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ABOUT RAPHS

Rotorua Area Primary Health Services is the Primary Health Organisation coordinating and supporting primary care services for 72,000 enrolled service users in the Rotorua District, including Murupara and Mangakino.

As a not-for-profit clinical network, we have been committed to improving health and wellbeing in the Rotorua region for over 25 years.

We work closely with healthcare teams including 16 member general practice providers, to support a high performing primary care network.



To deliver greater integration and system performance, FY16 encompassed a significant change program for RAPHs, which included:

- *Rollout of the Team Rotorua Alliance Action Plan*
- *Development and implementation of new services*
- *Physical relocation*
- *Staff restructuring, and*
- *Development of a new Strategic Plan*



Kirsten Stone
Chief Executive Officer

The Rotorua Area Primary Health Services (RAPHs) network has a long history of providers working together to deliver excellent primary health care services.

This strength is embedded in the core values for RAPHs of partnership, accountability, equity, and improved outcomes and experience; qualities that are more important than ever as national Health Strategy refreshes to focus on better designing health services that meet the needs of people to live well, stay well and get well.

The updated national strategy sets a framework for addressing significant system and fiscal pressures with a focus on a new way of working as one team, to deliver efficient and effective person-centred care.

In the future, successful and sustainable health services will be part of an integrated network of providers, supporting collaboration between health and social sector partners, and all adopting new ways of working to deliver greater service efficiency and better meet people's needs (both the needs of consumers and the needs of providers). The complexity inherent to realising this vision cannot be understated, particularly for communities like Rotorua with significant deprivation and social need influencing health outcomes and service access.

In the past year, reconfiguration of the RAPHs operating model and strategic work plan to align with the changing direction of the health and disability sector, has been a significant focus for the organisation, with substantial success.

Partnership, innovation, and collaboration have underpinned this activity.

Highlights for FY16

Our partnership through the Team Rotorua Alliance, with Lakes DHB and the Te Arawa Whanau Ora Collective, has matured to deliver an Action Plan for change; with RAPHs redesigning PHO services to meet Alliance goals for:

- Patient-centred care collaboration
- Improved quality of life and slowing the progression of disease,
- Shared Information

with all these services building on the LINC model of care to further integrate the RAPHs network, and future work using shared analytics to drive change in priority areas such as the management of acute demand, and workforce support.

This year our innovation and reputation as leaders of best practice have been recognised nationally, with outstanding results in the peer review vs PHO contractual requirements, plus an award for Best Professional Service nationally.

Collaboration with health and social service providers is advancing quickly through the new inter-disciplinary RAPHs Extended Care Support Team.

Restructuring, relocation, service redesign and a new work plan all define a roadmap and action plan for RAPHs to build on these successes and work with our partners to further support change necessary for the sector.



RAPHS **AWARDED** PSNZ

Professional

Service of the Year Award, NZ
For new **Clinical Pharmacy** service

RAPHS General Practices Delivered

> **400,000**

Episodes of care for patients

RAPHS identified* as a national

LEADER

in significant areas:

- ◆ Pharmaceuticals
- ◆ Service Development
- ◆ Information Platforms
- ◆ Service Integration

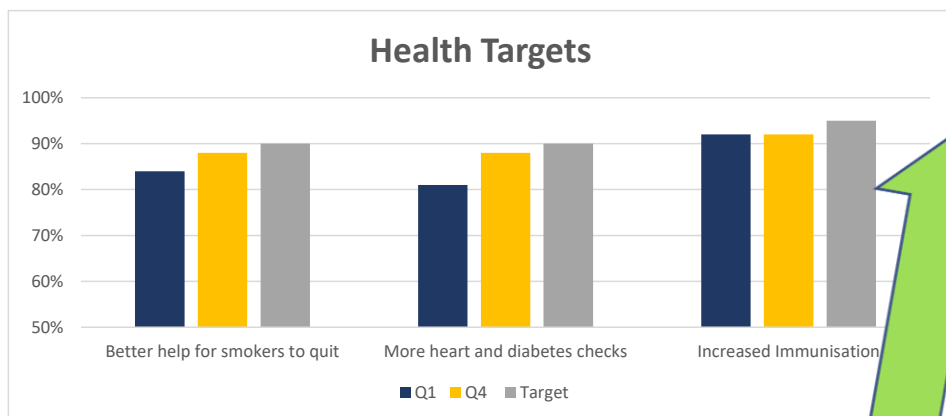
Plus several RAPHS initiatives
identified and published
as a national

EXEMPLAR

of best practice:

- ◆ Implementation Plan for Patient Portals
- ◆ Best Practice Support Plan
- ◆ Older Persons and Workforce Capacity Analysis
- ◆ Information Security Policies Framework

