Annual Financial Report

For The Year Ended 30 June 2023

Western Bay of Plenty
Primary Health Organisation

TŪNGIA TE URURUA KIA TUPU
WHAKARITORITO TE TUPU
O TE HARAKEKE

Contents

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Directory

DIRECTORS

Charlie Tawhiao

Dr Daniel McIntosh

Dr Luke Bradford

Graeme Elvin

Lorraine Anderson

Melanie Te Arai Tata

Paora Stanley

Peter Chandler (appointed 8 February 2023)

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 2023

The Board of Directors present their Annual Report for the year ended 30 June 2023.

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 paragraphs (a), (e) – (h), and (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 20 of the financial statements.

Paora Stanley
Director
7 December 2023

Dr Daniel McIntosh
Director
7 December 2023

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Statement of Service Performance

For The Year Ended 30 June 2023

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Board of Directors of the Western Bay of Plenty Primary Health Organisation Limited ("the Company") believes that the statements contained in this report accurately reflect the overall performance of the Company for the year ended 30 June 2023.

Who we are and why do we exist?

The Western Bay of Plenty Primary Health Organisation ("WBOP PHO") is a not-for-profit provider of health and wellness services and was formed in 2003 as a joint venture partnership between two Tauranga Moana Iwi (Ngāi Te Rangi Iwi and Ngāti Ranginui Iwi), and an umbrella organisation for general medical practices and other organisations involved in delivering primary health care services within the Western Bay of Plenty (Western Bay of Plenty Primary Care Providers Inc).

The WBOP PHO's rohe covers a wide geographical area, supporting community health care services and general practices in Tauranga, Whakatāne, Katikati, Te Puke and most surrounding areas.

Governance of the WBOP PHO is through a board of directors, appointed by shareholders for the benefit of populations within its rohe.

What is the purpose?

The PHO's primary focus is on health equity. In its essence, health equity is about fairness. The PHO serves a diverse community with differing levels of advantage that require different support, resources, and approaches. The PHO act as a korowai (caring and protecting) to the community through a range of support, health services, and programmes to support wellness. Focussing on wellness enables people to shape their own health and wellbeing.

What is the vision?

To be courageous leaders of compassionate, connected, trusted and innovative whānau-centred healthcare provision.

What is the mission?

To ensure positive and fair health experiences for all, so everyone can flourish. We will do this by working together (mahi tahi), working in true partnership for transformational change.

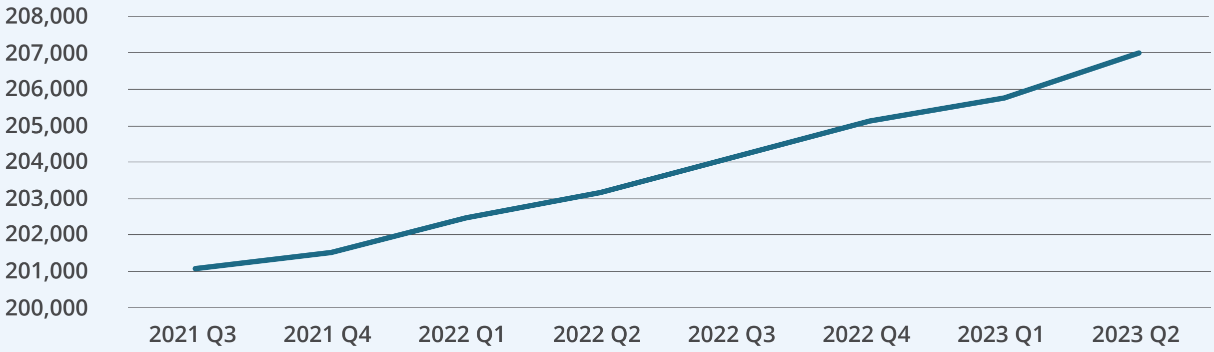
What are the values?

- Whai Mana: achieving health equity for all, particularly for Māori
- Whanaungatanga: inclusiveness and a sense of belonging
- Manaakitanga: caring and showing respect for each other
- Mana Motuhake: enabling people to be in control of their own health and wellbeing
- Whai Ihi: Expressing passion pertaining to our knowledge and expertise

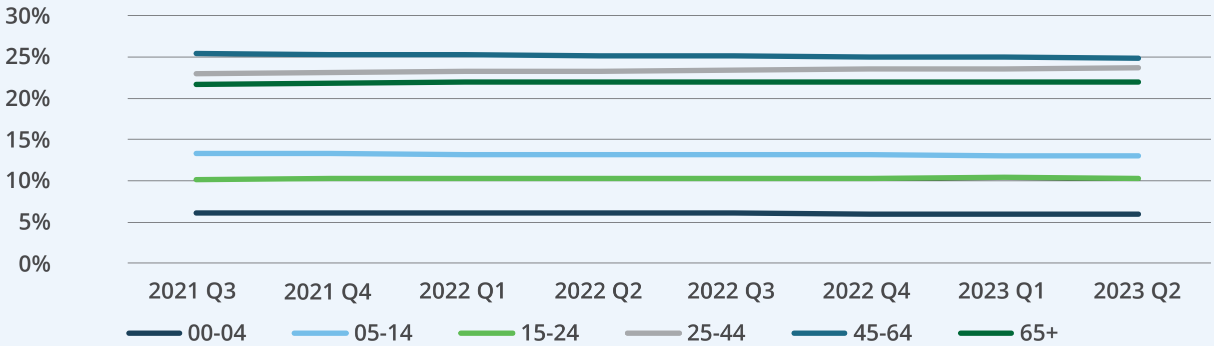
Who are the people served?

