



He ora te whakapiri
Together, we make it better



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RAPHS PURPOSE

Our Role

RAPHS is a primary healthcare support organisation:

- RAPHS purpose is to enable high quality health & wellbeing services for our community
- We do this by facilitating connections and supporting an integrated network of primary healthcare providers, to delivery services.
- We are the connecting bridge between the public and private components of the health system.

Our Values

RAPHS services are values based

- Relationships and partnership and are the foundation of all services
- Respect for autonomy
- Ethical distribution of available resource
- RAPHS complements and does not compete with services

Our Goals

By supporting and enabling integration, RAPHS improves the outcomes of services:

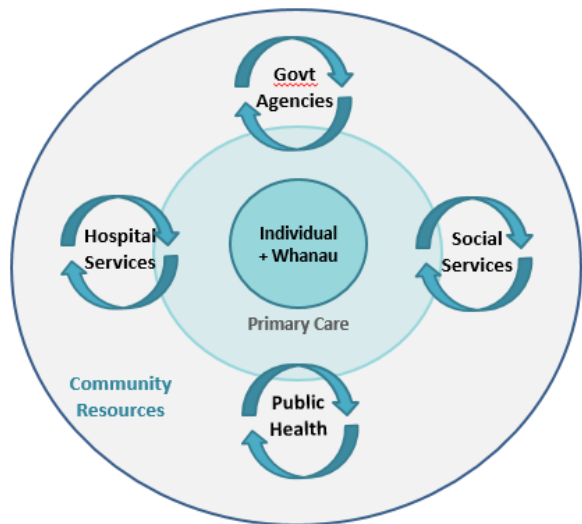
- Equity & quality
- Patient & provider experience, and
- Efficiency, accountability and sustainability

Our Vision

He ora te whakapiri

Together, we make it better

We will achieve our vision for person focused, integrated health & wellbeing services that improve outcomes of the health system, through working with others and supporting the integration of services.



DETAILS

Name: Rotorua Area Primary Health Services Ltd

Company No. 580234

Address: L1/1165 Tutanekai Street
Rotorua

Phone: +64 7349 3563

URL: www.raphs.org.nz

RAPHS has a not-for-profit constitution, and this has not been altered in 2018-19

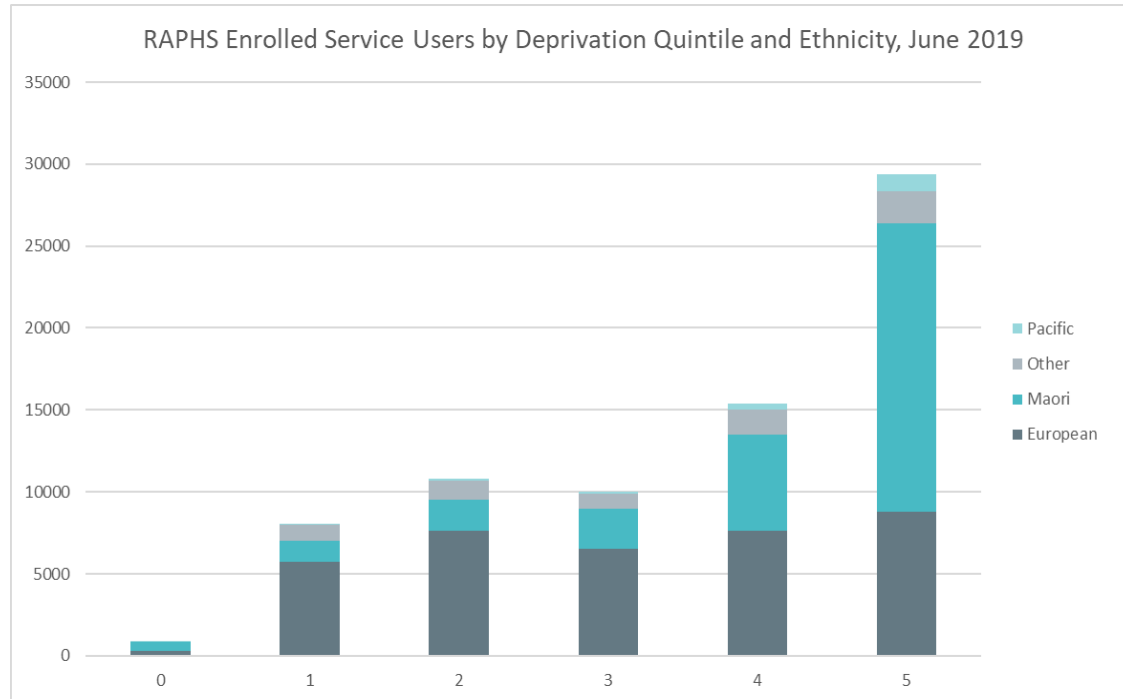
AT A GLANCE

74,526 Enrolled service users

↑ 3% Increase in enrolments
since June 2018

1:1546 GP FTE : ESU

3.4 average consults
pa/ESU



FY19 Member Practice FTE



16 Member practices



55 Non-clinical staff



49 Nurses



147 GPs



7 Medical Care Assistants

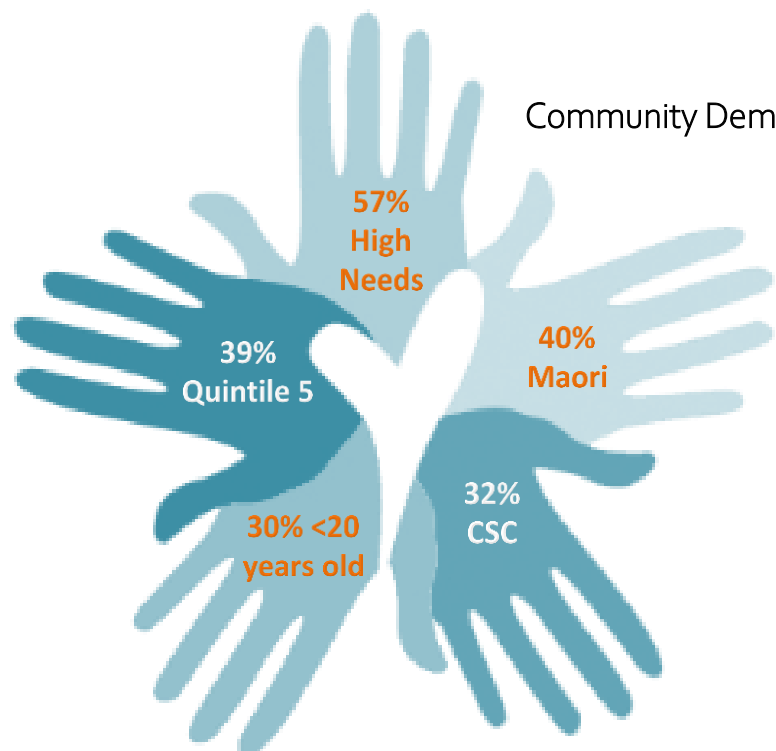


3 Nurse Practitioners



2 Nurse Prescribers

Community Demographics



RAPHS General Practice Fees comply with fee regulations. For details see:

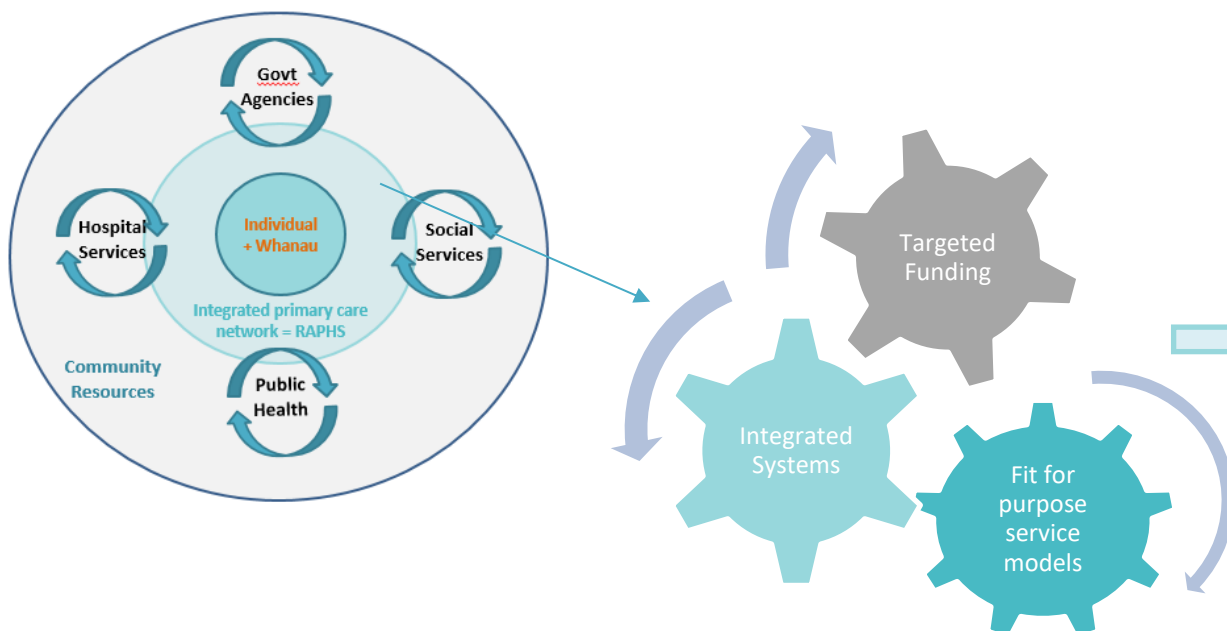
<https://www.raphs.org.nz/community/fees/>

He orate whakapiri / Together, we make it better

MODEL OF CARE

LINC = Lakes Integrated Network of Care

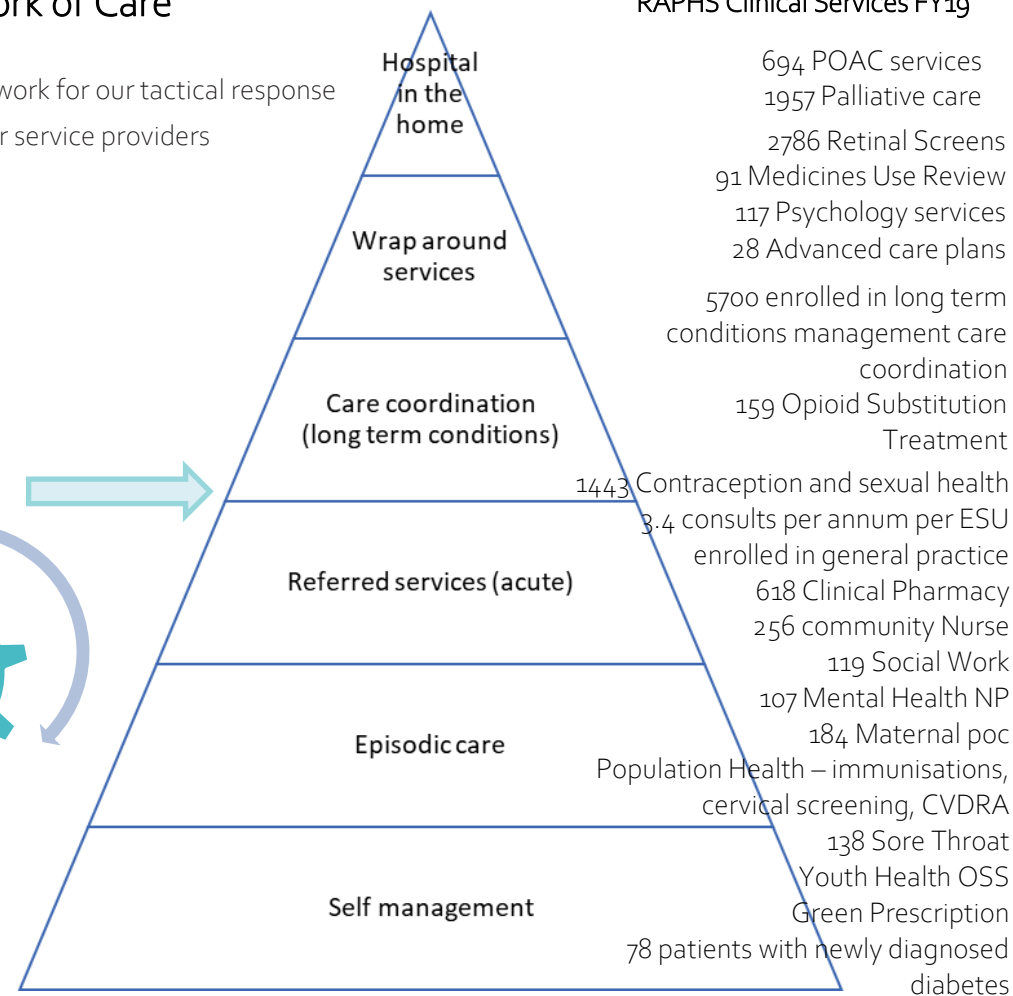
LINC is the name of the RAPHS model of care, and is a framework for our tactical response to enable functional integration and support for service providers