* Through national peer review



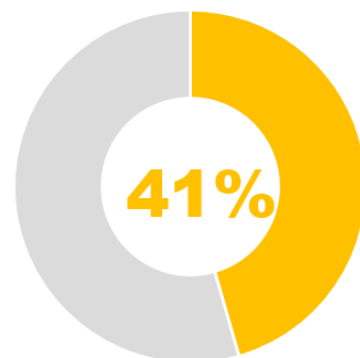
71,913

Enrolled Service Users
Q4 2016

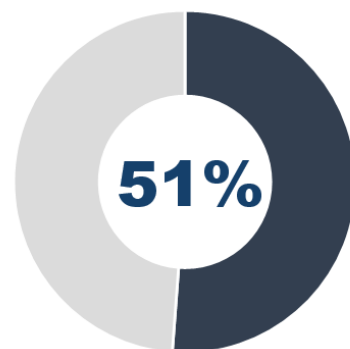
↑ **1.3%** since Q4 2015

COMMUNITY

Maori



NZ European



% Member practices providing

100%

FREE services for children
aged under 13

Practice WORKFORCE

46 FTE **GPs**

46 FTE **Nurses**

2 FTE **Nurse Practitioners**

1:1563 ratio of **GPs : ESU**



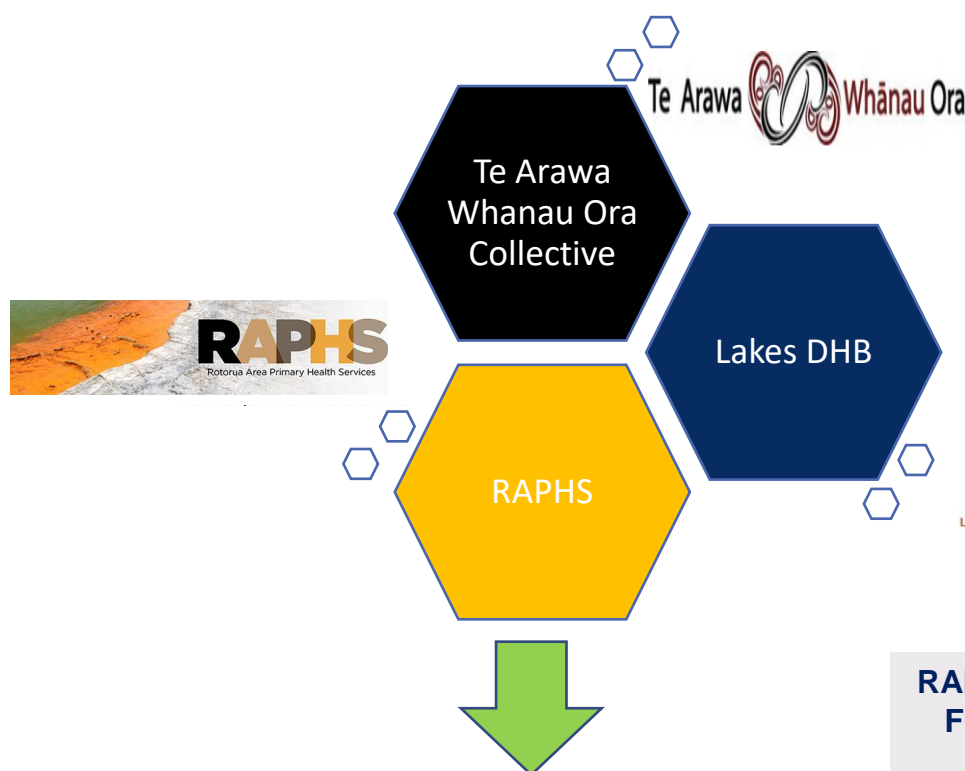
**RANKED
TOP**

In compliance with PHO
contract requirements in a
national peer review of
PHO performance

Priority Areas for Action

Improve **Child Health** ◆ Reduce the impact of **Long Term Conditions** ◆ Improve patient & workforce **Experience** ◆ Reduce **Inequalities**

Team Rotorua Alliance

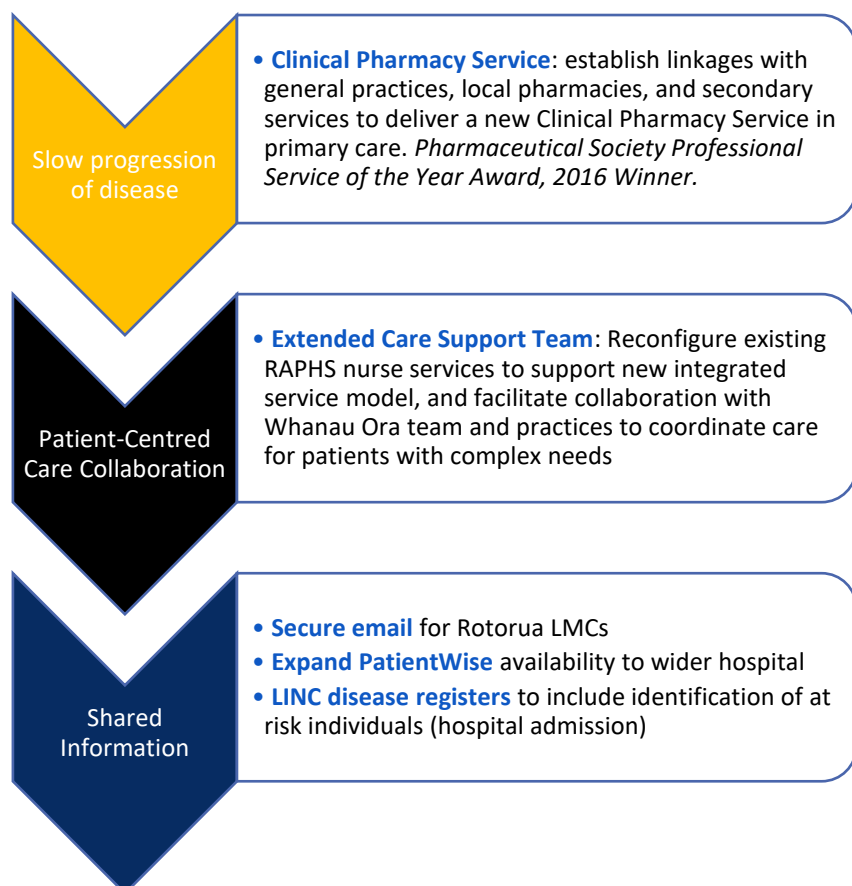


KEY ALLIANCE GOALS:

1. Services to **Slow Progression of Disease** and Improve Quality of Life
2. Actions to Enable **Patient-Centered Care Collaboration** to Support Improved Health Outcomes, Service Access and Patient Self-Management
3. **Shared Information** as a Key Enabler of Integrated Services



