

Annual Report

Rotorua Area Primary Health Services Limited
For the year ended 30 June 2022

Prepared by BFA Limited

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ROTORUA AREA PRIMARY HEALTH SERVICES LIMITED**

Opinion

We have audited the financial statements of Rotorua Area Primary Health Services Limited (“the Company”), which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (“PBE Standards RDR”) 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 Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Directors’ Responsibilities for the Financial Statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the directors 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 directors are responsible on behalf of the Company for assessing the Company’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 directors either intend to liquidate the Company 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 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 decisions of users taken on the basis of these financial statements.



A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

This description forms part of our auditor's report.

Who we Report to

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

BDO Rotorua Limited

BDO Rotorua Limited
Rotorua
New Zealand
26 October 2022

Directory

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

Capital

94 Shareholders

Directors

G Matthews
O Meyer - (appointed 24/11/2021)
K Penman
C Picken
E Turner
M Williams

Registered Office

1188 Whakaue Street
Rotorua 3010

Address

Level 1 1165 Tutanekai Street
Rotorua 3010

Company Number

580234

IRD Number

062-495-913

Bankers

Westpac Bank
1228 Amohau Street
Rotorua 3040

Accountants

BFA Limited
1188 Whakaue Street
Rotorua 3010

Auditors

BDO Rotorua Limited
1130 Pukaki Street
Rotorua 3010

Directors Report

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

The Board of Directors present their Annual Report including financial statements of the company for the year ended 30 June 2022.

The business of the Company is that of an Independent Practitioners Association contracting with members in various Primary Health Care funders for the provision of clinical services. The Company also holds the Primary Health Organisation (PHO) contract with the Lakes District Health Board.

PHO's, as part of a Government initiative to improve the Primary Health Care outcomes for patients were instructed to form alliances with local District Health Boards (DHB) and other key Primary Health Care organisations. The Company has entered into such an alliance "Team Rotorua Alliance" and as part of the PHO agreement the Service to Improve Access (SIA) and Health Promotion (HP) funding, which is calculated by the Ministry of Health on a per Enrolled Service Users basis, is applied to providing Alliance Services in accordance with Schedule F2.1 of the PHO agreement.

As required by Section 211 of the Companies Act 1993, we disclose the following information:

Use of Company Information

The Board received no notices during the year from directors requesting to use company information received in their capacity as directors which would not have been otherwise available to them.

Share Dealing

No Director bought or sold any shares during the year.

Directors Interests

The Board received no notices during the year from directors that they had an interest in any transactions or proposed transactions by the company.

The following held office as directors during the year: G Matthews, O Meyer (appointed) K Penman, C Picken, E Turner and M Williams (resigned and appointed).

During the year ended 30 June 2022 a number of employees or former employees, not being Directors of the Company, received remuneration and other benefits that exceeded NZ\$100,000 in value as follows:

Remuneration	Number of Employees
\$100,000 - \$110,000	1
\$130,000 - \$140,000	1
\$150,000 - \$160,000	1
\$230,000 - \$240,000	1

Directors Remuneration paid during the year or due and payable as follows:

2022

Directors Remuneration

G Matthews	39,649
O Meyer	3,113
K Penman	5,025
C Picken	5,475
E Turner	8,981
M Williams	5,908

