

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Annual Report Financials

For The Year Ended 30 June 2022



Western Bay of Plenty
Primary Health Organisation

TŪNGIA TE URURUA KIA TUPU
WHAKARITORITO TE TUPU
O TE HARAKEKE

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WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Directory

WESTERN BAY OF PLENTY PRIMARY CARE PROVIDERS INC REPRESENTATIVES

Lorraine Anderson
Dr Daniel McIntosh
Dr Symon Robertson (Resigned 18 February 2022)
Dr Luke Bradford (Appointed 18 February 2022)
Dr Todd Hulbert (Resigned 30 June 2022)

NGĀI TE RANGI REPRESENTATIVES

Charlie Tawhiao
Paora Stanley

NGĀTI RANGINUI REPRESENTATIVES

Graeme Elvin
Melanie Te Arai Tata

AUDITORS

BDO Tauranga

BANKERS

ASB Bank

SOLICITORS

Cooney Lees Morgan
247 Cameron Road
Tauranga

REGISTERED OFFICE

C/- Cooney Lees Morgan
247 Cameron Road
Tauranga

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Directors' Annual Report

For The Year Ended 30 June 2022

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

The Shareholders of the Company have exercised their rights under S.211(3) of the Companies Act 1993, and unanimously agreed that this Annual Report need not comply with any paragraph and (e) – (j) of S.211 (1) of this act.

TRANSACTIONS WITH DIRECTORS

The Board received no notices during the year from directors that they had an interest in any transactions, or proposed transactions, with the Company, other than those noted within notes 15 of the financial statements.

DONATIONS

Donations totalling \$7,182 were made during the year (Last Year: \$4,165)



Paora Stanley
Director



Dr Daniel McIntosh
Director

Statement of Comprehensive Revenue and Expense

For The Year Ended 30 June 2022

	Note	2022 \$ (000's)	2021 \$ (000's)
Revenue received	3	40,701	25,829
Provider payments	4	(32,284)	(18,947)
GROSS SURPLUS/(DEFICIT)		8,417	6,882
Other income		(0)	5
Administrative expenses	4	(8,431)	(8,103)
OPERATING SURPLUS/(DEFICIT)		(14)	(1,216)
Investment income		14	117
NET SURPLUS/(DEFICIT)		-	(1,099)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		-	(1,099)

Statement of Changes in Net Assets

For The Year Ended 30 June 2022

	Contributed capital \$ (000's)	General reserve \$ (000's)	Clinical Services reserve \$ (000's)	Retained earnings \$ (000's)	Total \$ (000's)
Balance at 1 July 2020	-	1,000	6,674	1,099	8,773
Total comprehensive revenue and expense					
Surplus/(deficit) for the period	-	-	-	(1,698)	(1,698)
Transfers	-	-	(599)	599	-
Total comprehensive revenue and expense	-	-	(599)	(1,099)	(1,698)
Balance at 30 June 2021	-	1,000	6,075	-	7,075
Total comprehensive revenue and expense					
Surplus/(deficit) for the period	-	-	-	(18)	(18)
Transfers	-	-	(18)	18	-
Total comprehensive revenue and expense	-	-	(18)	-	(18)
Balance at 30 June 2022	-	1,000	6,057	-	7,057

Statement of Financial Position

For The Year Ended 30 June 2022

	Note	2022 \$ (000's)	2021 \$ (000's)
CURRENT ASSETS			
Cash and cash equivalents	6	5,900	6,684
Short term deposits	7	-	1,014
Trade and other exchange receivables	8	5,407	2,538
TOTAL CURRENT ASSETS		11,307	10,236
NON-CURRENT ASSETS			
Plant and equipment	9	378	355
Intangible assets	10	243	278
TOTAL NON-CURRENT ASSETS		621	633
TOTAL ASSETS		11,928	10,869
CURRENT LIABILITIES			
Trade and other payables	11	3,965	2,793
Deferred income/revenue	3	572	646
Provisions	5	334	355
TOTAL CURRENT LIABILITIES		4,871	3,794
TOTAL LIABILITIES		4,871	3,794
NET ASSETS		7,057	7,075
EQUITY			
Contributed capital	18	-	-
Reserves	16	7,057	7,075
Retained earnings		-	-
TOTAL EQUITY		7,057	7,075