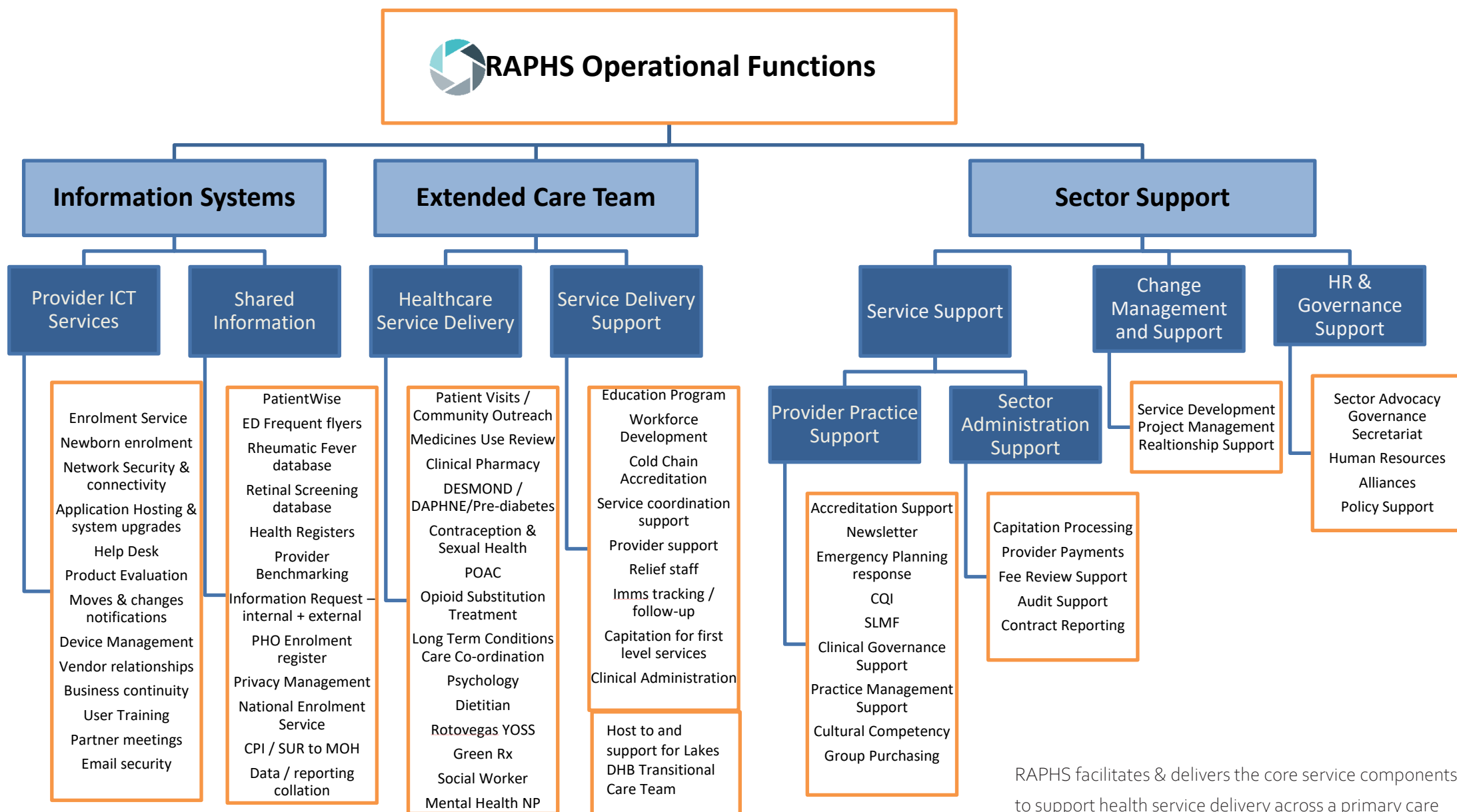


Together, the LINC'd RAPHS network delivers services through a connected, targeted, stepped care model; responsive to the holistic needs of individuals, whanau and communities.

Collaboration and partnerships drive service development and continuous improvement.

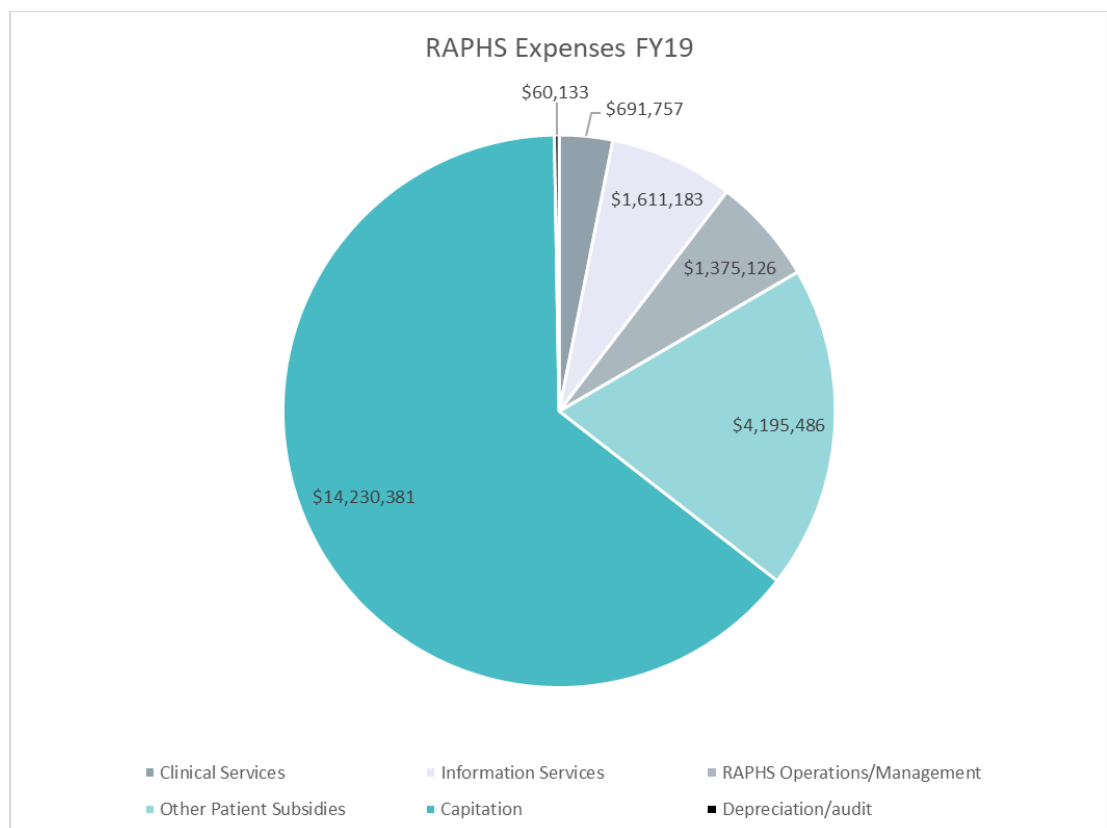
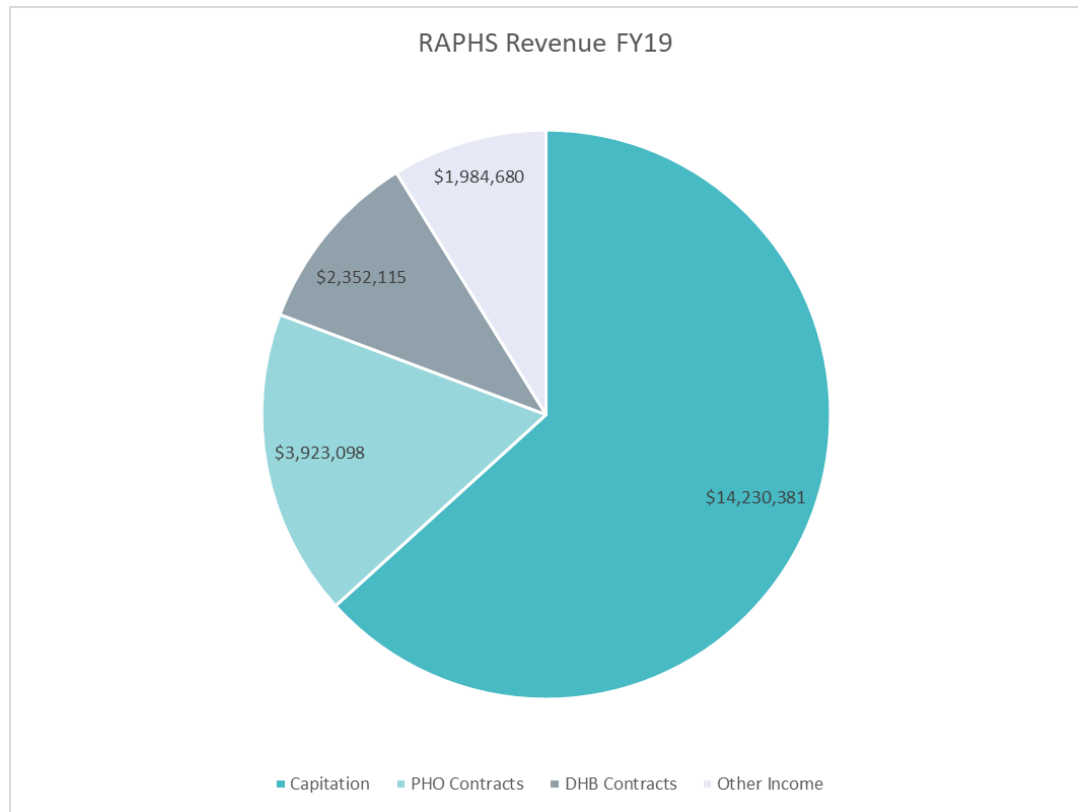
RAPHS Clinical Services FY19





