

VALLEY PHO TRUST
Financial Statements
For the year ended 30 June 2011

VALLEY PHO TRUST
Financial Reports - Table of Contents
For the year ended 30 June 2011

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VALLEY PHO TRUST
Trust Directory
As at 30 June 2011

Principal Business

Primary Health Care Services

Trustees

Hans Snoek (Chair)
John Hill
Vai Fa'aifo
Laraine Koerbin
Tofa Suafole Gush
Satayvan Candasamy
Alice Huia Brown
Tata Parata
David Young

Auditors

WHK Wellington Partnership

Bankers

Bank of New Zealand

Date of Final Distribution

4 February 2084

INDEPENDENT AUDITOR'S REPORT

To the Readers of the financial statements of Valley PHO Trust ("Trust")

Report on the Financial Statements

We have audited the financial statements of the Trust on pages 3 to 14 which comprise the statement of financial position as at 30 June 2011, the statement of financial performance and statement of movements in trust capital, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand; and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

An entity associated with our firm provides other assignments on behalf of the Trust in the area of providing accounting assistance and advice; we have no other relationship with, or interests in, the Trust.

Opinion

In our opinion, the financial statements on pages 3 to 14 present fairly, in all material respects, the financial position of the Trust as at 30 June 2011, its financial performance, and movements in trust capital, and cash flows for the year then ended in accordance with generally accepted accounting practice in New Zealand.



WHK Wellington Partnership
CHARTERED ACCOUNTANTS
19 October 2011



VALLEY PHO TRUST
Statement of Financial Performance
For the year ended 30 June 2011

	<i>Note</i>	2011	2010
<u>Revenue</u>			
HPV Programme		5,000	10,000
Under 6/VLCA		806,196	691,701
FLS-EMS		53,810	199,524
First Contact Care (FLS)		10,509,816	10,247,222
Health Promotion	8	272,418	214,404
Management Services		557,356	555,468
Services to Improve Access	4	1,030,269	1,076,403
Care Plus		201,321	110,793
Wellbeing Service	6	559,477	503,498
Practice Viability		1,581	3,462
PHO PPP		679,561	532,101
Total Revenue		14,676,805	14,144,577
<u>Less Direct Costs</u>			
FLS-EMS		53,810	199,524
First Contact Care (FLS)		10,509,817	10,247,222
Health Promotion	9	272,418	214,404
Management Services		557,356	555,468
Services to Improve Access	5	1,030,269	1,076,403
Care Plus		201,321	110,793
Wellbeing Service	7	559,477	503,498
Practice Viability		1,581	3,462
PHO PPP		679,561	532,101
HPV Programme		5,000	10,000
Under 6/VLCA		806,196	691,702
Total Direct Costs		14,676,805	14,144,577
<u>Operating Surplus (Deficit) From Trading</u>		\$0	\$0

These accounts are to be read with the attached notes



VALLEY PHO TRUST
Statement of Financial Performance
For the year ended 30 June 2011

	<i>Note</i>	2011	2010
<u>Operating Surplus (Deficit) From Trading</u>		0	0
<u>Sundry Income</u>			
Interest Received		43,851	62,306
Cornerstone Accreditation		5,000	4,000
DHB HEHA Livesmart		-	3,000
<u>Total Revenue</u>		<u>48,851</u>	<u>69,306</u>
<u>Less Expenses</u>			
Bank Charges		432	568
PHO Alliance		4,000	5,633
DHB HEHA Livesmart		-	3,000
CME Contributions		6,750	7,000
Relocation Contribution		-	80,000
Cornerstone accreditation		5,000	4,000
Trust Deed Review		375	-
Integrated FHC Funding		5,000	-
Transition Expenses		15,697	-
<u>Total Expenses</u>		<u>37,254</u>	<u>100,201</u>
<u>Trustees Surplus (Deficit)</u>		<u>11,597</u>	<u>(30,895)</u>

These accounts are to be read with the attached notes



VALLEY PHO TRUST
Statement of Movements in Trust Capital
For the year ended 30 June 2011