For and on behalf of the board of directors



Paora Stanley



Dr Daniel McIntosh

Statement of Cash Flows

For The Year Ended 30 June 2022

	Note	2022 \$ (000's)	2021 \$ (000's)
Cash flows from operating activities			
Cash receipts from customers		37,669	25,439
Cash paid to suppliers		(33,484)	(21,226)
Cash paid to employees		(5,699)	(5,719)
Net cash from operating activities	17	(1,514)	(1,506)
Cash flows from investing activities			
Interest received		14	186
Dividends received		0	0
Insurance claims received		-	5
Acquisition of intangible assets		(123)	(160)
Acquisition of property, plant, and equipment		(175)	(217)
Acquisition of short-term deposits		1,014	7,381
Net cash flow from investing activities		730	7,195
Cash flows from financing activities			
		-	-
Net cash flows excluding cash and cash equivalents		(783)	5,689
Cash and cash equivalents at 1 July		6,684	995
Cash and cash equivalents at 30 June		5,900	6,684

Notes to the Financial Statements

For The Year Ended 30 June 2022

1 REPORTING ENTITY

Western Bay of Plenty Primary Health Organisation ('the Company') is a company incorporated in New Zealand and registered under the Companies Act 1993 and is a reporting entity for the purposes of the Financial Reporting Act 2013. The Company is a charity registered with Charity Services (Charity Registration CC30518). It provides primary health care services to 203,852 (Last Year: 202,115) people residing in the Western Bay of Plenty. It is a Joint Venture between two Western Bay of Plenty Iwi, Ngāi Te Rangi and Ngāti Ranginui; and the Western Bay of Plenty Primary Care Providers Inc.

Since becoming operational on 1 October 2003, the organisation has developed and delivered a wide range of nursing, general practitioner and other health disciplines. This is undertaken in close association with the District Health Board and other health-focussed community-based organisations.

The Company is considered a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

2 BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period. Western Bay of Plenty Primary Health Organisation management have considered the ability to continue to trade during the COVID 19 pandemic. It is management's opinion that Western Bay of Plenty Primary Health Organisation will not face going concern issues due to servicing the health sector.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities. The entity has elected to report in accordance with the Tier 2 standards, taking advantage of all disclosure concessions as it is not publicly accountable and has expenses less than \$30 million.

(b) Measurement Basis

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

(c) Functional Currency

The financial statements are presented in New Zealand dollars and are rounded to the nearest thousand dollars (\$000).

(d) Goods and Services Tax

All balances are presented net of goods and services tax (GST), except for trade receivables and trade payables which are presented inclusive of GST.

(e) Income Tax

The Company is exempt from taxation as a result of being registered as a charitable entity under the Charities Act 2005 from 30 June 2009.

Notes to the Financial Statements

For The Year Ended 30 June 2022

(f) Accounting Policies

There have been no changes in accounting policies.

All policies have been applied on a consistent basis with those of the previous reporting period.

3 REVENUE

Revenue Accounting Policy

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 Company assesses its revenue arrangement against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Company's own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

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

(i) Revenue from Exchange Transactions

	2022 \$ (000's)	2021 \$ (000's)
Contract income	-	-

Policy

Exchange revenue is revenue received in exchange for goods or services of approximate equal value.

Exchange revenue from provision of healthcare services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date and performance against other ongoing obligations under the contracts. The stage of completion is assessed by reference to work performed and milestones achieved in project and contract-based funding.

The PHO's policy is to recognise all revenues received from the provision of healthcare services as non exchange revenue, as no exchange for goods or services of approximate equal value has taken place with the funder.