New Alliance Services implemented in FY16 by RAPHS

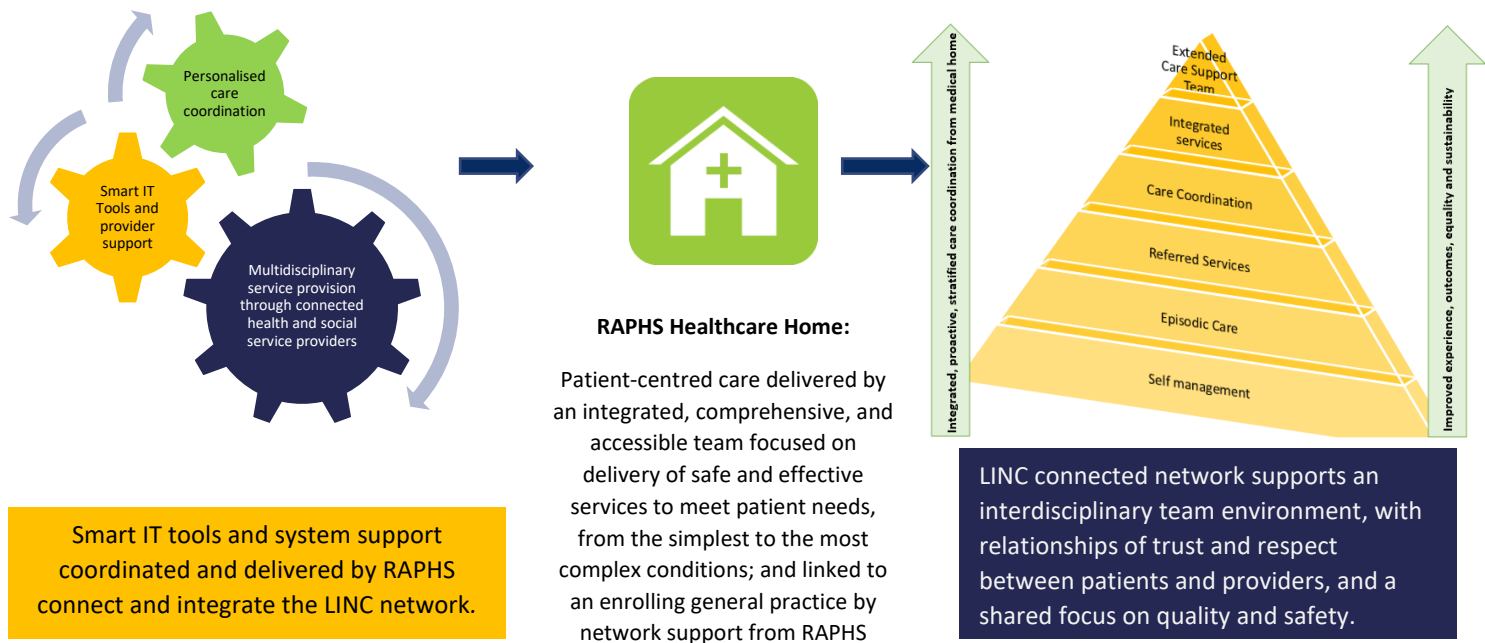


RAPHS Contribution to Alliance Flexible Funding Pool FY16:

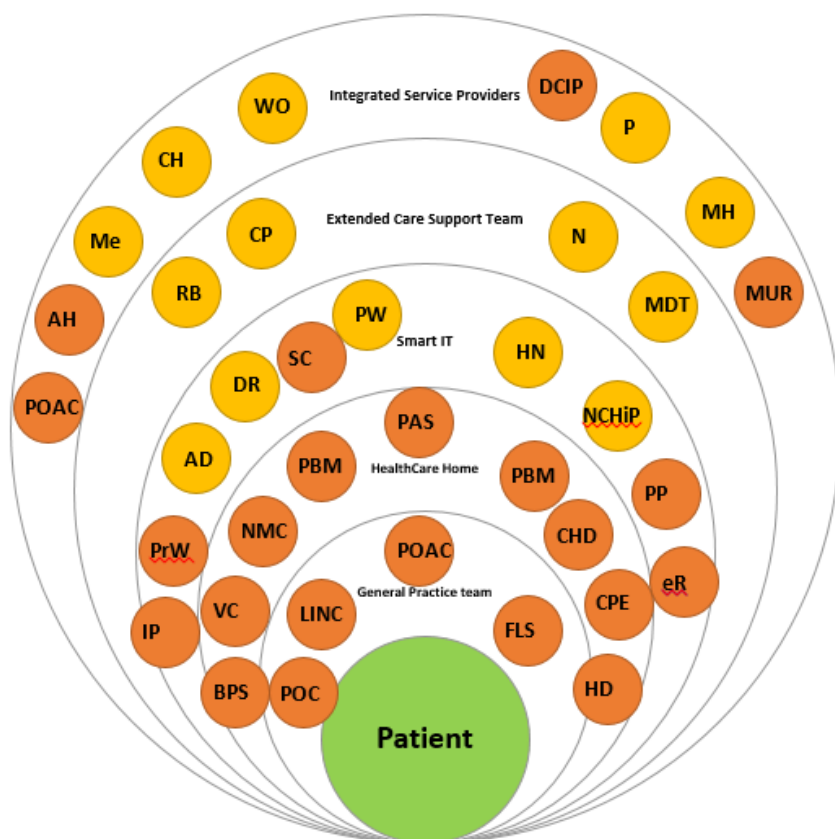
- ♦ **Alliance Leadership Team** costs
- ♦ **Funded CVD Risk Assessment** for target patients
- ♦ **Funded Cervical smears** for target patients
- ♦ **Extended Care Support Team** development, and delivery
- ♦ **Clinical Pharmacy Service** development, and delivery
- ♦ **Community Outreach** and links with Whānau Ora initiatives
- ♦ **Clinical Leadership** roles
- ♦ **Disease Registers** development and delivery
- ♦ **RotoVegas** youth health one-stop shop funding support
- ♦ **Green Prescription** and family lifestyle coach funding support
- ♦ **Health Promotion** and scoping for new Health Navigation service
- ♦ **PatientWise licensing** for Rotorua Hospital (shared view of information)

All Alliance services build on the **LINC model of care** in a systematic way to support integrated service provision across the RAPHS network

LINC Model for Integrated Care



Mapping the Alliance Action Plan to LINC



LINC delivers the healthcare home model of care for RAPHs, to put the patient at the centre of care, and coordinates care from an enrolling general practice through a wide network of service providers (community, primary and hospital) who collaborate together in meeting patient needs.