Statement of Comprehensive Revenue & Expense

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

	NOTES	2022	2021
Revenue			
Revenue From Non Exchange Transactions			
PHO Contracts		16,378,704	15,481,869
COVID-19 Ministry of Health		3,092,762	1,447,015
Total Revenue From Non Exchange Transactions		19,471,467	16,928,885
Revenue From Exchange Transactions			
PHO Contracts		4,227,489	4,119,497
District Health Board Contracts		3,708,342	3,032,030
Other Income	6	604,434	635,447
Total Revenue From Exchange Transactions		8,540,264	7,786,974
Total Revenue		28,011,731	24,715,859
Expenses			
Clinical Services		1,593,877	1,467,889
COVID-19 Provider Payments		3,092,642	1,448,192
Information Systems		1,690,950	1,705,243
Operations/Management		1,892,971	1,533,050
Provider Payments	6	19,345,672	18,567,825
Audit Fees	6	12,700	10,100
Depreciation and Amortisation	7	60,041	52,183
Total Expenses		27,688,853	24,784,482
Surplus/(Deficit) Before Finance Activities		322,878	(68,623)
Investment Income			
Interest Received - Loans and Receivables	8	8,453	6,370
Total Investment Income		8,453	6,370
Operating Surplus/(Deficit)		331,331	(62,253)
Donations and Grants			
Charitable Donation	18	250,000	-
Total Donations and Grants		250,000	-
Other Gains/(Losses)			
Gain (Loss) on Sale of Property, Plant and Equipment		(3,867)	-
Total Other Gains/(Losses)		(3,867)	-
Surplus/(Deficit) For The Year Before Tax		77,463	(62,253)

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

	NOTES	2022	2021
Income Tax Expense			
Tax Expense	4	14,175	-
Total Income Tax Expense		14,175	-
Surplus/(Deficit) For The Year After Tax			
		63,289	(62,253)
Total Comprehensive Revenue or Expense For The Year			
		63,289	(62,253)

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

Statement of Financial Position

Rotorua Area Primary Health Services Limited As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and Cash Equivalents	9	2,682,775	2,062,851
Receivables From Exchange Transactions	10	1,677,760	487,721
Goods and Services Tax	16	-	9,439
Income Accruals		1,542	569
Other Financial Assets	11	-	800,000
Prepayments	12	80,511	33,672
Income Tax Refundable	4	-	34,078
Total Current Assets		4,442,588	3,428,331
Non-Current Assets			
Intangible Assets	24	9,519	1,049
Property, Plant and Equipment	24	260,086	179,567
Total Non-Current Assets		269,605	180,616
Total Assets		4,712,193	3,608,947
Liabilities			
Current Liabilities			
Payables Under Exchange Transactions	13	1,215,731	1,027,303
Contracts In Advance	19	923,254	189,740
Employee Entitlements	14	290,517	292,762
Goods and Services Tax	16	140,744	-
Income Tax Payable	4	12,080	-
Team Rotorua Alliance	19	1,236,877	1,269,440
Total Current Liabilities		3,819,203	2,779,245
Total Liabilities		3,819,203	2,779,245
Total Assets less Total Liabilities (Net Assets)		892,991	829,702
Equity			
Share Capital	21	-	-
Accumulated Surpluses or (Deficits)		892,991	829,702
Total Equity		892,991	829,702

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

APPROVED for and on behalf of the Board of Directors



Director



Director

Date: 25/10/22

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

Statement of Changes in Net Assets/Equity

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

	ACCUMULATED FUNDS	TOTAL EQUITY
Balance 30 June 2022		
Opening Balance 01 July 2021	829,702	829,702
Total Comprehensive Revenue and Expense		
Surplus/(Deficit) For The Year	63,289	63,289
Other Comprehensive Revenue and Expense	-	-
Total Total Comprehensive Revenue and Expense	63,289	63,289
Total Balance 30 June 2022	892,991	892,991
	ACCUMULATED FUNDS	TOTAL EQUITY
Balance 30 June 2021		
Opening Balance 01 July 2020	891,955	891,955
Total Comprehensive Revenue and Expense		
Surplus/(Deficit) For The Year	(62,253)	(62,253)
Other Comprehensive Revenue and Expense	-	-
Total Total Comprehensive Revenue and Expense	(62,253)	(62,253)
Total Balance 30 June 2021	829,702	829,702