(ii) Revenue from Non-exchange Transactions

	2022 \$ (000's)	2021 \$ (000's)
Contract income	40,690	25,829

Policy

Non-exchange revenue

Non exchange transactions are those where the Company receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange. When non-exchange revenue is received with restrictions attached, but there is no requirement to return the asset if not deployed as specified, the revenue is recognised on receipt.

Non exchange revenue from Provision of Healthcare Services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date and performance against other ongoing obligations under the contracts. The stage of completion is assessed by reference to work performed and milestones achieved in project and contract-based funding.

The PHO's policy is to recognise all revenues received from the provision of healthcare services as non-exchange revenue, as no exchange for goods or services of approximate equal value has taken place with the funder.

Notes to the Financial Statements

For The Year Ended 30 June 2022

(iii) Interest Income

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

(iv) Donated Services

The Company sometimes provides placements for student nurses within its nursing services. The Company has elected not to recognise these services as they are difficult to measure reliably and are immaterial in the context of the activities of the company.

(v) Agency Basis

The Company considers it is acting as an agent in respect of capitation funding received from the Ministry of Health. During the year (\$000) \$44,611 was received and paid out to member practices (2021: (\$000) \$42,249).

Deferred Income/revenue

	2022	2021
	\$ (000's)	\$ (000's)
Income in advance	572	647

Policy

The above revenue is deferred to reflect either the contractual obligations associated with the contracts or the constructive obligations arising from commitments by the Board to spend these funds on specific projects. They have been classified as current depending on the terms of the contracts or if no time frame exists on management's estimate of when the funds will be spent. The funds associated with this income are restricted for use in accordance with the obligations.

4 PROVIDER PAYMENTS AND ADMINISTRATION EXPENSES

(i) Provider Payments

	2022	2021
	\$ (000's)	\$ (000's)
Provider Payments	(32,284)	(18,947)

Policy

Provider payments comprise "Payments made to providers of Health Services, including claims made by health providers, or subcontracted service payments made to health providers (including, GPs, Iwi and Mental Health and other Health providers)".

(ii) Administration Expenses

	2022	2021
	\$ (000's)	\$ (000's)
Included within administration expenses are the following:		
Accountancy	3	83
Audit fees	16	19
Depreciation of property plant and equipment	146	118
Loss on disposal of property, plant, and equipment	(4)	(4)
Depreciation recovered	10	80
Amortisation of intangible assets	81	50
Rent and operating lease payments	261	227

Notes to the Financial Statements

For The Year Ended 30 June 2022

5 EMPLOYEE BENEFITS

	2022 \$ (000's)	2021 \$ (000's)
Wages and salaries		
Wages and salaries	5,884	5,503
Short term provision for holiday pay		
Opening balance	346	365
Movement for the year	(17)	(19)
Closing balance	329	346
Short term provision for long service leave		
Opening balance	9	18
Movement for the year	(4)	(8)
Closing balance	5	9

POLICIES

Short Term Employee Benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has an obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required, and they are capable of being measured reliably.

6 CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
	\$ (000's)	\$ (000's)
Cash and bank balance	5,900	6,684
Call deposits (≤ 3 months maturity)	-	-
	5,900	6,684

Cash and cash equivalents are cash balances that are short term in nature for the purposes of the Statement of Cash Flows are classified as a Loans and Receivables financial asset. Call deposits have maturities under 90 days.

Notes to the Financial Statements

For The Year Ended 30 June 2022

7 SHORT TERM DEPOSITS

	2022 \$ (000's)	2021 \$ (000's)
ANZ term deposits	-	-
ASB term deposits	-	-
BNZ term deposits	-	1,014
Kiwibank term deposits	-	-
	-	1,014

Short term deposits are made for varying periods of between three months and nine months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Policy

Short term deposits comprise of bank term deposits with maturities of less than 12 months at acquisition but greater than three months. Term deposits are recognised at cost, being the fair value of the consideration given. After initial recognition, term deposits are measured at amortised cost using the effective interest method.