- Alliance Action Plan Initiatives**
 - AD = shared admissions data to practices via ProviderWise
 - CH = Child Health Hub
 - CP = Clinical Pharmacy
 - DR = Disease Registers at practice level
 - HN = Health navigation
 - MH = Maternal Health packages of care
 - MDT = Extended Care MDT
 - Me = Midwifery secure email
 - N = Nurse team (inc. Nurse Practitioner, EN, HCA)
 - NCHiP = NCHiP
 - P = Psychology packages of Care
 - PW = PatientWise portal at Rotorua Hospital
 - RB = relationship building
 - WO = Whanau Ora integration
- Other RAPHs Current Initiatives**
 - AH = 24/7 Coordinated afterhours service
 - BPS = Best Practice Support Plan
 - HD = Centralised Helpdesk
 - CHD = centralised, hosted practice databases
 - CPE = continuing education program
 - DCIP = Diabetes Care improvement packages
 - eR = integrated e-referrals
 - FLS = first level services
 - IP = integrated phone + active directory
 - LINC = LTC care coordination
 - MUR = Pharmacy Medicines Use Reviews
 - NM = new models of care
 - PAS = provider accreditation support
 - PBM = provider bench marking
 - POC = Packages of care
 - PP = Patient Portals
 - PrW = ProviderWise interface
 - RS = Retinal Screening
 - SC = shared care record
 - VC = videoconferencing

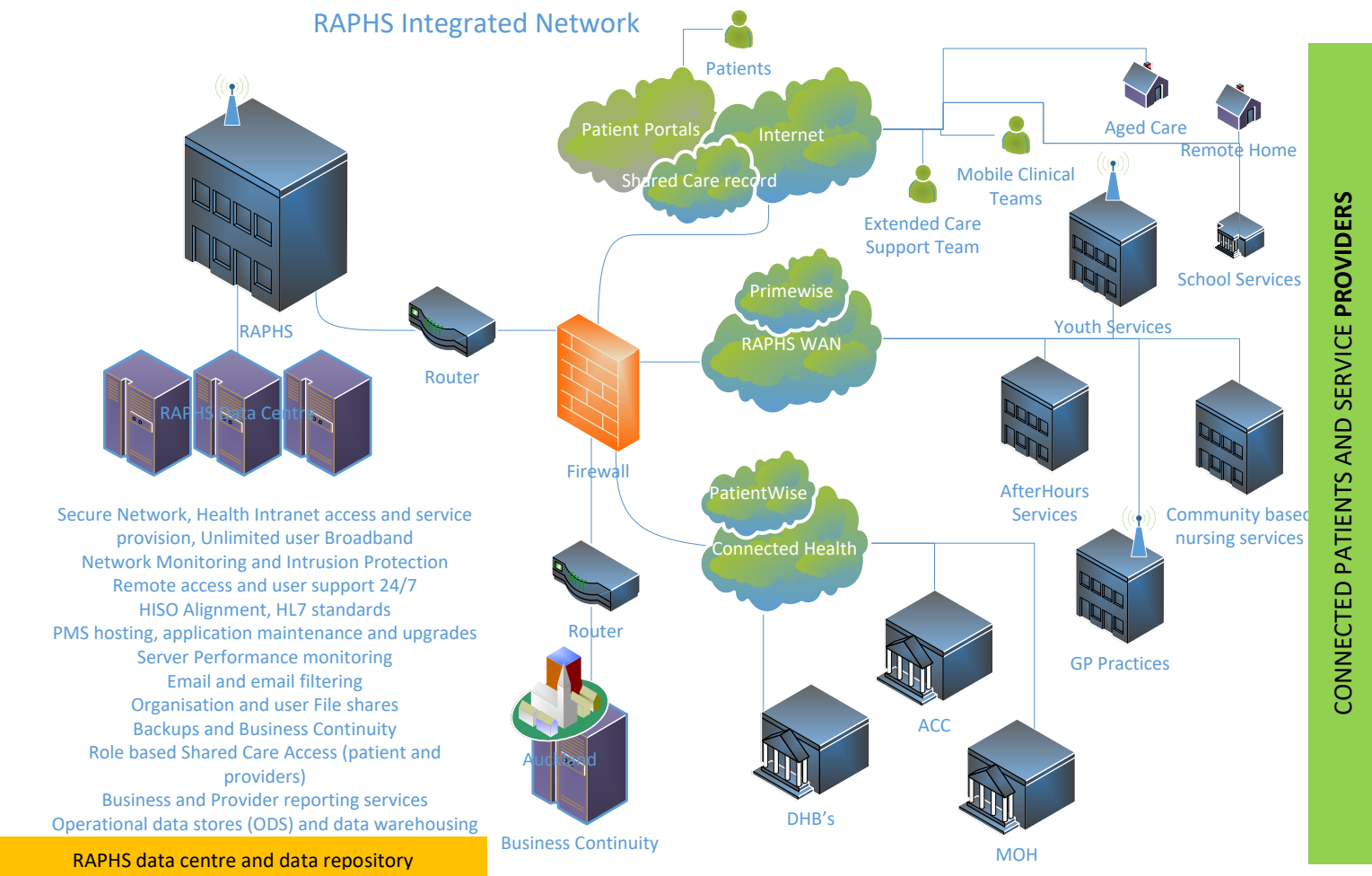
Future Development Priorities

To support better patient and sector outcomes, the focus for RAPHs is enabling new models of care and further service integration

A core role for RAPHs as a PHO is to support patients and providers by facilitating service delivery so that people have access to care, information and support as close as possible to home