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

Statement of Cash Flows

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

	NOTES	2022	2021
Cash was Provided From (Applied To):			
Cash Flow From (Used In) Operating Activities			
Receipts From Goods And Services Provided, Non Exchange		19,225,391	15,481,869
Receipts From Goods And Services Provided, Exchange		7,950,313	11,160,130
Payment To Employees		(3,289,897)	(2,682,318)
Payments To Suppliers		(23,690,480)	(23,895,045)
Donations or Grants Paid		(250,000)	-
Net GST		(3,815)	(15,545)
Tax Paid/Refund		31,983	(55)
Total Cash Flow From (Used In) Operating Activities		(26,505)	49,036
Cash Flow From (Used In) Investing Activities			
Movement in Term Deposits		800,000	-
Receipts From Sale of Plant and Equipment		1,304	-
Purchase of Plant and Equipment		(162,356)	(109,087)
Total Cash Flow From (Used In) Investing Activities		638,949	(109,087)
Cash Flow From (Used In) Financing Activities			
Interest Received		7,480	8,096
Total Cash Flow From (Used In) Financing Activities		7,480	8,096
Net Increase (Decrease) in Cash and Cash Equivalents		619,924	(51,955)
Cash and Cash Equivalents, Beginning of Year	9	2,062,851	2,114,806
Cash and Cash Equivalents, End of Year		2,682,775	2,062,851

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

Notes to the Financial Statements

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

1. Reporting Entity

These financial statements comprise the financial statements of Rotorua Area Primary Health Services Limited for the year ended 30 June 2022.

Rotorua Area Primary Health Services Limited is a company incorporated under the Companies Act 1993 and is domiciled in New Zealand.

The primary activity of the Company is that of an Independent Practitioners Association contracting with members in various Primary Health Care funders for the provision of clinical services. The Company also holds the Primary Health Organisation (PHO) contract with the Lakes District Health Board.

The financial statements were authorised for issue by the Board of Directors on 20 October 2022.

2. Basis of Preparation

a) Statement of Compliance

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) for not for-profit entities. Rotorua Area Primary Health Services Limited qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it is not publically accountable and not large (operating expenditure has been between \$2m and \$30m).

b) Basis of Measurement

The financial statements have been prepared on a historical costs basis, except for assets and liabilities that have been measured at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

c) Presentation Currency

The financial statements are presented in New Zealand dollars. All numbers are rounded to the nearest dollar (\$0), except where otherwise stated.

d) Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

In the 2022 year the classification of the contracts held with the Team Rotorua Alliance have been reallocated and where necessary comparatives figures have been reclassified to conform to the current year's presentation.

e) Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant estimates applied in the preparation of these financial statements.

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

Judgements

In preparing these financial statements Rotorua Area Primary Health Services Limited have treated the COVID-19 income and expenses generated from COVID-19 activities by RAPHs member practices separately as these services were a straight pass through. RAPHs managed the processing, audit checks and payments as part of the contract responsibility with Lakes District Health Board.

The Company's primary source of income is from contracts with the District Health Boards and Team Rotorua Alliance with the majority of these being renewed annually on the June 30 anniversary, but the Company does have some contracts with an anniversary date of 30 September 2023.

The Company has contracts with the District Health Boards to provide COVID-19 assistance which have been extended to 31 December 2022 and will reassessed given the clinical case definition and requirements to test patients for COVID.

3. Summary of Significant Accounting Policies

The accounting policies of the Company have been applied consistently to all years presented in these financial statements.

The significant accounting policies used in preparation of these financial statements are summarised below:

a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held on call with banks.

b) Debtors and Other Receivables

Trade debtors are measured initially at fair value plus directly attributable transactions costs and subsequently at amortised cost using effective interest rate, less impairment losses.

An allowance for impairment is established where there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivable.

c) Creditors and Other Payables

Trade creditors and other payables are measured initially at fair value plus directly attributable transactions costs and subsequently at amortised cost using effective interest rate, less impairment losses.

d) Property, Plant and Equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions and Subsequent Costs

Subsequent costs and the cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

A item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a diminishing value (DV) basis on all property, plant and equipment using economic rates. The following depreciation rates have been applied for both periods presented:

Computer Equipment	30 - 100%	DV
Furniture and Fittings	10 - 100%	DV
Leasehold Improvements	10%	DV
Motor Vehicles	30%	DV
Office Equipment	12 - 100%	DV
Plant and Equipment	8 - 100%	DV

The residual value, useful life, and depreciation method of property, plant and equipment is reassessed annually.

e) Intangible Assets

Intangible assets acquired separately are initially recognised at cost.