Patients, whānau, hapū and Iwi are at the heart of the PHO's work, with primary health services wrapping around them.

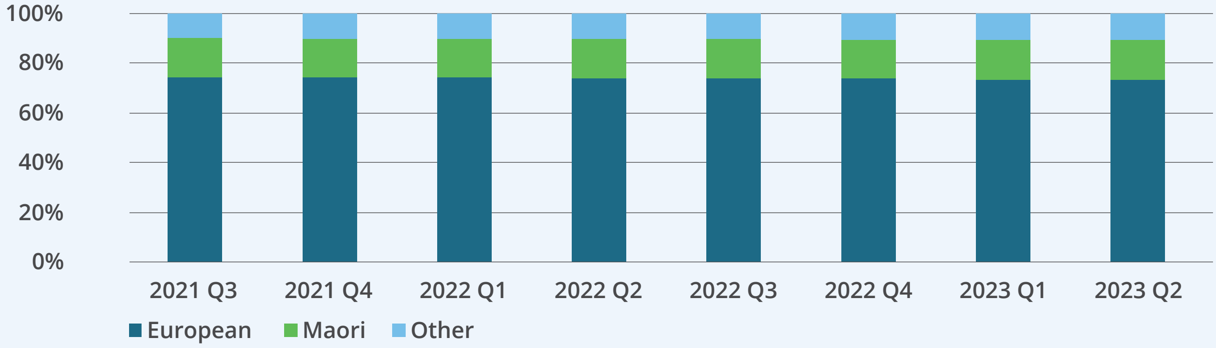
TOTAL POPULATION



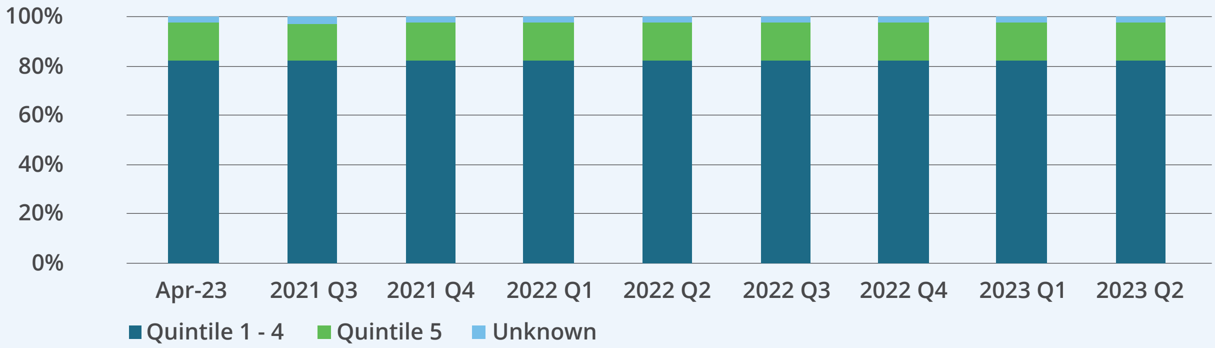
AGE BRACKETS



ETHNIC GROUPINGS



DEPRIVATION INDEX



What drives the "why"

The PHO is motivated and committed to enabling people to protect their own health and wellbeing, eliminating inequity, and improving health outcomes.

The PHO believes equity will be achieved by doing the things we are doing now even better (focussing on practical and realistic improvements), by being open to looking at new ways of doing things (through best practice and what our whānau are telling us), and by challenging our own ideas about how things should work.

EQUALITY

The assumption is that everyone benefits from the same supports. This is equal treatment.

EQUITY

Individuals are given different supports to make it possible for them to have equal access to the game, thus producing equity.

JUSTICE

All 3 can see the game without supports or accommodations because the cause(s) of the inequity was addressed. The systemic barrier has been removed.

How is the "why" achieved?

Achievement of the PHO's goals is through five broad areas:

1. Providing funding and co-ordination for health service providers, including:
   - Co-ordinating Government general practice capitalisation subsidies
   - Accident and emergency and after hours subsidies
2. Providing wrap around support services to health service providers, including:
   - Liaising with General Practices to ensure national health targets are achieved
   - Communicating changes within the health system to health providers
   - Provision of regular health forums including co-ordination and provision of training for region wide clinical staff
   - Advocacy on behalf of all local health organisations

3. Subcontracting services to local and regional health service providers, including:
    - Podiatry services
    - Retinal screening
    - Community radiology services
    - Pharmacist medicine management
4. Delivering and coordinating delivery of services to populations, including:
    - School based health services
    - Mental health services
    - Diabetic services
    - Integrated mental health and addiction services
    - Minor skin procedures
    - Childhood immunisations
    - COVID-19 testing and care
5. Utilising technology to enable service delivery and back office functions, including;
    - Automatic claiming tools to simplify and reduce procedural processes
    - Data analysis to identify and focus on people in need

What are the strategic focus areas for this year?