8 TRADE AND OTHER RECEIVABLES

	2022 \$ (000's)	2021 \$ (000's)
Trade receivable (exchange transactions)	3,916	2,063
Income accrued	1,314	224
Prepayments	177	251
	5,407	2,538

Trade receivables are shown net of allowances for bad and doubtful debts of \$Nil (2021: \$0)

Policy

Trade receivables are initially measured at fair value, then adjusted for any impairment. Trade receivables are classified as a Loan and Receivables financial asset.

Notes to the Financial Statements

For The Year Ended 30 June 2022

9 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment \$ (000's)	Leasehold Improvements \$ (000's)	Medical Equipment \$ (000's)	Motor Vehicles \$ (000's)	Total \$ (000's)
Cost					
Balance at 1 July 2020	473	78	33	60	644
Additions	130	84	7	-	220
Disposals	(147)	(71)	(28)	(26)	(272)
Balance at 30 June 2021	455	90	12	34	592
Additions	113	7	-	62	181
Disposals	(25)	(6)	-	(3)	(34)
Balance at 30 June 2022	542	91	12	93	739
Accumulated depreciation					
Balance at 1 July 2020	227	15	19	52	313
Depreciation	95	1	2	5	103
Disposals	(121)	(15)	(18)	(26)	(179)
Balance at 1 July 2021	201	1	2	32	237
Depreciation	122	11	2	4	140
Disposals	(15)	(0)	-	(0)	(16)
Balance at 30 June 2022	309	12	4	35	361
Balance					
Balance at 1 July 2020	246	63	15	8	331
Balance at 30 June 2021	254	89	10	3	355
Balance at 30 June 2022	234	79	8	57	378

POLICIES

Measurement

All property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation

Depreciation is allocated over the estimated useful life of the asset. The following methods are used in the calculation of depreciation:

Office equipment	6-67 %	Straight line
Leasehold improvements	6-21 %	Straight line
Medical equipment	7-33 %	Straight line
Motor vehicles	7-40 %	Straight line

Any gain or loss on disposal of an item of property, plant and equipment is recognised in surplus or deficit.

Notes to the Financial Statements

For The Year Ended 30 June 2022

10 INTANGIBLE ASSETS

	Intangible Assets \$ (000's)
Cost	
Balance at 1 July 2020	602
Additions	228
Disposals	-
Balance at 1 July 2021	830
Additions	46
Disposals	(0)
Balance at 30 June 2022	875
Accumulated Amortisation Amount	
Balance at 1 July 2020	498
Amortisation	53
Disposals	-
Balance at 1 July 2021	552
Amortisation	81
Disposals	(0)
Balance at 30 June 2022	632
Balance	
Balance at 1 July 2020	104
Balance at 30 June 2021	278
Balance at 30 June 2022	243

POLICIES

Measurement

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the costs of materials and services, employee costs, and any directly attributable overheads.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the asset. All other costs are expensed when incurred.

Amortisation

The carrying value of an intangible asset is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software and development	10-40 %	Straight Line
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Notes to the Financial Statements

For The Year Ended 30 June 2022

11 TRADE AND OTHER PAYABLES

	2022	2021
	\$ (000's)	\$ (000's)
Trade payables due to related parties	433	271
Other trade payables	2,805	1,630
GST payable	4	65
ASB Visa	5	8
Accrued expenses	509	648
Payroll payable	209	171
Trade payables	3,965	2,793

Trade payables are recognised at cost when the Company becomes obliged to make future payments resulting from the purchases of goods and services. Trade payables are classed as an 'other amortised cost financial liability'.

12 COMMITMENTS

(a) Operating Commitments

Property

The Company leased two offices during the year under operating leases. A Tauranga office and a smaller satellite office in Whakatāne. The Whakatāne premises lease is held on a month by month basis.

Office Equipment

The Company leases office equipment under operating leases. The leases typically run for a period of three years. The equipment is replaced at the end of the period and a new lease is negotiated.