Intangible Assets with Finite Useful Lives

Intangible assets acquired which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses.

Amortisation is recognised on a diminishing value (DV) basis over the estimated useful life of the asset, from the day they are available for use and expensed in the reported surplus or deficit for the year.

The following amortisation rates have been applied to each class of intangible assets for both periods presented:

Computer Software	50%	DV
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Residual values, amortisation methods and useful lives are assessed at each reporting date.

Computer Software

Purchased computer software licenses are capitalised on the basis of the costs incurred to acquire and install the specific software. Subsequent expenditure is expensed as incurred. Costs associated with maintaining computer software, i.e. expenditure relating to patches and other minor updates as well as tier installation, is expensed as incurred.

Disposals

Gains or losses on derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the surplus or deficit for the year.

f) Employee Entitlements

Employee benefits, previously earned from past services, that the Company expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

g) Employee Benefits

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

h) Revenue

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

The following specific recognition criteria must be met before revenue is recognised:

Revenue from Exchange Transactions**i) PHO Contracts**

Revenue from services rendered is recognised in the surplus or deficit in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed by reference to surveys of work performed. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Revenue from Non Exchange Transactions**i) PHO, District Health Board & Other Contract Income**

The recognition of non exchange revenue from PHO, District Health Board and Other Contract Income depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than recognition of revenue.

Stipulations that are 'conditions' specifically require Rotorua Area Primary Health Services Limited to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non exchange liability that is subsequently recognised as non exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require Rotorua Area Primary Health Services Limited to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non exchange liability, which results in the immediate recognition of non exchange revenue.

ii) Interest Income

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

i) Income Tax

Current Income Tax expense charged against the surplus for the year is the estimated total tax for the year, in accordance with the tax return to the Inland Revenue Department, adjusted for any differences between the estimated and actual tax payable in prior years.

j) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables which are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD).

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

k) Leased Assets

Payments made under operating leases are recognised in the surplus or deficit on a straight line basis over the term of the lease. Associated costs such as maintenance are expensed as incurred.

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade and other receivables, cash and cash equivalents, other financial assets, trade and other payables, borrowings, and other financial liabilities.

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

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

Derecognition of Financial Instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the financial asset is transferred to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent Measurement of Financial Assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

All financial assets are subject to review for impairment at least at each reporting date.

i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Cash and cash equivalents, trade debtors and most other receivables fall into this category of financial instruments.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Amortised Cost of Financial Liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities. Financial liabilities classified as amortised cost are subsequent measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise of payables.

	NOTES	2022	2021
4. Income Tax			
Surplus Before Tax			
Profit/(Deficit) Before Tax		77,463	(62,253)
Loss Brought Forward			
Loss Brought Forward		(64,871)	-
Total Loss Brought Forward		(64,871)	-
Tax at Current Rate @ 28c			
Tax at Current Rate @ 28c		3,526	(17,431)
Total Tax at Current Rate @ 28c		3,526	(17,431)
Current Tax Adjustments			
Non-Deductible Expenses		9,680	(1,881)
SIA Unexpended		969	1,148
Total Current Tax Adjustments		10,649	(733)
Income Tax Expense		14,175	(18,164)
Comprising:			
Current Tax		14,175	-
Deferred Tax		-	(18,164)
Total Comprising:		14,175	(18,164)
Income Tax			
Tax Opening Balance		(34,078)	(34,023)
Income Tax Expense @ 28c		14,175	-
Income Tax Refund Received		34,078	2,212
Total Income Tax		14,175	(31,811)
Less:			
RWT Paid		2,094	2,267
Total Less:		2,094	2,267
Tax Payable/(Refundable)		12,080	(34,078)