RAPHs facilitates & delivers the core service components to support health service delivery across a primary care network; based on prioritisation and funding decisions led by Lakes DHB with community partners

REVENUE and EXPENSES



CONSUMER EXPERIENCE

Healthcare providers in the RAPHs network are committed to delivery of high quality effective health services for our community. As a connected network, all RAPHs providers participate in and drive education programmes, outcomes benchmarking, CQI tools and service development to optimise the experience of care for people utilizing RAPHs services. The national Primary Care Experience Survey is conducted throughout the year, and is a useful lens to monitor the experience of care within the RAPHs network.

SURVEY RESULTS JULY 2018 TO JUNE 2019:

Overall GP and Nurse Satisfaction

Overall RAPHs patient reported GP and Nurse Satisfaction (score out of 10) is higher than the national average.

- **National Average:** 8.9
- **RAPHs Average:** 9.1

High PHO Ranking and Reduced Inequity

RAPHs PHO ranking results are above the national average for all 4 survey domains, with RAPHs in the top three PHOs for 2 of the 4 domains (Coordination and Communication).

RAPHs results are higher than national average for all surveyed Domains, for both Maori and total population; plus with significantly less inequity in results between RAPHs Maori and total population, than national findings.

Domain	RAPHs Average	National Average	RAPHs Maori Average	National Maori Average
Coordination	8.7	8.5	8.4	8
Partnership	7.7	7.6	7.7	7.4
Physical and emotional needs	7.9	7.7	7.8	7.5
Communication	8.6	8.4	8.6	8.3

"My GP is very patient and listens carefully. I appreciate her understanding manner."

"I have found the PD support groups services very helpful."

"[My GP] has on many occasions seen me at very short notice, seen me in her own time and rung to check on me. Her service and commitment is above and beyond and without exaggeration may very well have saved my life."

"I, and my family, have been very privileged to have our GP."

Reduced Cost Barriers

The proportion of RAPHs survey respondents reporting cost as a barrier to accessing general practice care is significantly lower than the national average; a notable finding given that 39% of RAPHs Enrolled Service Users are Deprivation Quintile 5 (vs 20% Nationally).

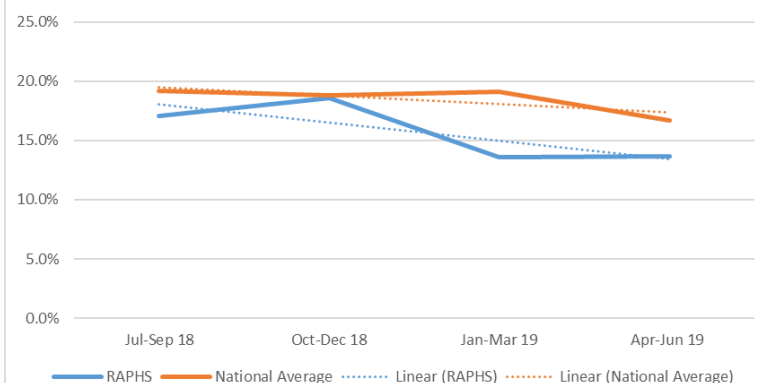
However, cost to primary care services remains a barrier for a significant proportion of our community.

Focus for Improvement

Improving the provision of information on side effects of medications will be a joint initiative for RAPHs, LDHB and Community Pharmacy in 2019/20.

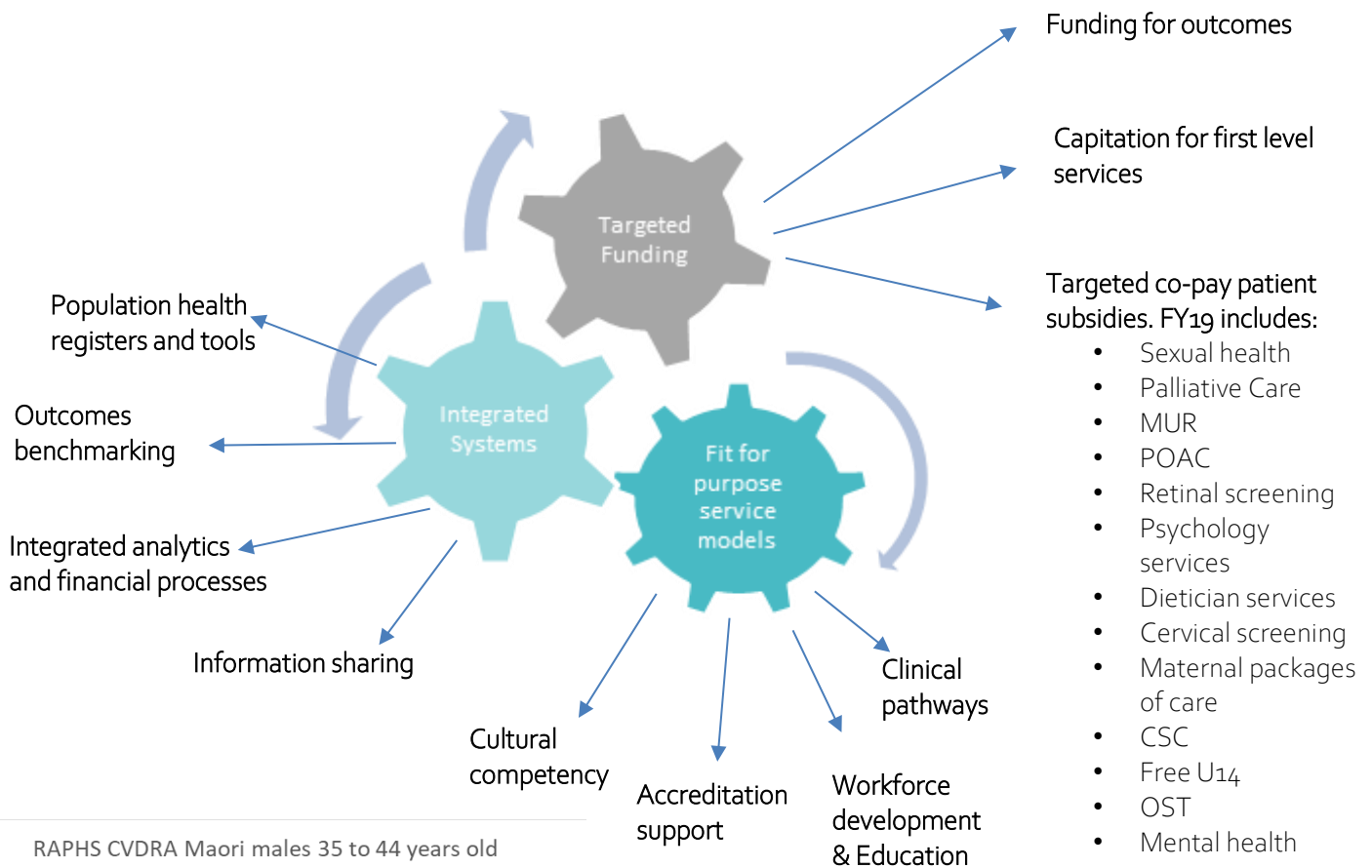
No complaints regarding RAPHs member providers were received by the Complaints Officer in the last year.