Motor Vehicles

The Company leases thirteen (13) vehicles under operating leases. Each lease runs for a period of three years.

Commitments

	2022	2021
	\$ (000's)	\$ (000's)
No later than one year	373	416
Between 1-5 years	1,394	1,471
More than 5 years	253	506
	2,020	2,393

13 CONTINGENT LIABILITIES

There were \$0 contingent liabilities as at 30 June 2022. (2021: \$0)

14 SUBSEQUENT EVENTS

(i) COVID-19

The COVID-19 pandemic continues to impact normal operations of the company, with significant COVID-19 related revenue and expenditure being incurred.

Notes to the Financial Statements

For The Year Ended 30 June 2022

The Government has indicated that specific COVID-19 targeted services and funding are likely to conclude by the end of 2022, where it is then expected that COVID-19 will become business as usual.

The organisation continues to follow the various Government policies and advice and, in parallel, continues to do its utmost to continue operations in the best and safest way possible without jeopardising the health of the people in its catchment area.

(ii) Health Sector Reforms

The Government initiated Health and Disability System Review report was released in June 2020. The report made a series of recommendations into the health and disability sector.

Key recommendations included:

- Creation of one new national health entity ("Health NZ")
- Creation of a new national Māori Commissioning Agency to run alongside Health NZ
- Disestablishing all current District Health Board's and merging them into Health NZ
- Primary Health Organisations to be transitioned into locality organisations, where appropriate.

The Government has started to action the recommendations.

On 1 July 2022, all regional DHB's were disestablished, and prior operations merged into one entity, Te Whatu Ora | Health NZ. In addition, a new Māori Commissioning Agency has been formed, Te Aka Whai Ora.

An early definition of locality, and a criterion of application, has been released by Te Whatu Ora | Health NZ with test models currently being trialled. The Western Bay of Plenty is not one of the trial model locations.

The impact of the health reforms on the Western Bay of Plenty Primary Health Organisation has been limited thus far. The Health Reforms have immediately focussed on secondary health structures and processes. It is likely that primary health services currently being delivered from secondary services will migrate to community providers.

It is expected the reforms will encompass primary health within the next twelve to eighteen months.

To ensure the Western Bay of Plenty Primary Health Organisation it is fit for purpose, and ready for an expected focus on primary health, the Directors of the Western Bay of Plenty Primary Health Organisation, have begun to consider the governance structures of the organisation.

Primary focusses of the PHO's considerations are to:

- Ensure that the organisation is fit for purpose to meet and support future locality service delivery requirements
- Ensure equity and Tino Rangatiratanga is achieved within the delivery of health outcomes for all populations.

15 RELATED PARTY TRANSACTIONS

(i) Key Management and Governance Personnel Remuneration

Key management personnel compensation

The Company classifies its key management personnel into the following categories:

- Directors (of the governing body)
- Executive Officers

Directors of the governing body receive an annual fee of \$20,000 each. Co-chairs receive a further \$20,000 each per annum in recognition of their additional duties and responsibilities. Executive Officers are employees of the company and are on standard employment contracts.

Notes to the Financial Statements

For The Year Ended 30 June 2022

The table below depicts the aggregate remuneration of key management personnel and the number of individuals determined on a full-time equivalent basis, receiving remuneration with the category.

	2022	2022	2021	2021
	Remuneration	Number	Remuneration	Number
	\$ (000's)		\$ (000's)	
Directors	142	8	177	8
Executive Officers	1,084	6.5	1,486	8.6

(ii) Transactions with Other Related Parties

The Company transacts with other related parties in the normal course of business. Such entities include those related by virtue of common governance and management personnel.