Care Element	RAPHs Activity FY16 Included	Highlights
<i>Supporting a Healthy Start for all Children</i>	<ul style="list-style-type: none"> Enhancements to New Born Enrolment processes Regular reporting of performance to practices Active involvement in the iMDT process Rheumatic fever database Child Health Immunisation Coordinator 	<p>Creating and building the iMDT platform on PrimeWise</p> <p>Connecting providers to find the unrolled and unimmunised children</p>
<i>Enhanced primary care support</i>	<ul style="list-style-type: none"> Health Promotion and coordinated communications EnrolWise register management Practice performance and benchmarking reports Accreditation programme Practice toolkits, eg Patient Portals, Foundation Standards Integrated phone, email and PMS support Business continuity solutions Integrated data and information systems (see page 7) 	<p>Recognised as a leader of best practice and innovation in nation-wide peer review of PHOs led by MOH; with several RAPHs exemplars published nationally</p>
<i>Community-based services</i>	<p>Integrated Packages of Care: Eg: Admission avoidance; Cellulitis; Correction of dehydration; DVT; ED frequent flyer support; Insulin Initiation; Prevention of readmission; Suspected renal colic</p>	<p>1085 packages of care delivered in primary care as an alternative to hospital admission</p>
<i>Proactive care coordination focused on prevention, early intervention, rehabilitation and wellbeing for people with long term conditions</i>	<ul style="list-style-type: none"> LINC practice-based care coordination for LTC patients, linking risk stratification to custom care plans Integrated wrap-around services to support LTC patients, eg retinal screening Establishment of the RAPHs Extended Care Support Team, including integrated Nursing and Clinical Pharmacy Provision and maintenance of patient registers – More Heart and Diabetes, Smoking, Diabetes and LINC Health navigation support – breast and cervical screening 	<p>RAPHs Clinical Pharmacy service award winners at the NZ Pharmacy awards for Professional Service of the Year</p>
<i>Multidisciplinary Team (MDT) support including coordinated health and social care</i>	<ul style="list-style-type: none"> RAPHs MDT meeting, led by Extended Care Support Team, linking to and including practices, specialists, social and care providers to develop and deliver care plans for patients with complex needs Coordinated community outreach Established relationships MSD and Whanau Ora 	<p>MDT linking health and social service providers</p> <ul style="list-style-type: none"> Lakes DHB District Nursing, NASC, Mental Health Services, MAMU, ED, Community Geriatrician Community providers, eg physio, pharmacy Social agencies General practices
<i>Workforce development</i>	<ul style="list-style-type: none"> In practice Extended Care Support Team support Coordinated CME and CNE education sessions Peer review support and PDRP Education – LTC management, L7 Diabetes, Smear Taking Practice Managers forum and CAE programme Nurse Practitioner support 	<p>RAPHs has developed a strong collaborative relationship with Waiariki Polytech and regularly present and assess clinical activity for their students</p> <p>The RAPHs DON supports new nurses and health care assistants into primary care employment</p>

RAPHS enjoys the unique advantage of member practices collaborating in and funding an integrated health datacentre, which provides secure connectivity and database hosting for health service providers within a district wide private network. The policy and quality framework for this Integrated Network were identified as exemplars of leading practice in New Zealand in the national peer review of PHOs; and the integrated information and smart tools that this network supports enable RAPHS to facilitate exceptional data analytics, information sharing and system integration to support patient-centred service delivery.



The integrated network delivered by RAPHS is:

- **Standards based**, and
- Supported by a best practice quality programme to ensure **accuracy of data**, and
- Thus enables **structured analytics**, plus
- **Role-based** information sharing between providers, by
- Providing a platform that **integrates data and applications** from multiple sector sources, within
- A robust **privacy and security** framework, with
- Real-time **back up and business continuity services** to an Auckland datacentre

Care Element	RAPHS Integrated Network Components Include
Electronic health records	<ul style="list-style-type: none">• Hosted PMS databases connect to an ETL structured repository using an API
Patient Portals	<ul style="list-style-type: none">• Patient Portal implementation support and hosting
Provider Portals	<ul style="list-style-type: none">• Enrolment register support (EnrolWise)• Practice Registers (ProviderWise)• Health service navigation support and help desk
Accountability and Transparency	<ul style="list-style-type: none">• Provider benchmarking integrated with practice tools• Performance monitoring integrated with service financial processes and payments
Shared Information	<ul style="list-style-type: none">• Shared information with Rotorua Hospital and community providers via PatientWise• Extended Care Support Team shared care record• E-Labs• Rheumatic Fever regional databases
Care Coordination	<ul style="list-style-type: none">• Integrated E-referrals• Provider population disease registers incorporating structured risk stratification and data from primary and hospital sources
Analytics and Business Intelligence	<ul style="list-style-type: none">• Secure email and integrated provider directory• Provider dashboards and benchmarking linking and analysing primary and secondary data

RAPHS Strategy

VISION

A High Performing Primary Health Network

GOALS

1: Enabling fit-for-purpose clinical and business models

2: Providing technology and infrastructure to support integration

3: Pro-actively supporting the establishment of new resourcing models

4: Building networks that work together to improve health outcomes

KEY ACTIVITY FY16-17

- LINC continued development
- Extended Care Support Team
- Business and clinical model development
- Accreditation and Provider Support
- Workforce Development

- Patient portals
- Shared Information
- Shared Care
- Integrated Disease Registers
- Hosted PMS and help desk
- Integrated phone + active directory

- Shared data analytics with LDHB to support change
- Primary options for acute care
- Acute demand analytics and tools
- Clinical pathways development

- Alliance Action Plan
- Health Navigation program
- Service Integration
- Community Outreach program
- Whanau Ora collaboration

Alliance-agreed Measures Relating to Priority Goals of:

MEASURES OF SUCCESS



Improving

- ◆ Child Health
- ◆ Patient and workforce experience



Reducing

- ◆ Inequalities
- ◆ Impact of Long Term Conditions

From the Chair . . .

The challenges facing General Practice exist across the sector; an aging population, ever more expensive diagnostic and therapeutic choices, and a workforce that is finite in its number and capacity. The future is requiring a new set of solutions, many of which are untested but some of which are manifestly obvious. To tackle these challenges the RAPHS Board has a clear vision and work plan to implement and support change necessary for the sector.

The pursuit of an integrated structure in name and function is essential. Rotorua Area Primary Health Services has been strengthened by the fusion into one entity, of all Rotorua general practices, offering common goals and aspirations, collegiality and mutual support, with the result being enhanced health outcomes.

This did not happen without effort and the process required considerable cooperative effort and nurturing. The same endeavour needs to be applied across interfaces between health entities Primary and Secondary, and under new government guidance, across sectors.

RAPHS is exceedingly willing to participate as a partner in all conversations which can improve the health of our community, using the knowledge and energy of the primary sector to inform those conversations. We can't wait.