Patient Experience Survey: % who did not visit a GP or nurse because of cost in last 12 months

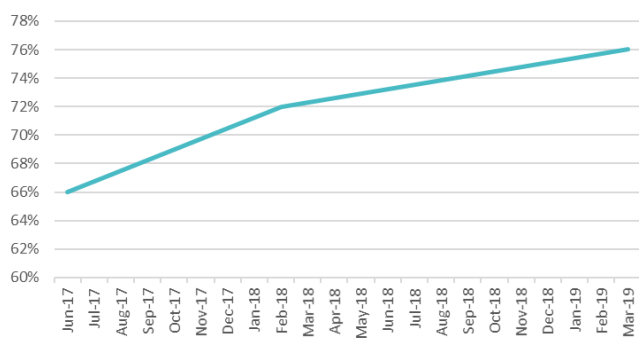


CONTINUOUS QUALITY IMPROVEMENT & INCREASED EQUITY

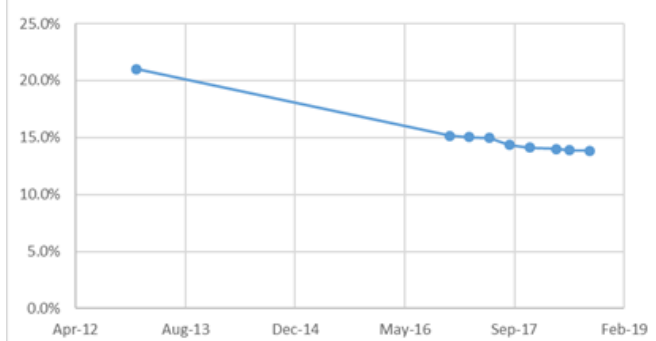
RAPHs integrates systems, financial payments and service models to drive system improvement, through collaboration with service partners and community stakeholders



RAPHs CVDRA Maori males 35 to 44 years old

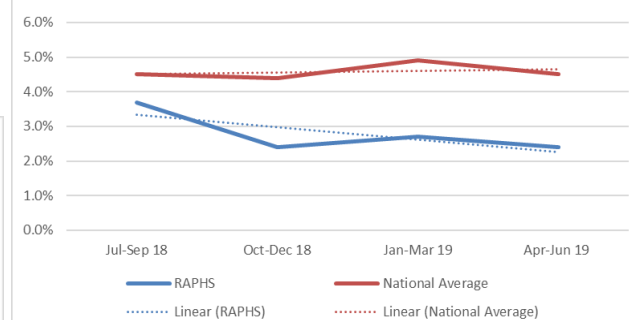


% of RAPHs ESU who are Smokers



Q: When you contact your usual GP clinic about something important, do you get an answer on the same day?

Patient Experience Survey: % who were not answered when contacting general practice



SERVICE DEVELOPMENT HIGHLIGHTS FY19

SUPPORT FOR ADVANCED CARE PLANNING

Advance Care Planning (ACP) is the process of thinking about, talking about and planning for future health care and end-of-life care. ACP is not a one-off conversation. It's a series of conversations between the patient, their family/whānau and any important others. Introduced in FY19, any RAPHS patient enrolled on a palliative care pathway or enrolled in LINC is eligible for funded ACP through RAPHS practices, and RAPHS practices are being supported with extra training. GPs use the Lakes DHB ACP template, with a practice-based initial consult for explanation and information-sharing with family. There is then a follow-up consult to sign off the plan and share with other agencies. The plan is shared with the DHB and other providers involved in the patient's care e.g. residential care homes, hospice etc. (with patient's consent), plus filed in the practice accordingly with appropriate notes.

COMMUNITY BASED IRON INFUSIONS

POAC funding for the delivery of an iron infusion became available from December 2018 for any patient enrolled with a RAPHS practice who meet the PHARMAC special authority criteria for prescribing subsidised ferric carboxymaltose (Ferrinject) in the community. The treatment will enable patients with iron deficiency anaemia to receive quicker and more convenient treatment within their GP practice. A patient who requires rapid correction of iron deficiency due to severe symptoms or is pre-operative will also be eligible. Specialists may also recommend patients who have a condition where evidence favours the use of IV iron over oral iron, such as symptomatic heart failure/chronic kidney disease stage three or, more/active inflammatory bowel disease.

POTENTIAL ERADICATION OF HEPATITIS C

PHARMAC announced the funding of a new hepatitis C treatment (Maviret) from 1 February 2019. This is a potential cure for people with chronic hepatitis C infection, and is a simpler treatment than what is currently available. The new treatment also has fewer side effects and fewer interactions with other medicines than currently funded treatments. To maximise uptake of this new treatment RAPHS Clinical Pharmacists worked with practices to identify those who will benefit from the new treatment and provide drug information and prescriber support to facilitate access to this treatment.

CHEAPER GP VISITS FOR PEOPLE WITH A CSC

All RAPHS practices have joined the new MOH initiative to provide reduced GP fees for people with a Community Services Card (CSC), so that the maximum an adult with a CSC will pay for a standard GP visit is now \$18.50. This is to improve access to services by reducing service cost for those who need it most. RAPHS has supported practices in this transition with business modelling and forecasting of service utilisation to model workforce impact and understand the sustainability of businesses during this transition.