There was a continued development of and on the work started in the prior year. Specific focus was placed on:

- Transitioning from COVID-19 service delivery to post COVID-19 business as usual
- Rolling out the Integrated Primary Mental Health and Addictions programme
- Building on strong relationships with local and national partners to facilitate the government focus on localities

Examples of what was done and the performance

	2023 Delivery results	2022 Delivery results
1. Providing funding and co-ordination for health service providers		
- Patient interactions within WBOP GP Practices - All	783,873 ▲	756,331 ▲
- Patient interactions within WBOP GP Practices - Māori	109,730 ▲	107,869 ▲
- Capitation subsidies paid to GP Practices	$46,562,967 ▲	$44,599,824 ▲
- Presentations to primary care Accident and Emergency	50,487 ▲	40,687 ▲
- After-Hours visits to primary care Accident and Emergency under by 14 year olds	7,570 ▲	6,927 ▼
2. Providing wrap around support services to health service providers, including:		
- Health forums organised and delivered to the GP Network	21	21
3. Subcontracting services to local and regional health service providers		
- COVID-19 patient testing interactions within WBOP GP Practices	6,729 ▼	94,265 ▲
- COVID-19 patient care interactions within WBOP GP Practices	39,590 ▼	53,003 ▲
- 8 month old immunisations given	7,627 ▲	6,334 ▲
- 24 month old immunisations given	8,191 ▼	11,034 ▲
- Cervical screenings completed	16,130 ▲	13,050 ▲
- Cardiovascular disease screenings completed	23,566 ▲	21,917 ▲
4. Delivering and coordinating delivery of services to populations		
- Mental health referral interventions - adult	2,741 ▲	1,918 ▲
- Mental health referral interventions - youth	711 ▲	568 ▲
- School based health service - individual students seen	2,187 ▲	1,731 ▼
- School based health service - student interactions	7,152 ▼	7,913 ▲
- Integrated primary mental health and addiction FTE	31 ▲	15 ▲
- Integrated primary mental health and addiction assessments	11,741 ▲	2,090 ▲
- Integrated primary mental health and addiction non contact interactions	5,314 ▲	833 ▲
- Smokers given brief interventions	51,070 ▼	56,998 ▼
- Diabetes annual reviews completed	6,568 ▼	6,402 ▲
- Diabetes care improvement packages	565 ▼	610 ▲
- Insulin Starts completed	107 ▲	94 ▲
- Retinal screens undertaken	3,964 ▲	3,222 ▼
- Community radiology interactions	6,082 ▲	5,520 ▲
- Cervical screens performed	37,246 ▼	39,957 ▼
5. Utilising technology to enable service delivery and back office functions		
- Clinical programmes converted from paper to automated claiming	6	3

What does the future hold?

The New Zealand health sector continues to be amid a period of significant structural change.

This change, combined with advances in technology, population growth, increasing complexity of health needs, health inequities and the changing expectations of patients, encourages us to continuously review the way we operate and how we can support our Iwi partners, General Practices, and our health networks.

Preparing our organisation for this period of change has and continues to be a focus for our board and leadership team.

Through local discussions and workshops with partners and stakeholders, we can identify many ways we are able to contribute to the government's new locality health model and improve health services for our communities.

We are actively positioning ourselves to embrace opportunities and new models of care alongside community networks and partners.

Working together with other entities that share common objectives, will help us achieve health equity for our population.

Our future strategic focus is to:

- Develop localities to identify and deliver health need and services
- Support the delivery of Māori health services by Māori health providers
- Take a focussed approach to targeted health needs
- Strengthen business and operational support systems and processes to support providers within our health network

We will do this by:

- Creating and maintaining relationships
- Co-designing health services and processes
- Utilising and analysing health data
- Investing in workforces and technologies

Tūngia te ururua, kia tupu whakaritorito te tupu o te harakeke. Clear the undergrowth so that the new shoots of the flax will grow.

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Statement of Comprehensive Revenue and Expense

For The Year Ended 30 June 2023

	Note	2023 $ (000's)	2022 $ (000's)
REVENUE			
Revenue from non-exchange transactions	5	34,926	40,701
Total revenue		**34,926**	**40,701**
Other income	6	60	4
Investment income	6	123	14
Total Income		**35,109**	**40,719**
EXPENSES	7		
Advertising and communication		(170)	(209)
Depreciation and amortisation expense	11, 12	(233)	(227)
Depreciation recovered	11	–	(10)
Donations and grants made		(101)	(7)
Employee costs		(6,827)	(6,064)
Facilities expense		(434)	(404)
Governance expense		(268)	(208)
Information systems and technology		(602)	(571)
Medical supplies		(9)	(12)
Motor vehicles		(160)	(166)
Professional fees		(287)	(302)
Provider payments		(25,658)	(32,284)
Sundry operating		(106)	(103)
Training and development		(254)	(152)
Total expenses		**(35,109)**	**(40,719)**
Surplus/(Deficit) for the Year		**–**	**–**
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Other comprehensive revenue		–	–
Total Comprehensive Revenue and Expense for the Year		**–**	**–**