5. Imputation

At 30 June 2022 the balance in the Company's Imputation Credit Account (representing the maximum amount of tax credits available to be attached to future dividends paid by the company) amounted to \$655,639. The movements in the company's ICA for the year were:

	NOTES	2022	2021
Imputation Account			
Opening Balance		687,623	687,568
Add:			
RWT Paid		2,094	2,267
Total Add:		2,094	2,267
Less:			
Income Tax Refund Received		34,078	2,212
Total Less:		34,078	2,212
Closing Balance		655,639	687,623
	NOTES	2022	2021

6. Expenses

Audit Fees		12,700	10,100
Loss on Disposal of Property, Plant and Equipment		3,867	-
Occupancy Costs		321,000	244,440

The above expenses were expensed in the surplus/(deficit) for the year.

The prior year comparative figures have been restated to remove income and expenditure which was accounted for twice in prior year. This total amount adjusted was \$1,525,030 and the net effect on the prior year deficit was nil.

	NOTES	2022	2021
7. Depreciation, Amortisation and Impairment Expenses			
Amortisation of Intangibles		5,319	1,049
Depreciation of Property, Plant and Equipment		54,722	51,134
Total Depreciation, Amortisation and Impairment Expenses		60,041	52,183
	NOTES	2022	2021

8. Finance Income & Costs

Financing Income			
Interest Income on Term Deposits and Online Accounts		8,453	6,370
Total Financing Income		8,453	6,370

	NOTES	2022	2021
9. Cash and Cash Equivalents			
Petty Cash		72	300
Westpac Cheque Account		133,839	31,932
Westpac Online Saver		978,083	1,165,353
Westpac Online Saver		370,780	465,266
Westpac Term Deposits		1,200,000	400,000
Total Cash and Cash Equivalents		2,682,775	2,062,851

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

	NOTES	2022	2021
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The Westpac Online Saver Accounts earn interest at floating rates on the daily deposit balances.

	NOTES	2022	2021
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10. Receivables from Exchange Transactions

Accounts Receivable	1,677,760	487,721
Total Receivables from Exchange Transactions	1,677,760	487,721

Trade debtors are non-interest bearing and receipt is normally on 20 and on 30 day terms, therefore the carrying value of trade debtors approximates its fair value.

As at 30 June 2021 and 30 June 2022 all overdue receivables have been assessed for impairment and appropriate allowances made.

	NOTES	2022	2021
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Aging Analysis

0-30 Days (not past due)	1,436,584	447,009
Total Past Due		
31-60 days	196,515	23,144
61-90 days	16,905	7,809
Greater than 90 days	27,757	9,759
Total Total Past Due	241,176	40,712
Total Aging Analysis	1,677,760	487,721

	NOTES	2022	2021
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11. Other Financial Assets

Term Deposits	-	800,000
Total Other Financial Assets	-	800,000

	NOTES	2022	2021
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12. Prepayments

Prepayments	80,511	33,672
Total Prepayments	80,511	33,672

	NOTES	2022	2021
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13. Payables Under Exchange Transactions

Accrued Expenses	18,832	-
Trade Creditors	1,196,899	1,027,303
Total Payables Under Exchange Transactions	1,215,731	1,027,303

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms, therefore their amount approximates their fair value.

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

	NOTES	2022	2021
14. Employee Entitlements			
Short-term Employee Entitlements		181,868	223,872
PAYE Payable		108,649	68,890
Total Employee Entitlements		290,517	292,762

Short-Term Employee entitlements represent the Company's obligations to its current employees that are expected to be settled within 12 months of reporting date. These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

	NOTES	2022	2021
15. Employee Benefits			
Kiwisaver Employer Contributions		86,362	70,904
Total Employee Benefits		86,362	70,904

	NOTES	2022	2021
16. Goods and Services Tax			
GST Payable/(Receivable)		140,744	(9,439)
Total Goods and Services Tax		140,744	(9,439)

17. Operating Leases

Operating Leases are held for premises used as office space and health hub.

