box 222
Tauranga

SOLICITORS

Burley Attwood Law
Monmouth House
41 Monmouth Street
Tauranga, 3141

Eastern Bay Primary Health Alliance

Independent auditor's report to the Trustees

Report on the Financial Statements

Opinion

We have audited the financial statements of Eastern Bay Primary Health Alliance (the entity), which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive revenue and expenses, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion accompanying financial statements give a true and fair view of the financial position of Eastern Bay Primary Health Alliance as at 30 June 2018 and of its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (IPSAS RDR).

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 entity 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, the entity.

Information Other than the Financial Statements and Auditor's Report Thereon

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is the Directory included in the financial statements, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees

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

In preparing the financial statements, the Trustees are responsible on behalf of the entity for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are as a whole 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 our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

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

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

Restriction on Distribution and Use

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



William Buck Audit (NZ) Limited

Tauranga
8 October 2018

Eastern Bay Primary Health Alliance

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

for the year ended 30 June 2018

	2018 \$	2017 \$
Revenue from Non-Exchange Transactions	0	0
	0	0
Revenue from Exchange Transactions		
DHB Funding	7,625,578	7,010,719
Interest	42,076	40,220
Other Income	8,583	24,800
	7,676,237	7,075,739
Total Revenue	7,676,237	7,075,739
Expenses		
Governance	61,710	63,494
Personnel	3,026,187	2,410,127
Service Delivery	2,992,405	2,761,388
Other Expenses	1,500,402	1,377,723
Depreciation	50,388	40,209
	7,631,092	6,652,941
Total Expenses	7,631,092	6,652,941
Total Surplus for the Year	45,145	422,798
Other Comprehensive Revenue and Expenses	0	0
Total Comprehensive Revenue and Expenses	45,145	422,798

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 2018

	Retained Surplus \$	Total Equity \$
Opening Balance at 1 July 2017	3,019,037	3,019,037
Surplus for the Year	45,145	45,145
Other Comprehensive Income	0	0
Transfers	0	0
Closing Equity at 30 June 2018	3,064,182	3,064,182
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

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

Eastern Bay Primary Health Alliance

STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	2018 \$	2017 \$
<u>CURRENT ASSETS</u>			
Cash and Cash equivalents	5	2,915,075	2,628,167
Term Deposits	6	750,000	750,000
Accounts Receivable	7	507,689	448,375
Other Current Assets		3,145	0
Goods and Services Tax		30,696	0
		<u>4,206,605</u>	<u>3,826,542</u>
<u>CURRENT LIABILITIES</u>			
Trade Payables and Accruals		1,273,011	925,901
Goods and Services Tax		0	26,789
		<u>1,273,011</u>	<u>952,690</u>
WORKING CAPITAL		2,933,594	2,873,851
<u>NON-CURRENT ASSETS</u>			
Property Plant and Equipment	8	127,779	138,306
Intangible Assets	9	2,809	6,880
		<u>130,588</u>	<u>145,186</u>
TOTAL NET ASSETS		<u>3,064,182</u>	<u>3,019,037</u>
<u>AS REPRESENTED BY</u>			
Total Equity	10	<u>3,064,182</u>	<u>3,019,037</u>

Signed for and on behalf of the Board of Trustees who authorised
these financial statements for issue on 2 October 2018



Trustee



Chief Executive

Eastern Bay Primary Health Alliance

CASH FLOW STATEMENT

for the year ended 30 June 2018

	Notes	2018	2017
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts			
Receipts from Non-Exchange Transactions		0	0
Receipts from Exchange Transactions		7,574,672	7,016,377
GST		0	8,598
		7,574,672	7,024,975
Payments			
Payments to Suppliers		4,039,856	4,121,632
Payments to Employees		3,145,353	2,363,723
GST		16,947	
		7,202,156	6,485,355
Net Cash Flows from Operating Expenses		372,516	539,620
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Receipts			
Interest Received		28,949	40,784
		28,949	40,784
Payments			
Intangible Assets		3,067	11,345
Term Deposit		0	230,159
Property Plant & Equipment		111,490	62,465
		114,557	303,969
Net Cash Flows from Investing Expenses		(85,608)	(263,185)
Net Cash Flows from Financing Expenses		0	0
Net Increase / (Decrease) in Cash and Cash Equivalents		286,908	276,435
Cash and Cash Equivalents at 1 July		2,628,167	2,351,732
Cash and Cash Equivalents at 30 June	5	2,915,075	2,628,167

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 2018

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 2018 were authorised for issue by the Board of Trustees on 2 October 2018.

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 2018, 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.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

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 2018

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 2018

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 for

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 2018

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	13%dv to 40%dv
Fixtures & Fittings	10%dv to 40%dv
Information Technology Equipment	16%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.

To determine the value in use of Property, Plant and Equipment the Board of Trustees has estimated the useful lives of Plant and Equipment, Fixtures and Fittings and Information Technology Equipment.