The Accompanying Notes Form Part of these Financial Statements

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Statement of Changes in Net Assets

For The Year Ended 30 June 2023

	Contributed capital $ (000's)	General reserve (18) $ (000's)	Clinical Services reserve (18) $ (000's)	Accumulated revenue and expense $ (000's)	Total $ (000's)
Balance at 1 July 2021	**–**	**1,000**	**6,075**	**–**	**7,075**
Total comprehensive revenue and expense					
Surplus/(deficit) for the period	–	–	–	(18)	(18)
Total comprehensive revenue and expense	**–**	**–**	**–**	**(18)**	**(18)**
Transactions with owners in their capacity as owners	–	–	(18)	18	–
Balance at 30 June 2022	**–**	**1,000**	**6,057**	**–**	**7,057**
Total comprehensive revenue and expense					
Surplus/(deficit) for the period	–	–	–	(373)	(373)
Total comprehensive revenue and expense	**–**	**–**	**–**	**(373)**	**(373)**
Transactions with owners in their capacity as owners	–	–	(373)	373	–
Balance at 30 June 2023	**–**	**1,000**	**5,684**	**–**	**6,684**

The Accompanying Notes Form Part of these Financial Statements

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Statement of Financial Position

For The Year Ended 30 June 2023

	Note	2023 $ (000's)	2022 $ (000's)
ASSETS			
Current Assets			
Cash and cash equivalents	8	8,304	5,900
Prepayments and other assets	10	242	1,491
Trade Receivables (non exchange transactions)	9	2,540	3,916
Total Current Assets		**11,086**	**11,307**
Non-Current Assets			
Intangible assets	12	224	243
Plant and equipment	11	334	378
Total Non-Current Assets		**558**	**621**
Total Assets		**11,644**	**11,928**
LIABILITIES			
Current Liabilities			
Trade Payables (exchange transactions)	13	3,270	3,965
Deferred revenue	14	1,290	572
Employee benefit liability	15	400	334
Total Current Liabilities		**4,960**	**4,871**
Total Liabilities		**4,960**	**4,871**
Net Assets		**6,684**	**7,057**
EQUITY			
Contributed capital	18	–	–
Reserves	18	6,684	7,057
Accumulated revenue and expense		–	–
Total Equity		**6,684**	**7,057**

Paora Stanley
Director
7 December 2023

Dr Daniel McIntosh
Director
7 December 2023

The Accompanying Notes Form Part of these Financial Statements

WESTERN BAY OF PLENTY PRIMARY HEALTH ORGANISATION LIMITED

Statement of Cash Flows

For The Year Ended 30 June 2023

	Note	2023 $ (000's)	2022 $ (000's)
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from			
Receipts from customers		38,013	37,669
Insurance claims received		50	–
Grants, donations, and bequests		9	–
Net GST Received		85	–
Payments to			
Payments to suppliers		(28,907)	(33,151)
Payments to employees		(6,693)	(5,971)
Net GST Paid		–	(61)
Net cash inflow/(outflow) from operating activities	19	**2,557**	**(1,514)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		116	14
Payments for purchase of intangible assets		(35)	(123)
Payments for purchase of property, plant and equipment		(234)	(175)
Dividends received		–	0
Acquisition of short-term deposits		–	1,014
Net cash inflow/(outflow) from investing activities		**(153)**	**730**
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Interest paid		–	–
Net cash inflow/(outflow) from financing activities		**–**	**–**
Net increase / (decrease) in cash and cash equivalents		**2,404**	**(784)**
Cash and cash equivalents at beginning of year		5,900	6,684
Cash and cash equivalents at end of year	8	**8,304**	**5,900**

The Accompanying Notes Form Part of these Financial Statements

Notes to the Financial Statements

For The Year Ended 30 June 2023

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 207,508 (Last Year: 203,852) 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 Te Whatu Ora and other health-focussed community-based organisations.

The Company is considered a not-for-profit 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 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.

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company, except as explained in Note 4, which addresses changes in accounting policies.

Certain comparative amounts in the statement of comprehensive revenue and expense have been reclassified and or represented as a result of changes in accounting policies (see Note 4).

(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 1 not-for-profit public benefit entities.

These financial statements are the first financial statements under Tier 1 PBE IPSAS. The company previously reported under Tier 2 PBE IPSAS Reduced Disclosure Regime ("RDR"). The transition to Tier 1 has had no effect on recognition and measurement, merely an increase in disclosures required as RDR exemptions are no longer applicable.

(b) Measurement Basis

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

(c) Functional and Presentation Currency

The financial statements are presented in New Zealand dollars ($), The Company's functional currency, and are rounded to the nearest thousand ($000). There has been no change in the functional currency during the year.

(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.

3 USE OF JUDGEMENTS AND ESTIMATES

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

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

(a) Judgements

There have been no judgements made in applying accounting policies that have had a significant effect on the amounts recognised in the consolidated financial statements.