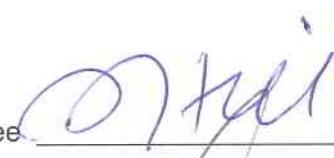
	2011	2010
<u>Opening Trust Capital</u>	201,791	232,686
<u>Recognised Revenues & Expenses for the Year</u>		
Trustees Surplus	11,597	(30,895)
Total Recognised Revenues & Expenses	11,597	(30,895)
<u>Closing Trust Capital</u>	<u>\$213,388</u>	<u>\$201,791</u>


These accounts are to be read with the attached notes



VALLEY PHO TRUST
Statement of Financial Position
As at 30 June 2011

	Note	2011	2010
<u>Trust Capital</u>			
Settlement Sum		10	10
Accumulated Trust Funds		213,378	201,781
<u>Total Trust Capital</u>		<u>\$213,388</u>	<u>\$201,791</u>
 <u>Represented by:</u>			
<u>Current Assets</u>			
BNZ Account		554,238	128,752
BNZ - Term Deposits		250,000	990,000
Westpac Term Deposit		-	250,000
Petty Cash		200	200
Accrued Income		4,369	25,435
Accounts Receivable		58,757	32,335
Prepaid Expenses - PPP Supportive Quality Improvement Funds		87,678	203,545
Prepaid Transition Funding		139,303	-
Prepaid Integrated FHC Funding		30,000	-
GST Refund Due	1(a)	3,123	10,293
<u>Total Current Assets</u>		<u>1,127,667</u>	<u>1,640,560</u>
<u>Total Assets</u>		<u>1,127,667</u>	<u>1,640,560</u>
<u>Current Liabilities</u>			
Accounts Payable		213,495	255,874
Accrued Expenses		-	24,046
Funds Carried Forward to Next Year	12	700,784	1,158,849
<u>Total Current Liabilities</u>		<u>914,279</u>	<u>1,438,769</u>
<u>Total Liabilities</u>		<u>914,279</u>	<u>1,438,769</u>
<u>Net Assets</u>		<u>\$213,388</u>	<u>\$201,791</u>

Trustee  Date 17/10/11

Trustee  Date 19/10/11

These accounts are to be read with the attached notes



VALLEY PHO TRUST

Notes to the Financial Statements

For the year ended 30 June 2011

1. STATEMENT OF ACCOUNTING POLICIES

Entity Reporting

The financial statements presented here are for Valley PHO Trust, a Charitable Trust, registered under the Charitable Trusts Act 2005.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used.

Accounting Policies

The financial statements are prepared in accordance with New Zealand generally accepted accounting practice. The trust is a qualifying entity within the Framework for Differential Reporting. The trust qualifies on the basis that it is not publicly accountable and it is small. The trust has taken advantage of all reporting concessions available to it.

The following accounting policies that materially affect the measurement of financial performance and the financial position are set out as below.

(a) Goods & Services Tax

The Statement of Financial Performance and Statement of Cashflows (where included) have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

(b) Income Tax

The Trust is registered under the Charitable Trusts Act 1957. Inland Revenue has given approval for a charitable exemption from income tax, and accordingly no tax is payable by the Trust.

(c) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

2. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year. All policies have been applied on bases consistent with those used in previous years.

3. NATURE OF BUSINESS

The nature of the business is to enhance the health of the individuals enrolled with the providers who are contracted to the Valley PHO Trust.



VALLEY PHO TRUST
Notes to the Financial Statements
For the year ended 30 June 2011

4. **Services to Improve Access Income**

This comprises the following:

	2011	2010
Services to Improve Access	873,118	864,096
SIA Bfwd Main Contract	380,526	584,648
SIA Monthly Allocation	(1,198,505)	(1,377,000)
SIA reallocate underspend	(225,630)	(372,341)
SIA Bfwd Txt2 Remind	2,255	-
S1007 No Cost Transport	50,000	46,000
S1002 Podiatry Diabetes	23,500	20,000
SIA Packages of Care	15,000	40,000
SIA Cardiovascular risk assessment	142,600	161,000
SIA Outreach Nurse	286,000	260,000
SIA Language Line	5,000	3,000
SIA Marae GP Service	-	50,000
SIA GP Locum	38,055	30,000
SIA Pacific Health Initiatives	66,000	100,000
SIA Cervical Screening	30,000	30,000
SIA Services Committee	7,000	6,000
SIA Dietetic Service	105,000	110,000
SIA Maori & Comm Liaison	-	90,000
SIA Long Term Conditions	50,500	55,000
SIA Maori Advisory Group	6,000	6,000
SIA Community Health Workers	279,000	260,000
SIA Wellness checks	43,150	110,000
SIA Txt 2 Remind	9,000	-
SIA MedReviews	42,700	-
	<u>1,030,269</u>	<u>1,076,403</u>