Non-Cancellable operating leases are payable as follows:

	NOTES	2022	2021
Non-Cancellable Operating Leases			
Not Later than one year		237,000	235,420
Later than one year and not later than five years		948,000	871,470
Later than five years		331,500	190,000
Total Non-Cancellable Operating Leases		1,516,500	1,296,890

Commenced sublease with RGPG Limited 1 July 2016 with an annual rent of \$135,405. This was increased to \$142,000 pa from 01 January 2021.

Rights of renewal: Were three periods of five years being 1 January 2021, 1 January 2026 and 1 January 2031. The rights of renewal were updated to being two periods of three years on the 01 January 2024 and 01 January 2027.

Commenced sublease with Health Rotorua Limited 15 February 2021 with an annual rental of \$95,000.

Rights of renewal: Two periods of two years 1 July 2024 and 1 July 2026.

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

18. Related Party Transactions

Related party transactions arise when an entity has the ability to significantly influence the financial and operating policies of the Company.

Shareholders of the Company are engaged in the provision of health delivery services through Primary Health Care entities and practices that they are also associated with (be it, as shareholder or employee) The provision of these services and associated payments made are the basis of the Primary Health Organisation and other government initiatives. At reporting date \$799,723. (2021 \$512,825) plus GST was owing.

Rotorua Area Primary Health Services Limited have an agreement to sublease their premises from 1st July 2016 from RGPG Limited. The directors of both companies are the same. Annual lease \$142,000 (2021 \$142,000).

Rotorua Area Primary Health Services Limited have an agreement to sublease their premises from 15th February 2021 from Health Rotorua Limited. Two of the directors of both companies are the same. Annual lease \$95,000.

In 2022 Rotorua Area Primary Health Services Limited made a donation of \$250,000 to Health Rotorua Charitable Trust. The directors of company are also the trustees of Health Rotorua Charitable Trust.

Company Directors and Senior Management are key management personnel.

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

The following transactions were carried out with related parties:

	NOTES	2022	2021
Purchase of Goods and Services From Related Parties			
Health Rotorua Limited		128,533	42,752
RGPG Limited		311,814	370,946
Total Purchase of Goods and Services From Related Parties		440,347	413,698

	NOTES	2022	2021
Key Management Personnel			
Number of Persons Recognised as Key Personnel		7	8
Remuneration		326,674	302,048

	NOTES	2022	2021
Payable to Related Parties			
Health Rotorua Limited	13	-	15,833
RGPG Limited	13	12,132	86,631
Total Payable to Related Parties		12,132	102,464

The payables of related parties to Health Rotorua Limited arise from the lease of the health hub premises. Two directors are directors of both companies.

The payables of related parties arise from the lease of the premises with associated outgoings, including computer equipment from Rotorua General Practice Group Trust (RGPG), whose trustees are also directors of the Company.

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

	NOTES	2022	2021
19. Deferred Revenue			
Contracts in Advance		923,254	189,740
Team Rotorua Alliance		1,236,877	1,269,440
Total Deferred Revenue		2,160,131	1,459,180

The deferred revenue relates to the funds held for use for Services to Improve Access (SIA) and Health Promotion (HP). Although these funds are managed and held by the company they are managed by the Team Rotorua Alliance Group. These funds are allocated to various health projects. The other income in advance relates to funds received from the Ministry of Health for contracted initiatives not completed at the end of the financial year and carried forward until all Primary Health care service goals are achieved.

20. Financial Instruments

a) Carrying Value of Financial Instruments

The carrying amount of all material financial position assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

b) Classification of Financial Instruments

All financial assets held by the Company are classified as 'loans and receivables' are carried at amortised cost less accumulated impairment losses.

All financial liabilities held by the Company are carried at amortised cost using the effective interest rate method.