During the year, the Company made the following sales and purchases from related parties for the provision of health services and at year end, the following balances remained owing:

Sales	Sales	Receivables	Sales	Receivables
	2022	2022	2021	2021
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Dee Street Medical Centre	10	-	8	-
Fifth Avenue Family Practice	12	-	12	-
Gate Pa Medical Centre Limited	1	-	1	-
Ngāti Ranginui Iwi Society Incorporated	-	-	77	88
	22	-	98	88
Purchases	Purchases	Payable	Purchases	Payable
	2022	2022	2021	2021
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Dee Street Medical Centre	3,384	130	758	51
Fifth Avenue Family Practice	4,637	152	3,826	57
Gate Pa Medical Centre	1,333	41	863	15
Ngāti Ranginui Home and Community Services	192	19	-	-
Ngāti Ranginui Iwi Society Incorporated	536	53	761	97
Pāpāmoa Pines Health Centre	2,062	(0)	2,842	51
Te Runanga O Ngāi Te Rangi Iwi Trust	967	38	1,000	-
The Royal College of General Practitioners	-	-	0	-
	13,112	433	10,050	271

Notes to the Financial Statements

For The Year Ended 30 June 2022

Significant related parties:

- Ngāti Ranginui Iwi Incorporated is a shareholder and provider to the Company. Melanie Te Arai Tata and Graeme Elvin are their appointed directors.
- Ngati Ranginui Home and Community Services Ltd is a wholly owned subsidiary of Ngāti Ranginui Iwi Incorporated.
- Paora Stanley and Charlie Tawhiao are Trustees of Te Runanga O Ngāi Te Rangi Iwi Trust which is a shareholder and provider to the Company.
- Dr Todd Hulbert and Dr Luke Bradford are Partners in Fifth Avenue Family Practice which is a provider to the Company.
- Dr Symon Robertson is a Director in Pāpāmoa Pines Health Centre Limited which is a provider to the Company.
- Lorraine Anderson is the Practice Manager for Gate Pa Medical Centre which is a provider to the Company.
- Dr Daniel McIntosh is a Director of Dee Street Medical Centre and of the Royal College of General Practitioners which provide services to the Company.

All related party transactions were on normal commercial terms. No related party transactions were written off or forgiven during the period.

16 RESERVES

(i) General Reserve

The general reserve was established in 2010 to provide for future possibilities in respect of member practices and lease obligations.

(ii) Clinical Services Reserve

The clinical services reserve was established in 2011 to provide funds for clinical projects not funded by the Bay of Plenty District Health Board.

17 RECONCILIATION OF SURPLUS WITH NET CASH FROM OPERATING ACTIVITIES

	2022 \$ (000's)	2021 \$ (000's)
Cash flows from operating activities		
Net surplus	-	(1,099)
Adjustments for:		
– Depreciation/amortisation	227	168
Net finance costs		
– (Gain)/loss on sale of property, plant, and equipment	4	77
Changes in:		
– Trade and other receivables	(2,940)	666
– Prepayments	74	(102)
– Trade and other payables	1,195	(5)
– Provisions and employee benefits	94	(61)
– Deferred income/revenue	(75)	(388)
– GST	(61)	28
– Movement in reserves	(18)	(599)
Less items classified as investing activities		
– Interest and dividends received	(14)	(186)
– Insurance claims received on fixed assets	-	(5)
Net cash from operating activities	<u>(1,514)</u>	<u>(1,506)</u>

Notes to the Financial Statements

For The Year Ended 30 June 2022

18 SHARE CAPITAL

The number of authorised ordinary shares total 120 (2021: 120). The authorised shares are fully issued but unpaid.

All shares have equal rights to vote. In terms of the Constitution, the Directors have no authority to declare dividends.

19 LIQUIDITY RISK

Western Bay of Plenty Primary Health Organisation management has considered the ability to remain liquid throughout the ongoing COVID-19 pandemic and immediate future as key to its core business. Steps have been taken to ensure that the organisation's liquidity is not jeopardised.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Western Bay of Plenty Primary Health Organisation Limited ("the Company"), which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

WHO WE REPORT TO

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

BDO Tauranga
Tauranga, New Zealand
8 December 2022