MENTAL HEALTH NURSE PRACTITIONER

In what is thought to be a first for New Zealand, in 2019 RAPHS welcomed a mental health Nurse Practitioner to the PHO-based Extended Care Team.

As a Nurse Practitioner with a mental health scope of practice, Sarah can offer support to primary care for those presenting with moderate to severe mental health and addiction problems who do not meet the secondary service criteria, or patients whose other health care needs are compromised by their mental health or substance use issues.

The aim is to improve wellbeing and health outcomes. There is flexibility around how this is able to be delivered according to the patient, their needs and the practice.

LANDMARK DATA SHARING MOU

Members of the Team Rotorua Alliance and St John New Zealand have reached agreement on key principles to enable future data sharing for the purpose of advancing integrated services in the region. This will ultimately benefit patients by ensuring the provision of the right care, in the right place, at the right time by the right people.

The Memorandum of Understanding to support data sharing was signed by RAPHS, Lakes DHB, St John and Te Arawa Whānau Ora late last year. Among other benefits, the agreement is a key enabler of the GP Unknown project, which aims to direct emergency department discharge summaries from Rotorua Hospital to the right GP while supporting those patients without a GP to be linked with primary care – currently 14% of presentations to Rotorua ED are by those who live locally but don't have a GP, even though GP enrolment compared with census population is 100%.

Protecting patients' rights to confidentiality and maintaining data security have been central in discussions. Privacy assessment has been incorporated into both the principles of the MOU and processes for establishing future data sharing arrangements. Alongside the MOU, a purpose use matrix has been developed to guide parties on what level of information to share.

LOOKING FORWARD FY20

RAPHS + TEAM ROTORUA ALLIANCE

The Team Rotorua Alliance work plan for 2019-20 focuses on initiatives that lift system equity and performance through integration of services, including:

TRANSITION OF STABLE SERIOUS MENTAL HEALTH PATIENTS TO PRIMARY CARE:

- Care plan to be agreed with practice, patient, and supporting NGO
- Funding for general practice care coordination and prescribing

GP UNKNOWN PROJECT:

- Support for enrolment to primary care and integration of hospital and secondary data
- Synchronise NES with PatientWise
- Enhanced data sharing and analytics with hospital and Whanau Ora
- Platform for shared analytics

SERVICE IMPROVEMENT PROJECTS:

The confirmed 19/20 RAPHS contribution to local effort to support achievement of the national System Level Measures targets includes:

- Provide NZePS licensing subsidy for practices
- Update CVD management guidelines, tools and measures for general practices
- Focus on ED Frequent fliers identification & management
- Develop PMS Care plans to further support primary options for acute care (POAC) services
- Newborn enrolment project, process improvement to lift enrolment and support increased data quality
- Patient Experience Survey – focus on increased patient information regarding ADR
- Identify 0-4 ASH presentations to link with Whanau Ora to develop a Whanau Care Plan
- Enhance PatientWise & ProviderWise with integrated hospital data
- Develop extended consults for whanau/multiple participants

RAPHS PROJECTS

INFRASTRUCTURE REFRESH

- RGPG Data centre physical infrastructure replacement

ACCREDITATION CHANGES

RAPHS will support member practices with Foundation/Cornerstone changes to practice accreditation.

HEALTH INFORMATION SECURITY

Continued implementation and support of national policy and requirements for health sector providers

DIGITAL HEALTH STRATEGY

RAPHS is unique as a PHO with the advantage of hosting a secure and private data repository including hosted PMS systems for an entire District. This advantage has enabled us to build a cohesive primary care information layer, to support integration initiatives including:

- Clinical notes and information shared with Rotorua Hospital and Community Pharmacy
- Real-time outcomes monitoring and benchmarking for RAPHS members practices
- Automated claiming and financial processes supporting clinical service delivery

The Crystal Ball project supports RAPHS to take the next step in developing our data warehouse and analytical capability through systematic focus on the processes, policies, tools and reporting interfaces that enable data collection, analysis and reporting in support of PHO functions.

Key goals are:

- Integration of information
- Enhanced analytical capability and capacity
- Population health intelligence
- Trend analysis and planning tools

An Ethical Framework

With increased capability comes increased responsibility. Core ethical principles embedded in this project are a commitment by RAPHS to ensure:

- Respect for persons
- Acting for good
- Preventing harm
- Fair and just

AUDITED FINANCIAL STATEMENTS

A copy of the RAPHs audited financial reports for the financial year 1 July 2018 to 30 June 2019 are appended.

Annual Report

Rotorua Area Primary Health Services Ltd
For the year ended 30 June 2019

Prepared by Blackslate Chartered Accountants Ltd

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

Report on the Audit of the Financial Statements

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 2019, and the statement of comprehensive revenue and expense, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the Tier 2 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 (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 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 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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
Rotorua
New Zealand
18 October 2019

Directory

Rotorua Area Primary Health Services Ltd **For the year ended 30 June 2019**

Capital

100 Shareholders

Directors

E Barrington - resigned 05/12/18
M Grant - resigned 08/11/18
L Hughes
G Matthews
N Poskitt
K Penman - appointed 05/12/18
L Sinclair
E Turner - appointed 08/11/18
M Williams

Registered Office

Blackslate Chartered Accountants Ltd
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

Blackslate Chartered Accountants Ltd
1188 Whakaue Street
Rotorua 3010

Auditors

BDO Rotorua Ltd
1130 Pukaki Street
Rotorua 3010

Directors Report

Rotorua Area Primary Health Services Ltd For the year ended 30 June 2019

The Board of Directors present their Annual Report including financial statements of the company for the year ended 30 June 2019.

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 (resigned), M Grant (resigned), L Hughes, G Matthews, N Poskitt, K Penman (appointed), L Sinclair, E Turner (appointed) and M Williams.

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

	2019
Directors Remuneration	
E Barrington	3,325
M Grant	600
L Hughes	8,155
G Matthews	7,700
K Penman	3,225
N Poskitt	5,306
L Sinclair	4,200
E Turner	3,225
M Williams	53,125

Two employees received remuneration and other benefits over \$100,000 and one received over \$200,000 during the year.