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2023 include the following:

(i) Integrated Primary Mental Health and Addictions (“IPMHA”)

The Company holds a contract to deliver services. The contract contains a clause restricting the recognition of revenue to the value that is the equivalent of total IPMHA FTE employed by the Company, when compared to expected contracted FTE. If expected FTE is not achieved, revenue is assessed for potential claw back by the funder.

Full employment of IPMHA FTE was not achieved against the expected contract FTE during the 2022-23 period. Under employment has resulted in an FTE variance that is subject to assessment by the funder for recovery.

A calculation of the FTE variance multiplied by the contracted FTE rate has been made. Total potential clawback is $760,951.

The funder has historical applied a clawback of 64%, with 36% to be kept by the Company.

The Company has recognised 36% ($276,225) as revenue in 2023-24, with 64% ($484,726) retained in revenue in advance awaiting funder confirmation of recovery expectations.

(c) Changes in accounting estimates

There have been no changes in accounting estimates that have had a significant effect on the amounts recognised in the consolidated financial statements.

4 CHANGES IN ACCOUNTING POLICY

(a) Changes due to the initial application of a new, revised, and amended PBE Standards

(i) Change of Financial Reporting Tier within the Accounting Standards Framework

The Company has changed tier within the Public Benefit Entities Not-for-Profit ("PBE NFP") accounting standard framework due to the Company incurring total expenses greater than $30 million for two consecutive financial years ending 30 June 2023. The Company has moved up to Tier 1 PBE NFP from Tier 2.

With the change in tier, an increased reporting requirement is expected. The reduced disclosure regime afforded tier 2 entities is no longer applicable. There has been some minor reclassification within income, expenditure, property plant and equipment, and intangible assets to reflect the greater compliance expectation.

PBE NFP Tier 1 was adopted by the Company on 30 June 2023 with the financial statements ended 30 June 2023 (and comparative results) being prepared in accordance with those regulations.

(ii) PBE FRS 48 Service Performance Reporting

PBE FRS 48 Service Performance Reporting is effective for periods from 1 January 2022 and was adopted by the Company on 1 July 2022.

PBE FRS 48 requires specific disclosures for the reporting of service performance information which have been provided in the consolidated statement of service performance.

5 REVENUE

	2023 $ (000's)	2022 $ (000's)
Revenue from non-exchange transactions		
Contract income	34,926	40,701
	34,926	**40,701**

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 Non–Exchange Transactions

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 the 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 Company'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.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

(ii) 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) $46,563 was received and paid out to member practices (2022: ($000) $44,611).

6 OTHER INCOME

	2023 $ (000's)	2022 $ (000's)
Dividend Income	–	–
Donations and Koha Received	9	–
Gain on sale of property, plant and equipment	1	4
Insurance proceeds	50	–
Interest Income	123	14
	183	**18**

Other Income – Accounting Policy

Dividends

Income from dividends is recognised when the Company's right to receive payment is established, and the amount can be reliably measured.

Insurance proceeds

Income from insurance proceeds is recognised when the Company's right to receive payment is established, and the amount can be reliably measured.

Interest Income

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

Donations and Koha Received

The recognition of non-exchange revenue from Donations and Koha 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 the recognition of revenue.

Stipulations that are 'conditions' specifically require the Company 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 the Company 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.

Donations and Koha non exchange revenue is recognised at the point at which cash is received.

7 EXPENSES

Included within surplus/(deficit) for the year from continuing operations are the following:

	Note	2023 $ (000's)	2022 $ (000's)
Accountancy		–	3
Amortisation of intangible assets	12	78	81
Audit fees		14	16
Consultancy fees		118	143
Depreciation of property plant and equipment	11	155	146
Legal fees		42	51
Loss on disposal of property, plant, and equipment		–	10
Rent and operating lease payments		385	379

(i) Provider Payments

Provider payments compromise "payments made to providers of health services, including claims made by health providers, or subcontracted service payments made to health providers (including, GP's, Iwi and mental health and other health providers)".

8 CASH AND CASH EQUIVALENTS

	2023 $ (000's)	2022 $ (000's)
Bank accounts	8,304	5,900
Cash and cash equivalents in the statement of cashflows	**8,304**	**5,900**

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.

Per annum annual interest rate ranges applicable to components of cash and cash equivalent:

	2023	2022
Bank accounts	0.45% to 2.85%	0.05% to 0.45%

The Company does not hold an overdraft facility and there are no restrictions over any of the cash and cash equivalent balances held by the Company.

9 TRADE RECEIVABLES (NON EXCHANGE TRANSACTIONS)

	2023 $ (000's)	2022 $ (000's)
Trade receivables (non exchange transactions)	2,540	3,916
	2,540	**3,916**

Trade receivables (non exchange transactions) are shown net of bad and doubtful debts of $Nil (2022: $Nil).

There have been impairment allowances on trade receivables (non exchange transactions) of $Nil (2022: $Nil).

Policy

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

10 PREPAYMENTS AND OTHER ASSETS

	2023 $ (000's)	2022 $ (000's)
Income accrued	(46)	1,314
Prepayments	163	177
Deposits on Asset Acquisitions	125	–
	242	**1,491**

Policy

Prepayments

Prepayments are measured at cost and are classified as a current asset.