Dr Leonie Sinclair
Chair

Our Core Values

Improved experience

Equity and Quality of Outcomes

Efficiency & Accountability

Partnership

Member Practices

Eruera Medical Centre	Rotorua Medical Group
Hinemoa House Family Health Care	Te Ngae Medical Centre
Korowai Aroha Health Centre	The Owhata Surgery
Kuirau Medical Centre	Three Lakes Clinic
Mangakino Health Services	Westbrook Surgery
Murupara Medical Centre	Westend Medical
Ngati Pikiao Health Services	Western Heights Health Centre
Ngongotaha Medical Centre	After Hours Provider
Ranolf Medical Centre	Lakes PrimeCare



RAPHs staff

Complaints Summary 15-16

Title	Overview	Outcome
<i>Communication issue</i>	Information from the LDHB was forwarded to our providers at the request of the LDHB. Complainant felt some of the information was insensitive to patients.	Complaints officer responded to the practice via email, apologising for any offence caused. This was accepted by the practice. Internal process for checking information from external sources was emphasised to staff.
<i>Communication issue between providers</i>	Communication issue between a practice and third party provider of radiology services. The timing of appointments late in the day and the timeliness of receiving electronic results caused a short delay in treatment for a patient.	DoN responded to the practice and reached out to the third party provider for their input. Both parties discussed the incident and proposed small changes to processes each could make to ensure that the same issue didn't arise again in the future.
<i>Medication error</i>	Transferred patient was prescribed a higher dose of medication than was previously used by the patient. The prescribed amount was within safe dosage parameters but caused issues for this patient.	Complaints officer responded to complainant over the phone and in writing. Patient wanted to remain using the same doctor but requested that the practice be spoken to about the issue. Practice was informed and spoken with about the issue and guidelines around patient transfer of medical notes discussed and amended.

Staff

July 2016

Clinical Services

Matt Watson, Clinical Services Manager

Vicky Gaunt, Director of Nursing

June Grant, Breast and Cervical Screening Health Promoter

Kaye Page, Practice Nurse

Eui-Jin Kim, Clinical Pharmacist Facilitator

Michael Hammond, Clinical Pharmacist Facilitator

Glenda Cowie, Clinical Admin Assistant

Matthew Davies, Quality Manager

Sue Taft, Child Health and Immunisation Coordinator

Ann Long, Provider Support Administrator

Courtney Rowbotham, Admin Assistant

Oliver Shaw, Health Ambassador

Information Systems

Chris Walmsley, IS Manager

Steve Webb, Team Leader

Theresa Graham, Support Coordinator

Moana Kininmonth, Support Coordinator

Charmaine Tado, Support Coordinator

Bradley Eyes, Support Coordinator

Jennifer Anastasi, Integration Projects Manager

Sankhala Kariyawasam, Analyst

Nick Tierney, Integration Project Development Architect

Justin Shearborne, MS Stack Specialist

Peter Meyssen, Project Co-ordinator

Operations

Kirsten Stone, CEO

Kylie Beehre, Executive Assistant

Gavin Lord, Business Manager

Kelly Aplin, Practice Facilitator

Kirsty Dyball, Provider Support coordinator

Lorraine Thorne, Receptionist/Administration

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

ANNUAL REPORT FOR THE YEAR ENDED 30th June 2016

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Iles Casey

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rotorua Area Primary Health Services

Report on the Financial Statements

We have audited the financial statements of Rotorua Area Primary Health Services on pages 4 to 18, which comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Revenue and Expense, 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.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in Rotorua Area Primary Health Services.

Opinion

In our opinion, the financial statements on pages 4 to 18

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Rotorua Area Primary Health Services at 30 June 2016 and its comprehensive revenue and expense and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by Rotorua Area Primary Health Services as far as appears from an examination of those records.

20 October 2016
1081 Hinemoa Street
Rotorua

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

BUSINESS DIRECTORY

CAPITAL:	34 CLASS A PRINCIPAL GENERAL PRACTITIONER 31 CLASS B ASSISTANT/LOCUM GENERAL PRACTITIONER 40 CLASS C REGISTERED NURSE
DIRECTORS:	E BARRINGTON J DONNELL N ELDER L HUGHES G MATTHEWS N POSKITT L SINCLAIR
REGISTERED OFFICE:	1488 HINEMOA STREET ROTORUA 3010
BANKERS:	WESTPAC BANK 1228 AMOHAU STREET ROTORUA 3040
ADDRESS:	LEVEL 1 1165 TUTANEKAI STREET ROTORUA 3010
COMPANY NUMBER:	580234
IRD NUMBER:	062-495-913
ACCOUNTANTS:	SPURDLE ACCOUNTANTS LTD 1488 HINEMOA STREET ROTORUA 3010
AUDITORS:	ILES CASEY 1081 HINEMOA STREET ROTORUA 3010

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

DIRECTORS REPORT

for the year ended 30 June 2016

The Board of Directors present their Annual Report including financial statements of the company for the year ended 30th June 2016.

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 pledged to it all funds held in relation to its funding as a PHO for Services to Improve Access (SIA) and Health Promotion (HP). These funds although managed and held by the Company are now controlled by the Team Alliance Group.

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: E Barrington, J Donnell, N Elder, D Epp (resigned), L Hughes, G Matthews, A McLean (resigned), N Poskitt and L Sinclair.

For and on behalf of the Board



Director



Director

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue From Exchange Transactions			
PHO Contracts	14	15,368,322	14,962,815
District Health Board Contracts		2,306,123	1,964,908
Other Income	14	465,969	476,410
Total Revenue		18,140,414	17,404,133
Expenses			
PHO Contracts	14	15,393,843	14,964,682
District Health Board Contracts	14	2,306,086	1,969,252
Other Contracts	14	444,483	456,311
Audit Fees	6	4,250	6,000
Depreciation	7	1,891	567
Total Expenses		18,150,553	17,396,812
Surplus (Deficit) before Finance Activities		(10,139)	7,321
Investment Income	8	31,364	49,344
Operating Surplus (Deficit)		21,225	56,665
Other Gains (Losses)			
Gain/(loss) On Sale of Assets	6	(213)	(19)
Surplus (Deficit) for the Year		21,012	56,646
Other Comprehensive Revenue and Expenses			
		-	-
Total Comprehensive Revenue & Expenses for the year Before Tax		21,012	56,646
Income Tax Expense	5	9,309	8,488
Total Comprehensive Revenue & Expenses for the year After Tax		11,703	48,158