Statement of Comprehensive Revenue & Expense

Rotorua Area Primary Health Services Ltd
For the year ended 30 June 2019

	NOTES	2019	2018
Revenue			
Revenue From Non Exchange Transactions			
PHO Contracts		14,230,381	12,669,256
Total Revenue From Non Exchange Transactions		14,230,381	12,669,256
Revenue From Exchange Transactions			
PHO Contracts		3,923,098	3,950,434
District Health Board Contracts		2,352,115	1,963,379
Other Income		1,984,680	1,882,373
Total Revenue From Exchange Transactions		8,259,893	7,796,186
Total Revenue		22,490,274	20,465,442
Expenses			
Clinical Services		691,757	749,875
Information Systems		1,611,183	1,460,671
Operations/Management		1,375,126	1,310,042
Provider Payments		18,425,867	16,743,661
Audit Fees	6	8,000	7,500
Depreciation and Amortisation	7	52,133	63,695
Total Expenses		22,164,065	20,335,444
Surplus/(Deficit) Before Finance Activities		326,209	129,998
Investment Income			
Interest Received - Loans and Receivables	8	27,720	29,295
Total Investment Income		27,720	29,295
Operating Surplus/(Deficit)		353,929	159,293
Other Gains/(Losses)			
Gain (Loss) on Sale of Property, Plant and Equipment	6	(15,762)	(14,453)
Total Other Gains/(Losses)		(15,762)	(14,453)
Surplus/(Deficit) For The Year Before Tax		338,167	144,840
Income Tax Expense			
Tax Expense	4	99,702	46,384
Total Income Tax Expense		99,702	46,384
Surplus/(Deficit) For The Year After Tax		238,466	98,456
Other Comprehensive Revenue or Expense			
Other Comprehensive Revenue or Expense		-	-
Total Comprehensive Revenue or Expense For The Year		238,466	98,456

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 Ltd

As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Cash and Cash Equivalents	9	1,610,370	1,459,213
Receivables From Exchange Transactions	10	683,586	233,794
Income Accruals		3,593	3,785
Other Financial Assets	11	1,200,000	1,200,000
Prepayments	12	30,129	32,971
Total Current Assets		3,527,678	2,929,763
Non-Current Assets			
Intangible Assets	24	4,196	8,391
Property, Plant and Equipment	24	127,862	152,578
Total Non-Current Assets		132,058	160,969
Total Assets		3,659,736	3,090,733
Liabilities			
Current Liabilities			
Payables Under Exchange Transactions	13	1,006,213	650,751
Contracts In Advance	19	-	197,548
Employee Entitlements	14	165,992	158,861
Goods and Services Tax	16	4,616	1,559
Income Tax Payable	4	64,970	18,452
Team Rotorua Alliance	19	1,544,384	1,428,466
Total Current Liabilities		2,786,176	2,455,638
Total Liabilities		2,786,176	2,455,638
Total Assets less Total Liabilities (Net Assets)		873,560	635,095
Equity			
Share Capital	21	-	-
Accumulated Surpluses or (Deficits)		873,560	635,095
Total Equity		873,560	635,095

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: 18th October 2019

Statement of Changes in Net Assets/Equity

Rotorua Area Primary Health Services Ltd
For the year ended 30 June 2019

	ACCUMULATED FUNDS	TOTAL EQUITY
Balance 30 June 2019		
Opening Balance 01 July 2018	635,095	635,095
Total Comprehensive Revenue and Expense		
Surplus/(Deficit) For The Year	238,466	238,465
Other Comprehensive Revenue and Expense	-	-
Total Total Comprehensive Revenue and Expense	238,466	238,465
Total Balance 30 June 2019	873,560	873,560
	ACCUMULATED FUNDS	TOTAL EQUITY
Balance 30 June 2018		
Opening Balance 01 July 2017	536,639	536,639
Total Comprehensive Revenue and Expense		
Surplus/(Deficit) For The Year	98,456	98,456
Other Comprehensive Revenue and Expense	-	-
Total Total Comprehensive Revenue and Expense	98,456	98,456
Total Balance 30 June 2018	635,095	635,095

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 Ltd
For the year ended 30 June 2019

	2019	2018
Cash was Provided From (Applied To):		
Cash Flow From (Used In) Operating Activities		
Receipts From Goods And Services Provided, Non Exchange	14,230,381	12,314,078
Receipts From Goods And Services Provided, Exchange	7,253,996	8,046,708
Payment To Employees	(1,899,781)	(1,914,033)
Payments To Suppliers	(19,380,715)	(18,035,320)
Net GST	11,530	(5,177)
Tax Paid	(53,183)	(50,782)
Total Cash Flow From (Used In) Operating Activities	162,228	355,474
Cash Flow From (Used In) Investing Activities		
Purchase of Plant and Equipment	(38,983)	(53,216)
Total Cash Flow From (Used In) Investing Activities	(38,983)	(53,216)
Cash Flow From (Used In) Financing Activities		
Interest Received	27,912	28,329
Total Cash Flow From (Used In) Financing Activities	27,912	28,329
Net Increase (Decrease) in Cash and Cash Equivalents	151,157	330,587
Cash and Cash Equivalents, Beginning of Year	1,459,213	1,128,626
Cash and Cash Equivalents, End of Year	1,610,370	1,459,213

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 Ltd For the year ended 30 June 2019

1. Reporting Entity

These financial statements comprise the financial statements of Rotorua Area Primary Health Services Ltd for the year ended 30 June 2019.

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 18th October 2019.

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.

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.

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.

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 - 67%	DV
Furniture and Fittings	10 - 30%	DV
Leasehold Improvements	10%	DV
Motor Vehicles	30%	DV
Office Equipment	50%	DV
Plant and Equipment	8 - 67%	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.

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 Ltd 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 Ltd 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).

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.

Subsequent Measurement of Financial Liabilities

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

	NOTES	2019	2018
4. Income Tax			
Surplus Before Tax		338,167	144,840
Tax at Current Rate @ 28c		94,687	40,555
Current Tax Adjustments			
Non-Deductible Expenses		875	1,650
SIA Unexpended		4,140	4,179
Total Current Tax Adjustments		5,015	5,829
Income Tax Expense		99,702	46,384

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

	NOTES	2019	2018
Comprising:			
Current Tax		99,702	46,384
Deferred Tax		-	-
Total Comprising:		99,702	46,384
Income Tax			
Tax Opening Balance		18,452	22,850
Income Tax Expense @ 28c		99,702	46,384
Income Tax Refund Received		6,548	-
Total Income Tax		124,702	69,234
Less:			
Provisional Tax Paid		51,916	40,000
RWT Paid		7,815	7,932
Terminal Tax Paid		-	2,850
Total Less:		59,731	50,782
Tax Payable/(Refundable)		64,970	18,452

5. Imputation

At 30 June 2019 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 \$551,894. The movements in the company's ICA for the year were:

	NOTES	2019	2018
Imputation Account			
Opening Balance		498,711	447,929
Add:			
Provisional Tax Paid		51,916	40,000
RWT Paid		7,815	7,932
Terminal Tax Paid		-	2,850
Total Add:		59,731	50,782
Less:			
Income Tax Refund Received		6,548	-
Total Less:		6,548	-
Closing Balance		551,894	498,711
	NOTES	2019	2018

6. Expenses

Audit Fees	8,000	7,500
Loss on disposal of Property, Plant and Equipment	15,762	14,453
Occupancy Costs	240,405	240,405

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

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

	NOTES	2019	2018
7. Depreciation, Amortisation and Impairment Expenses			
Amortisation of Intangibles	24	4,196	8,391
Depreciation of Property, Plant and Equipment	24	47,937	55,304
Total Depreciation, Amortisation and Impairment Expenses		52,133	63,695
	NOTES	2019	2018

8. Finance Income & Costs

Financing Income			
Interest Income on Term Deposits and Online Accounts		27,720	29,295
Total Financing Income		27,720	29,295
	NOTES	2019	2018

9. Cash and Cash Equivalents

Petty Cash		300	300
Westpac Cheque Account		37,353	23,673
Westpac Online Saver		966,233	855,076
Westpac Online Saver		606,485	580,164
Total Cash and Cash Equivalents		1,610,370	1,459,213

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

	NOTES	2019	2018
10. Receivables from Exchange Transactions			
Accounts Receivable		683,586	233,794
Total Receivables from Exchange Transactions		683,586	233,794

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 2018 and June 2019 all overdue receivables have been assessed for impairment and appropriate allowances made.