Income accrued

Income accrued is measured at cost reflecting the contractual obligations associated with revenue contracts. They have been classified as current depending on the terms of the contracts.

11 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 2021	455	90	12	34	592
Additions	113	7	–	62	181
Disposals	(16)	(6)	1	(3)	(24)
Balance at 30 June 2022	**552**	**91**	**13**	**93**	**749**
Additions	109	1	–	–	110
Disposals	–	–	–	–	–
Balance at 30 June 2023	**661**	**92**	**13**	**93**	**859**
Accumulated depreciation					
Balance at 1 July 2021	201	1	2	32	236
Depreciation	131	12	3	4	150
Disposals	(15)	–	–	–	(15)
Balance at 1 July 2022	**317**	**13**	**5**	**36**	**371**
Depreciation	131	11	2	10	154
Balance at 30 June 2023	**448**	**24**	**7**	**46**	**525**
Net book value					
As at 1 July 2021	254	89	10	3	355
As at 30 June 2022	235	78	8	57	378
As at 30 June 2023	**213**	**68**	**6**	**47**	**334**

Policies

(i) Recognition and measurement

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured either under the:

- Cost model: Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.
- Revaluation model: fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation surplus reserve within net assets/equity. Gains or losses relating to individual items are offset against those from other items in the same class of property, plant and equipment, however gains or losses between classes of property, plant and equipment are not offset.

Any revaluation losses in excess of credit balance of the revaluation surplus for that class of property, plant and equipment are recognised in surplus or loss as an impairment.

All of the Company's items of property plant and equipment are subsequently measured in accordance with the cost model.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives depreciation rates are:

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

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

(iv) Restrictions on title

There are no restrictions of titles of any property, plant and equipment assets. Nil (2022: Nil).

12 INTANGIBLE ASSETS

	Software $ (000's)
Cost	
Balance at 1 July 2021	830
Additions	33
Intangibles under construction	13
Disposals	–
Balance at 1 July 2022	**876**
Additions	42
Intangibles under construction	17
Disposals	–
Balance at 30 June 2023	**935**
Accumulated Amortisation	
Balance at 1 July 2021	552
Amortisation	81
Balance at 1 July 2022	**633**
Amortisation	78
Balance at 30 June 2023	**711**
Net book value	
As at 1 July 2021	278
As at 30 June 2022	243
As at 30 June 2023	**224**

(i) Amortisation

Amortisation expense is included in the following line items of the statement of comprehensive revenue and expense:

	Depreciation and amortisation expense	
	2023 $ (000's)	2022 $ (000's)
Software	78	81

(ii) Security and restrictions

There are no intangible assets with restrictions to title, nor pledged as security, over the Company's liabilities (2022: $Nil).

Policies

(i) Recognition and measurement

Intangible assets are initially measured at cost, except for intangible assets acquired through non-exchange transactions (measured at fair value).

All of the Company's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment.

The Company has no intangible assets with indefinite useful lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

(iii) Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The estimated useful lives amortisation rates are:

Software	10-40 %	Straight Line

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Restrictions on title

There are no restrictions of titles of any intangible assets. Nil (2022: Nil).

13 TRADE PAYABLES (EXCHANGE TRANSACTIONS)

	2023 $ (000's)	2022 $ (000's)
Trade payables due to related parties	252	450
Other trade payables	1,612	2,788
ASB Visa	6	5
Accrued expenses	1,011	509
	2,881	**3,752**

Policy

Trade payables from exchange transactions 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'.

14 DEFERRED REVENUE

	2023 $ (000's)	2022 $ (000's)
Non-exchange revenue		
Revenue in advance - services	1,290	–
Revenue in advance - other	–	572
	1,290	**572**

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.

15 EMPLOYEE BENEFIT LIABILITY

	2023 $ (000's)	2022 $ (000's)
Payroll payable	300	209
Annual leave employee benefits	396	329
Long service leave employee benefits	4	5
	700	**543**

(i) Short Term Employee Benefits

Short-term employee benefit liabilities are recognised when the Company has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

16 COMMITMENTS AND CONTINGENCIES

(i) Commitments

There were $0 commitments as at 30 June 2023. (2022: $0).

(ii) Contingent liabilities

There were $0 contingent liabilities as at 30 June 2023. (2022: $0).

(iii) Contingent assets

There were $0 contingent assets as at 30 June 2023. (2022: $0).

17 LEASES

(i) Operating leases

The future non-cancellable minimum lease payments of operating leases as lessee at reporting date are detailed in the table below:

	2023 $ (000's)	2022 $ (000's)
No later than one year	367	373
Between 1-5 years	1,657	1,394
More than 5 years	–	253
Total non-cancellable operating lease payments	**2,024**	**2,020**

The Company has entered into several material operating leases for:

Property

The Company leased two offices during the year.

- Tauranga: The premises lease is on a two year lease cycle with the final end date being 31 May 2029. There are no restrictions on the use of the property.
- Whakatāne: The premises lease is held on a month by month basis. There are no restrictions on the use of the property.

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.