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 \$	2015 \$
Assets			
Current			
Cash and Cash Equivalents	9	2,014,330	1,634,752
Accounts Receivable	10	281,783	215,678
GST Receivable	3	19,326	8,903
Income Tax Refund	5	-	5,325
Prepayments	11	14,052	-
Total Current Assets	4	2,329,491	1,864,658
Non-Current Assets			
Plant and Equipment	13	5,806	7,910
Total Non-Current Assets		5,806	7,910
Total Assets		2,335,297	1,872,568
Liabilities			
Current			
Accounts Payable	12	488,778	308,000
Contracts In Advance	15	10,400	130,362
Income Tax Payable	5	528	-
Medicines Use Review Contract	15	166,676	166,676
Team Rotorua Alliance	15	1,304,732	915,050
Total Current Liabilities	4	1,971,114	1,520,088
Total Liabilities		1,971,114	1,520,088
Net Assets		364,183	352,480

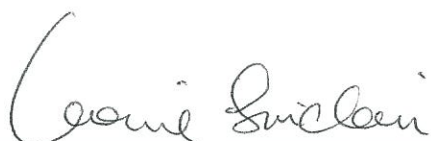
ROTORUA AREA PRIMARY HEALTH SERVICES LTD

STATEMENT OF FINANCIAL POSITION

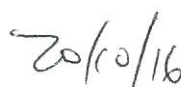
as at 30 June 2016

	Notes	2016 \$	2015 \$
EQUITY			
Share Capital	17	-	-
Accumulated Funds		364,183	352,480
TOTAL EQUITY		<u>364,183</u>	<u>352,480</u>

These financial statements have been authorised for release by the Board on:



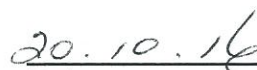
Director



Date



Director



Date

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 30 June 2016

Notes	Accumulated Funds \$	Other Equity Reserves \$	Total Equity \$
Balance 1 July 2015	352,480	-	352,480
Changes in Accounting Policy			
Restated Opening Balance	352,480	-	352,480
Surplus (Deficit) for the Year	15,129	-	15,129
Other Comprehensive Revenue and Expenses	-	-	-
Total Comprehensive Revenue and Expense	15,129	-	15,129
Balance 30 June 2016	<u>367,609</u>	<u>-</u>	<u>367,609</u>
Balance 1 July 2014	304,322	-	304,322
Changes in Accounting Policy			
Restated Opening Balance	304,322	-	304,322
Surplus (Deficit) for the Year	48,158	-	48,158
Other Comprehensive Revenue and Expenses	-	-	-
Total Comprehensive Revenue and Expense	48,158	-	48,158
Balance 30 June 2015	<u>352,480</u>	<u>-</u>	<u>352,480</u>

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

Notes	2016 \$	2015 \$
Cash flow From Operating Activities		
<i>Cash was Provided From (Applied To):</i>		
Receipts from Goods and Services Provided	18,344,029	17,916,718
Refund from Tax	5,325	9,699
Payments to Suppliers	(17,992,359)	(17,415,916)
Tax Paid	(8,781)	(13,813)
Net Cash From (Used in) Operating Activities	<u>348,214</u>	<u>496,688</u>
Cash flow From Investing Activities		
Purchase of Plant and Equipment	-	(6,550)
Net Cash From (Used in) Investing Activities	<u>-</u>	<u>(6,550)</u>
Cash flow From Financing Activities		
<i>Cash was Provided From (Applied To):</i>		
Interest and Dividends Received	31,364	49,344
Net Cash From (Used in) Financing Activities	<u>31,364</u>	<u>49,344</u>
Net Increase (Decrease) in Cash and Cash Equivalents	379,578	539,482
Cash and Cash Equivalents, Beginning of the Year	<u>1,634,752</u>	<u>1,095,270</u>
Cash and Cash Equivalents at the end of the Year	<u><u>2,014,330</u></u>	<u><u>1,634,752</u></u>

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

1 Reporting Entity

These financial statements comprise the financial statements of Rotorua Area Primary Health Services Ltd for the year ended 30 June 2016.

Rotorua Area Primary Health Services Ltd 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 20th October 2016.

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 New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate to Public Benefit Entities.

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) Comparatives

The comparative financial period is 12 months. Comparatives have been reclassified from that reported in the 30 June 2015 financial statements where appropriate to ensure consistency with the presentation of the current year's position and performance.

The net asset position and net surplus or deficit reported in comparatives is consistent with previously authorised financial statements.

e) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, the impact of new and amended standards and interpretations applied in the year was limited to additional note disclosures.

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

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 at their cost, less any 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 stated at cost.

d) Plant and Equipment

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 replacing part of an item of 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 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 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 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.

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Depreciation

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

Plant & Equipment	18 - 33% DV
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The residual value, useful life, and depreciation method of plant and equipment is reassessed annually.

e) 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 debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables 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 Company transfers the financial asset 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.

Subsequent Measurement of Financial Liabilities

Trade payables and other borrowings are subsequently measured at amortised cost using the effective interest method.

f) 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.

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

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

Rendering of Services

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.

Interest Income

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

g) Income tax

Income Tax expense charged against the profit 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.

h) Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

4 Working Capital Summary

	2016	2015
	\$	\$
Current Assets	2,329,491	1,864,658
Current Liabilities	1,971,114	1,520,088
	<u>358,377</u>	<u>344,570</u>

5 Income Tax

	2016	2015
	\$	\$
Profit Reconciliation		
Profit (Deficit) before Tax	21,012	56,646
Tax at Current Rate @ 28c	5,883	15,861
Current Tax Adjustments		
Non Deductible Expenses	3,426	-
Tax Effect of Losses	-	(7,373)
Deferred Tax Adjustments		
	-	-
Income Tax Expense	<u>9,309</u>	<u>8,488</u>

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Comprising:

Current Tax	9,309	8,488
Deferred Tax	-	-
	<u>9,309</u>	<u>8,488</u>

Income Tax

Income Tax Expense @ 28c	9,309	8,488
Opening Balance	(5,325)	(9,699)
Income Tax Refund Received	<u>5,325</u>	<u>9,699</u>
	<u>9,309</u>	<u>8,488</u>

Less:

RWT Deduction Paid	(8,781)	(13,813)
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Tax (Refundable) Payable