	NOTES	2019	2018
Aging Analysis			
0-30 Days (not past due)		536,949	227,160
Total Past Due			
31-60 days		144,726	1,493
61-90 days		1,911	5,141
Greater than 90 days		-	-
Total Total Past Due		146,637	6,634
Total Aging Analysis		683,586	233,794

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

	NOTES	2019	2018
11. Other Financial Assets			
Term Deposits		1,200,000	1,200,000
Total Other Financial Assets		1,200,000	1,200,000

	NOTES	2019	2018
12. Prepayments			
Prepayments		30,129	32,971
Total Prepayments		30,129	32,971

	NOTES	2019	2018
13. Payables Under Exchange Transactions			
Trade Creditors		1,006,213	650,751
Total Payables Under Exchange Transactions		1,006,213	650,751

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

	NOTES	2019	2018
14. Employee Entitlements			
Short-term Employee Entitlements		124,188	113,437
PAYE Payable		41,804	45,424
Total Employee Entitlements		165,992	158,861

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	2019	2018
15. Employee Benefits			
Kiwisaver Employer Contributions		46,001	46,446
Total Employee Benefits		46,001	46,446

	NOTES	2019	2018
16. Goods and Services Tax			
GST Payable/(Receivable)		4,616	1,559
Total Goods and Services Tax		4,616	1,559

17. Operating Leases

Operating Leases are held for premises used as office space.

Non-Cancellable operating leases are payable as follows:

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

	NOTES	2019	2018
Non-Cancellable Operating Leases			
Less than one year		135,405	135,405
Between one and five years		67,703	203,108
Total Non-Cancellable Operating Leases		203,108	338,513

Commenced sublease 1 July 2016 with an annual rental of \$135,405.
Rights of renewal: Three periods of five years.

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 \$358,950 (2018 \$283,678) plus GST was owing.

The Company has a related party relationship with Team Rotorua Alliance. One of their two representatives on the Alliance Leadership Team Lisa Hughes, is also a director of Rotorua Area Primary Health Services Ltd. The Alliance Leadership Team are charged with setting, monitoring and reviewing the Alliance primary healthcare objectives (note 19).

Rotorua Area Primary Health Services Ltd have an agreement to sublease their premises from 1st July 2016 from RGPG Ltd. The directors of both companies are the same. Annual lease \$135,405 (2018 \$135,405).

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	2019	2018
Purchase of Goods and Services From Related Parties			
RGPG Ltd		340,405	341,058
Team Rotorua Alliance		3,398	3,780
Total Purchase of Goods and Services From Related Parties		343,802	344,838

	NOTES	2019	2018
Key Management Personnel			
Number of Persons Recognised as Key Personnel		8	8
Remuneration		295,366	307,578

	NOTES	2019	2018
Payable to Related Parties			
RGPG Ltd	13	84,333	84,333
Total Payable to Related Parties		84,333	84,333

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	2019	2018
19. Deferred Revenue			
Contracts in Advance		-	197,548
Team Rotorua Alliance		1,544,384	1,428,466
Total Deferred Revenue		1,544,384	1,626,014

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.

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 100 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 (2018 Nil). There are no known material contingent liabilities (2018 Nil).

23. Events After the Reporting Period

There have been no events after reporting date that would affect the presentation of these financial statements.

24. Intangible Assets, Property, Plant and Equipment

Intangible Assets

Rotorua Area Primary Health Services Ltd For the year ended 30 June 2019

Movements for each class of intangible assets are as follows:

	ACQUIRED COMPUTER SOFTWARE	TOTAL
Carrying Amount 2019		
Cost Amount 2019		
Opening Balance	29,333	29,333
Additions	-	-
Disposals	-	-
Total Cost Amount 2019	29,333	29,333
Accumulated Amortisation and Impairment		
Opening Balance	20,942	20,942
Amorisation for the Year	4,196	4,196
Amortisaton written back on Disposal	-	-
Total Accumulated Amortisation and Impairment	25,138	25,138
Total Carrying Amount 2019	4,196	4,196

Movements for each class of intangible assets are as follows:

	ACQUIRED COMPUTER SOFTWARE	TOTAL
Carrying Amount 2018		
Cost Amount 2018		
Opening Balance	38,039	38,039
Additions	-	-
Disposals	(8,706)	(8,706)
Total Cost Amount 2018	29,333	29,333
Accumulated Amortisation and Impairment		
Opening Balance	16,904	16,904
Amorisation for the Year	8,391	8,391
Amortisaton written back on Disposal	(4,353)	(4,353)
Total Accumulated Amortisation and Impairment	20,942	20,942
Total Carrying Amount 2018	8,391	8,391

Property, Plant and Equipment

Rotorua Area Primary Health Services Ltd For the year ended 30 June 2019

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 2019							
Cost Amount 2019							
Opening Balance	121,170	49,893	1,289	6,648	62,472	5,056	246,527
Additions	19,196	2,890	555	-	11,619	4,723	38,983
Disposals	(27,146)	(7,510)	(1,289)	-	(3,941)	-	(39,886)
Total Cost Amount 2019	113,220	45,273	555	6,648	70,150	9,779	245,624
Accumulated Depreciation & Impairment							
Opening Balance	54,933	12,207	967	3,390	21,718	733	93,948
Depreciation for the Year	33,789	4,601	56	977	7,964	550	47,937
Depreciation written back on Disposal	(19,179)	(2,139)	(967)	-	(1,839)	-	(24,124)
Total Accumulated Depreciation & Impairment	69,543	14,669	56	4,368	27,843	1,283	117,762
Total Carrying Amount 2019	43,677	30,604	500	2,280	42,307	8,495	127,862

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 2018							
Cost Amount 2018							
Opening Balance	81,934	51,490	1,914	6,648	74,264	5,056	221,305
Additions	48,165	2,592	-	-	2,459	-	53,216
Disposals	(8,929)	(4,189)	(625)	-	(14,251)	-	(27,994)
Total Cost Amount 2018	121,170	49,893	1,289	6,648	62,472	5,056	246,527
Accumulated Depreciation & Impairment							
Opening Balance	23,017	6,662	872	1,994	23,741	253	56,539
Depreciation for the Year	36,297	6,179	322	1,396	10,629	480	55,303

	COMPUTER EQUIPMENT	FURNITURE & FITTINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	PLANT & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
Depreciation written back on Disposal	(4,381)	(634)	(227)	-	(12,652)	-	(17,894)
Total Accumulated Depreciation & Impairment	54,933	12,207	967	3,390	21,718	733	93,948
Total Carrying Amount 2018	66,237	37,686	322	3,258	40,754	4,323	152,579