Motor Vehicles

The Company leases thirteen (12) vehicles under operating leases. Each lease runs for an initial period of 36 months with some extending to 45 months. There are no material restriction on the usage of the vehicles. The vehicles are replaced at the end of the period.

Policy

Leases that are not finance leases are classified as operating leases.

Operating leases are not recognised in the Company's statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

18 CAPITAL AND RESERVES

(i) Share capital

The number of authorised ordinary shares total 120 (2022: 120). All shares have equal rights to vote. In terms of the Constitution, the Directors have no authority to declare dividends.

(ii) Reserves

General Reserve

The general reserve was established in 2010 to provide for future possibilities in respect of member practices and lease obligations. All transactions into and out of this reserve are merely attributions of accumulated revenue and expenses.

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 / Te Whatu Ora. All transactions into and out of this reserve are merely attributions of accumulated revenue and expenses.

19 RECONCILIATION OF SURPLUS WITH NET CASH FROM OPERATING ACTIVITIES

	2023 $ (000's)	2022 $ (000's)
Cash flows from operating activities		
Net surplus	–	–
Adjustments for non cash items:		
- Depreciation/amortisation	232	227
- (Gain)/loss on sale of property, plant, and equipment	(1)	4
Changes in working capital:		
- Trade and other receivables	2,736	(2,940)
- Prepayments	14	74
- Trade and other payables	(871)	1,195
- Provisions and employee benefits	133	94
- Deferred income/revenue	718	(75)
- GST	85	(61)
- Movement in reserves	(373)	(18)
Less items classified as investing activities		
- Interest and dividends received	(116)	(14)
Net cash from operating activities	**2,557**	**(1,514)**

20 RELATED PARTY TRANSACTIONS

(i) Key management and governance personnel remuneration

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

- Directors (members of the governing body)
- Executive Leaders (responsible for the operation of the Company's operating segments, and responsible for reporting to the governing body)

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.

Executive Leaders are employed as employees of the Company, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full-time-equivalents' (FTE's) Executive Leader) in each class of key management personnel is presented below:

	2023 Remuneration $ (000's)	2023 Number	2022 Remuneration $ (000's)	2022 Number
Directors	198	8	142	8
Executive Leaders	1,344	8.3	1,084	6.5

(ii) Transactions with controlling entities

The ultimate controlling parties of the Company are two Western Bay of Plenty Iwi, Ngāi Te Rangi and Ngāti Ranginui; and the Western Bay of Plenty Primary Care Providers Inc. These parties govern the Company through a joint venture agreement. The Company transacts with these related parties in the normal course of business.

During the year, the Company entered into sales and purchases from controlling entity related parties for the provision of health related services and at year end, the following balances remained owing. The balances are included within Trade receivables (non exchange transactions) in Note 9, and Trade payables (exchange transactions) in Note 13:

Sales	2023 Sales $ (000's)	2023 Receivables $ (000's)	2022 Sales $ (000's)	2022 Receivables $ (000's)
Te Rūnanga O Ngāi Te Rangi Iwi Trust	7	–	–	–
	7	**–**	**–**	**–**

There were no amounts written off or impaired during the period (2022: Nil).

Purchases	2023 Purchases $ (000's)	2023 Payable $ (000's)	2022 Purchases $ (000's)	2022 Payable $ (000's)
Ngāti Ranginui Home and Community Services	23	–	192	19
Ngāti Ranginui Iwi Society Incorporated	837	91	536	53
Te Rūnanga O Ngāi Te Rangi Iwi Trust	1,012	54	985	55
	1,872	**145**	**1,713**	**127**

During the year, the Company contributed $78,000 to support cyclone Gabrielle recovery efforts. The contribution was managed by Te Rūnanga O Ngāi Te Rangi Iwi Trust.

There were no amounts written off or impaired during the period (2022: Nil).

(iii) 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 entered into sales and purchases from other related parties for the provision of health related services and at year end, the following balances remained owing. The balances are included within Trade receivables (non exchange transactions) in Note 9, and Trade payables (exchange transactions) in Note 13:

Sales	2023 Sales $ (000's)	2023 Receivables $ (000's)	2022 Sales $ (000's)	2022 Receivables $ (000's)
Dee Street Medical Centre	2	–	10	–
Fifth Avenue Family Practice	–	–	12	–
Gate Pā Medical Centre Limited	1	–	1	–
	3	**–**	**23**	**–**

There were no amounts written off or impaired during the period (2022: Nil).

Purchases	2023 Purchases $ (000's)	2023 Payable $ (000's)	2022 Purchases $ (000's)	2022 Payable $ (000's)
Dee Street Medical Centre	3,064	42	3,384	130
Exsomnis NZ	1	–	–	–
Fifth Avenue Family Practice	4,373	47	4,637	152
Gate Pā Medical Centre	993	18	1,333	41
Pāpāmoa Pines Health Centre	–	–	2,062	–
The Royal College of General Practitioners	1	–	–	–
	8,432	**107**	**11,416**	**3223**

There were no amounts written off or impaired during the period (2022: Nil).

(iv) 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.
- Ngāti 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 Rūnanga O Ngāi Te Rangi Iwi Trust which is a shareholder and provider to the Company.
- Dr Luke Bradford is a Partner in Fifth Avenue Family Practice which is a provider to the Company.
- Lorraine Anderson is the Practice Manager for Gate Pā 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.
- Peter Chandler is a Director of Exsomnis NZ which provides 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.