<u>528</u>	<u>(5,325)</u>
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Imputation

At 30th June 2016 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 \$405,258. The movements in the company's ICA for the year were:

	2016	2015
	\$	\$
Opening Balance 1st July 2015	401,802	397,688
Add:		
RWT Deductions Paid	<u>8,781</u>	<u>13,813</u>
	410,583	411,501
Less:		
Income Tax Refund Received	<u>5,325</u>	<u>9,699</u>
Closing Balance 30th June 2016	<u>405,258</u>	<u>401,802</u>

6 Expenses

The following amounts were expensed in the surplus (deficit) for the year:

	2016	2015
	\$	\$
Audit Fees	4,250	6,000
Loss on Disposal of Plant & Equipment	213	19

Auditors Remuneration

Fees charged by Audit Firm:

Financial Statement Audit	<u>4,250</u>	<u>6,000</u>
Total Fees Paid to Audit Firm	<u>4,250</u>	<u>6,000</u>

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

7 Depreciation, Amortisation and Impairment Expenses

	2016 \$	2015 \$
Depreciation of Plant & Equipment	1,891	567
	<u>1,891</u>	<u>567</u>

8 Finance Income and Costs

	2016 \$	2015 \$
Financing Income		
Interest Income on Bank Deposits	31,364	49,344
Total Finance Income	<u>31,364</u>	<u>49,344</u>

9 Cash and Cash Equivalents

	2016 \$	2015 \$
Westpac Cheque Account	14,290	9,972
Westpac Investment Account	708,697	715,277
Westpac Online Saver Account	1,291,343	909,503
Total Cash and Cash Equivalents	<u>2,014,330</u>	<u>1,634,752</u>

The Westpac Online Saver and Investment accounts earn interest at floating rates on the daily deposit balances.

10 Accounts Receivable

	2016 \$	2015 \$
Trade Debtors	281,783	215,678
Total	<u>281,783</u>	<u>215,678</u>

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 2015 and June 2016 all overdue receivables have been assessed for impairment and appropriate allowances made.

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

As at 30 June 2016, the ageing analysis of trade receivables is detailed as follows:

	2016 \$	2015 \$
0-30 days (not past due)	281,783	212,100
31-60 days	-	115
61-90 days	-	-
Greater than 90 days	-	3,463
Total Past Due	<u>-</u>	<u>3,578</u>
Total	<u><u>281,783</u></u>	<u><u>215,678</u></u>

11 Other Financial Assets

	2016 \$	2015 \$
Current Assets		
Prepayments	14,052	-
Total Other Current Assets	<u>14,052</u>	<u>-</u>

12 Accounts Payable

	2016 \$	2015 \$
Trade Creditors	488,778	308,000
Total	<u>488,778</u>	<u>308,000</u>

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

13 Plant and Equipment

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

	Plant & Equipment 2016 \$	Plant & Equipment 2015 \$
Gross Carrying Amount		
Opening Balance	27,209	20,659
Other Additions	-	6,550
Disposals	(3,100)	-
Closing Balance	<u>24,109</u>	<u>27,209</u>

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Accumulated Depreciation and Impairment

Opening Balance	19,299	18,923
Depreciation for the Year	1,891	567
Depreciation Written Back on Disposal	(2,887)	(191)
Closing Balance	18,303	19,299
Carrying Amount 30 June 2016	5,806	7,910

14 Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Company would have adopted in dealing with the party at arm's length in the same circumstances.

The company has individual contracts for service with its Principal and Assistant/Locum General Practitioner shareholders, for the provision of primary health services and related health initiatives. These contracts occur within a normal supplier relationship and are on normal terms and conditions. At balance date \$307,161 (2015 \$166,235) plus GST was owing.

The Company has a related party relationship with Team Rotorua Alliance. Two of their three representatives on the Alliance Leadership Team are also directors of RAPHs. The Alliance Leadership Team are charged with setting, monitoring and reviewing the Alliance primary healthcare objectives.

Company Directors 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:

a) Purchase of Goods and Services

	2016 \$	2015 \$
Key Management Personnel	-	-
RGPG Ltd	3,243,791	3,190,035
Team Rotorua Alliance	4,700	8,100
Total Purchase of Goods and Services to Related Parties	3,248,491	3,198,135

b) Key Management Personnel

Number of Directors Recognised as Key Personnel	7	7
Remuneration	-	-

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

c) Year End Receivable (Payable) With Related Parties

Receivable from related parties:

	2016	2015
	\$	\$
RGPG Ltd	12,436	3,887
Total	12,436	3,887

Payable from related parties:

	2016	2015
	\$	\$
RGPG Ltd	12,555	15,423
Total	12,555	15,423

The receivables and payables of related parties arise from the management agreement which is in place between the Company (RAPHs) and Rotorua General Practice Group Trust (RGPG), whose trustees are the directors of RAPHs. This agreement is for the provision of management, administration, salaries and related human resource, register processing and technology services.

15 Deferred Revenue

	2016	2015
	\$	\$
Team Rotorua Alliance	1,304,732	915,050
Contracts In Advance	10,400	130,362
Medicines Use Review Contract	166,676	166,676
Total Income in Advance	1,481,808	1,212,088

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 controlled 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.

16 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.

ROTORUA AREA PRIMARY HEALTH SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

b) Classification of Financial Instruments

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

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

17 Share Capital

Share capital is comprised of 34 Class A, 31 Class B and 40 Class C shares. Shares are all unpaid. All shares have equal participating rights to distributions on winding up.

18 Contingent Assets and Contingent Liabilities

The company had no capital commitments at balance date. (2015 Nil) There are no known material contingent liabilities (2015 Nil).

19 Events After the Reporting Period

On 01 July 2016 the management contract with RGPG Ltd was ceased for the provision of administration, human resources and technology services. RAPHs employed all staff from RGPG Ltd and assumed responsibility for all employee entitlements (\$56,011) at this date. The Company also purchased plant and equipment for \$182,787 plus GST from RGPG Ltd. RAPHs has also entered into an agreement to sub lease their premises from 01 July 2016 from RGPG Ltd. Rent is agreed at \$135.00 plus GST per sqm plus outgoings.

Other than the above, there have been no events after balance date that would affect the presentation of these financial statements.