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 2018

5 CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Petty Cash	469	303
ASB Bank Ltd - 00 Account	149,705	95,475
ASB Bank Ltd - 50 Account	2,180,218	1,960,680
ASB Bank Ltd - 53 Account	584,684	571,709
	<u>2,915,075</u>	<u>2,628,167</u>

6 TERM DEPOSITS

	2018	2017
	\$	\$
ASB Term Deposit	750,000	750,000
	<u>750,000</u>	<u>750,000</u>

Reported as:

Current Assets	3,665,075	3,378,167
Non-Current Assets	0	0
	<u>3,665,075</u>	<u>3,378,167</u>

7 ACCOUNTS RECEIVABLE

	2018	2017
	\$	\$
Accounts Receivable	492,195	415,037
Accrued Interest	15,494	2,367
Rent Paid in Advance	0	30,971
	<u>507,689</u>	<u>448,375</u>

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

8 PROPERTY PLANT & EQUIPMENT

	Plant & Equipment \$	Fixtures & Fittings \$	Technical Equipment \$	Total \$
2018				
Opening Balance	17,487	65,046	165,259	247,792
Additions	7,067	27,413	31,245	65,725
Disposals	0	(13,512)	(71,958)	(85,470)
Closing Balance	<u>24,554</u>	<u>78,947</u>	<u>124,546</u>	<u>228,047</u>
Opening Accumulated Depreciation	3,416	11,048	95,022	109,486
Depreciation on Disposals	0	(5,629)	(53,977)	(59,606)
Depreciation Charge for Year	4,526	10,883	34,979	50,388
Closing Accumulated Depreciation	<u>7,942</u>	<u>16,302</u>	<u>76,024</u>	<u>100,268</u>
Closing Book Value	<u>16,612</u>	<u>62,645</u>	<u>48,522</u>	<u>127,779</u>
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>

9 INTANGIBLE ASSETS

	2018 \$	2017 \$
Internally Generated:		
Opening Cost	25,230	13,518
Additions	2,699	11,712
Closing Balance	<u>27,929</u>	<u>25,230</u>
Opening Accumulated Amortisation	18,350	7,943
Amortisation Charge for Year	6,770	10,407
Closing Balance	<u>25,120</u>	<u>18,350</u>
Closing Book Value	<u>2,809</u>	<u>6,880</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 2018

10 TOTAL EQUITY

	2018	2017
	\$	\$
<u>Retained Surplus</u>		
Balance at Start of Year	3,019,037	2,596,239
Net Surplus for Year	45,145	422,798
	3,064,182	3,019,037
Transfers from / (to) Reserves:		
	0	0
Balance at End of Year	3,064,182	3,019,037
<u>TOTAL EQUITY AND RESERVES</u>	3,064,182	3,019,037

11 RELATED PARTY TRANSACTIONS

Dr Mark Haywood is a director of Toi Ora Health Opotiki Limited which has been paid \$551,123 in practice payments for the year with an amount owing of \$24,930. (2017: Paid \$629,124 with amount owing \$3,737)

Erin Beeler is a director in East Bay Podiatry which has been paid \$123,444 in payments for the year with an amount owing of \$10,098. (2017: Paid \$121,922 with amount owing \$10,665)

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:

	2018	2017
	\$	\$
Total Remuneration	308,096	285,362
Number of FTE's	2.11	2.11

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

12 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

	2018	2017
Financial Assets	\$	\$
<u>Loans and Receivables</u>	507,689	448,375
	<hr/>	<hr/>
	507,689	448,375
Financial Liabilities		
<u>At Amortised Cost</u>	1,273,011	952,690
	<hr/>	<hr/>
	1,273,011	952,690

13 CAPITAL COMMITMENTS

There are no commitments to capital purchases at balance date (2017:\$Nil).

14 CONTINGENT ASSETS AND LIABILITIES

The trustees are not aware of any contingent assets or liabilities at balance date (2017: \$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 (2017: \$Nil).

Eastern Bay Primary Health Alliance

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

17 Commitments Under Non-Cancellable Operating Leases:

	This year	Last year
Not later than one year	216,662	211,173
Later than one year and not later than 5 years	799,033	758,245
Later than 5 years	0	185,824
Total Operating Lease Commitments	\$ 1,015,695	\$ 1,155,242

Lease of Property	Rental time	Monthly Rate	
Louvain Street	5 years	15,485.33	Right to renew every two years after.
Photocopier	48 months	1,366.00	
Vehicles			
KCE981	24 months	350.50	
KCE982	24 months	350.50	
KCE983	24 months	350.50	
KCE984	24 months	350.50	
KFS50	27 months	432.57	
KTZ988	28 months	828.37	

The total cost of leases during the year is \$266,802 (2016: \$260,363) 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:

	2018	2017
Capitation	9,254,193	8,490,694
Rural After Hours	81,014	136,389
Rural Primary Health Care Premium	360,321	288,199

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