21 LIQUIDITY RISK

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company ensures the maturity profile of its short term liquid financial assets (such as cash and cash equivalents, and trade receivables) is sufficient to meet the contractual cash flow obligations of its financial liabilities.

The Company does not hold an overdraft facility, nor does it enter into interest rate and foreign exchange contracts.

None of the Company's financial liabilities have a contractual cash flow beyond one month.

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

22 FINANCIAL INSTRUMENTS

The Company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, receivables, and payables. All financial instruments are recognised in the Statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the Statement of comprehensive revenue and expenses.

(i) Classification of financial instruments

The tables below show the carrying amount and fair values of the Company's financial assets and financial liabilities.

2023

		Carrying amount per Statement of Financial Position		
		Financial assets	Financial liabilities	
	Note	Fair Value	Amortised cost	Fair Value
		$ (000's)	$ (000's)	$ (000's)
Subsequently not measured at fair value				
Cash and cash equivalents	8	8,304	–	8,304
Trade receivables	9	2,540	–	2,540
Trade payables	13	–	(2,881)	(2,881)
		10,844	**(2,881)**	**–**

2022

		Carrying amount per Statement of Financial Position		
		Financial assets	Financial liabilities	
	Note	Fair Value	Amortised cost	Fair Value
		$ (000's)	$ (000's)	$ (000's)
Subsequently not measured at fair value				
Cash and cash equivalents	8	5,900	–	5,900
Trade receivables	9	3,916	–	3,916
Trade payables	13	–	(3,752)	(3,752)
		9,816	**(3,752)**	**–**

Policy

The Company initially recognises financial instruments when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies financial assets into the following categories:

- fair value through surplus or deficit,
- held-to-maturity,
- loans and receivables, and
- available-for-sale.

The Company classifies financial liabilities into the following categories:

- fair value through surplus or deficit, and
- amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs. Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is:

- Held-for-trading
- Designated at initial recognition

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, receivables, and monetary recoverables.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

23 SUBSEQUENT EVENTS

(i) COVID-19

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

The Government has indicated that specific COVID-19 targeted services and funding are likely to conclude toward the end of 2023, 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.

Key recommendations included:

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

The Government is actioning these recommendations. A new Māori Commissioning Agency ("Te Aka Whai Ora") and new national health entity ("Te Whatu Ora | Health NZ") have been created. All regional DHB's were disestablished with prior operations merged into Te Whatu Ora | Health NZ. Te Whatu Ora | Health NZ is in the process of restructuring its operations and functions. The restructuring process is creating a level of uncertainty and disruption within the wider health sector.

Te Whatu Ora | Health NZ released an early definition of localities, with test models being trialled throughout the country. The Western Bay of Plenty is not one of the trial model locations. A wider roll out of localities is due to occur in the second half of 2023.

The impact of the health reforms on the Western Bay of Plenty Primary Health Organisation has been limited to disruptions in communications and operational timeliness thus far. The health reforms have immediately focussed on secondary health structures and processes. It is expected the health reforms will encompass primary health within the next twelve to eighteen months. However, the General Election in October 2023, combined with the restructuring process, is delaying some progress.

(iii) Investment in After Hours Virtual Health Provider

Subsequent to the year ended 30 June 2023, the Company entered into an agreement to invest in Practice Plus LP, a Limited Partnership delivering virtual telehealth after hours services. The service is available to patients enrolled with GP Practices within the Company's network. Total investment is $206,000.

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 general purpose financial report of Western Bay of Plenty Primary Health Organisation Limited ("the Company"), which comprise the financial statements on pages 10 to 31, and the service performance information on pages 5 to 9. The complete set of financial statements comprise the statement of financial position as at 30 June 2023 the statement of comprehensive revenue and expense, statement of changes in net assets/equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying general purpose financial report presents fairly, in all material respects:

- the financial position of the Company as at 30 June 2023, and (of) its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2023 in accordance with the entity's service performance criteria, in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) *1 The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose Financial Report 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.

OTHER MATTER

The comparative information in the statement of service performance for the year ending 30 June 2022 is unaudited.

OTHER INFORMATION

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the general purpose financial report, but does not include the service performance information and the financial statements and our auditor's report thereon.

Our opinion on the service performance information and financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the service performance information and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the service performance information and the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of

this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE GENERAL PURPOSE FINANCIAL REPORT

Those charged with governance are responsible on behalf of the Company for:

(a) the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;

(b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and

(c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report those charged with governance are responsible 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 those charged with governance 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 GENERAL PURPOSE FINANCIAL REPORT

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information 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) and NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB's website at www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/

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

BDO Tauranga
Tauranga
New Zealand
8 December 2023

Western Bay of Plenty
Primary Health Organisation

TŪNGIA TE URURUA KIA TUPU
WHAKARITORITO TE TUPU
O TE HARAKEKE

87 FIRST AVENUE, TAURANGA 3110
PO BOX 13225, TAURANGA 3141 | **TEL 07 577 3190**