21. Share Capital

Share capital is comprised of 94 ordinary shares. Shares are all unpaid. All shares have the same rights and privileges and are subject to the same restrictions.

22. Contingent Asset and Contingent Liabilities

The Company had no capital commitments at reporting date (2021 Nil). There are no known material contingent liabilities (2021 Nil).

23. Events After the Reporting Period

There were no events that have occurred after balance date that would have a material impact on the Financial Statements. (2021: Nil).

24. Intangible Assets, Property, Plant and Equipment

This statement is to be read in conjunction with the Audit Report and the Notes to the Financial Statements.

Intangible Assets

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

Movements for each class of intangible assets are as follows:

	ACQUIRED COMPUTER SOFTWARE	TOTAL
Carrying Amount 2022		
Cost Amount 2022		
Opening Balance	29,333	29,333
Additions	13,789	13,789
Disposals	-	-
Total Cost Amount 2022	43,123	43,123
Accumulated Amortisation and Impairment		
Opening Balance	28,285	28,285
Amortisation for the Year	5,319	5,319
Amortisation written back on Disposal	-	-
Total Accumulated Amortisation and Impairment	33,603	33,603
Total Carrying Amount 2022	9,519	9,519
Carrying Amount 2021		
Cost Amount 2021		
Opening Balance	29,333	29,333
Additions	-	-
Disposals	-	-
Total Cost Amount 2021	29,333	29,333
Accumulated Amortisation and Impairment		
Opening Balance	27,236	27,236
Amortisation for the Year	1,049	1,049
Amortisation written back on Disposal	-	-
Total Accumulated Amortisation and Impairment	28,285	28,285
Total Carrying Amount 2021	1,049	1,049

Property, Plant and Equipment

Rotorua Area Primary Health Services Limited For the year ended 30 June 2022

Movements for each class of property, plant and equipment are as follows:

	COMPUTER EQUIPMENT	FURNITURE & FITTINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Carrying Amount 2022							
Cost Amount 2022							
Opening Balance	150,896	45,835	18,602	22,711	115,500	32,255	385,799
Additions	42,505	-	13,269	-	12,336	80,119	148,229
Disposals	-	-	-	(5,589)	(25,169)	-	(30,758)
Total Cost Amount 2022	193,401	45,835	31,871	17,122	102,666	112,375	503,270
Accumulated Depreciation & Impairment							
Opening Balance	117,531	23,067	4,604	8,033	49,911	3,087	206,232
Depreciation for the Year	27,180	3,114	5,220	4,121	12,170	2,917	54,722
Depreciation written back on Disposal	-	-	-	(4,650)	(13,121)	-	(17,770)
Total Accumulated Depreciation & Impairment	144,711	26,180	9,824	7,505	48,960	6,004	243,184
Total Carrying Amount 2022	48,690	19,655	22,047	9,617	53,706	106,371	260,086

Movements for each class of property, plant and equipment are as follows:

	COMPUTER EQUIPMENT	FURNITURE & FITTINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Carrying Amount 2021							
Cost Amount 2021							
Opening Balance	117,192	45,273	4,994	12,711	70,150	9,779	260,099
Additions	33,703	562	13,607	10,000	45,351	22,477	125,700
Disposals	-	-	-	-	-	-	-
Total Cost Amount 2021	150,896	45,835	18,602	22,711	115,500	32,255	385,799

	COMPUTER EQUIPMENT	FURNITURE & FITTINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Accumulated Depreciation & Impairment							
Opening Balance	92,410	18,883	531	5,671	35,469	2,133	155,098
Depreciation for the Year	25,120	4,183	4,072	2,362	14,442	954	51,134
Depreciation written back on Disposal	-	-	-	-	-	-	-
Total Accumulated Depreciation & Impairment	117,531	23,067	4,604	8,033	49,911	3,087	206,232
Total Carrying Amount 2021	33,365	22,769	13,998	14,678	65,589	29,168	179,567