VALLEY PHO TRUST
Notes to the Financial Statements
For the year ended 30 June 2011

5. Services to Improve Access Expenses

This comprises the following:

	2011	2010
S1007MHNo Cost Transport	61,350	29,529
S1002 Podiatry Diabetes	12,038	14,388
SIA Packages of Care	6,134	12,102
SIA Outreach Nurse	278,656	241,220
SIA Pacific Health Initiatives	62,125	77,552
SIA Language Line	2,947	4,451
SIA GP Locum	53	28,026
SIA Cardiovascular risk assessment	105,165	117,992
SIA Cervical Screening	29,751	32,132
SIA Services Committee	7,000	6,000
SIA Dietetic Service	77,165	107,269
SIA Maori & Comm Liaison	-	82,360
SIA Long Term Conditions	50,215	49,231
SIA Maori Advisory Group	6,000	4,000
SIA Comm Health Workers	277,450	231,943
SIA txt2Remind	14,881	13,433
SIA Wellness checks	32,740	24,775
SIA Med Reviews	6,600	-
	<u>1,030,269</u>	<u>1,076,403</u>



VALLEY PHO TRUST
Notes to the Financial Statements
For the year ended 30 June 2011

6. **Wellbeing Service Income**

This comprises the following:

	2011	2010
Wellbeing Service	452,776	472,000
Wellbeing PoC	20,000	20,000
Wellbeing Workforce Development	36,031	3,312
Wellbeing Reallocation Underspend	(38,356)	(57,366)
Wellbeing PoC Extra Funding	-	54,000
Bfwd Wellbeing POC	57,366	11,551
Wellbeing Additional Volumes	18,160	-
Wellbeing - Waiwhetu Medical	13,500	-
	<u>559,477</u>	<u>503,498</u>

7. **Wellbeing Expenditure**

This comprises the following:

	2011	2010
Wellbeing Service	452,776	472,000
Wellbeing PoC	65,822	28,185
Wellbeing Workforce Development	9,299	3,312
Wellbeing - Waiwhetu Medical	13,500	-
Wellbeing Additional Volumes	18,080	-
	<u>559,477</u>	<u>503,498</u>



VALLEY PHO TRUST
Notes to the Financial Statements
For the year ended 30 June 2011

8. Health Promotions Income

This comprises the following:

	2011	2010
HP Main Contract	187,536	186,491
HP Bfwd	161,453	189,366
HP monthly allocation	(332,675)	(365,000)
HP Allocated Underspend	(76,571)	(161,453)
H1002 HP Coordinator	114,500	100,000
HP Active Families	-	80,000
HP Pacific Health Initiatives	19,000	-
HP Support Group	44,400	40,000
HP CardioVascular Risk	42,145	70,000
HP Resources	5,000	10,000
HP Youth Health Initiative	-	40,000
HP Live Smart @ Supermarket	23,800	25,000
HP Practice Based Projects	20,000	-
HP Healthy Lifestyle Coach	63,830	-
	<u>272,418</u>	<u>214,404</u>

9. Health Promotions Expenditure

This comprises the following:

	2011	2010
H1002 HP Co-ordinator	93,902	99,668
HP Active Families	-	31,000
HP Pacific Health Initiatives	22,226	-
HP Support Group	38,067	15,155
HP CardioVascular	28,905	30,373
HP Resources	2,167	5,799
HP healthy lifestyle coach	62,564	19,910
HP Live Smart @ supermarket	24,586	12,498
	<u>272,418</u>	<u>214,404</u>

10. AUDIT

These financial statements have been subject to audit, please refer to Auditor's Report. Audit fees paid during the year \$6,300 (2010: \$5,950).



VALLEY PHO TRUST
Notes to the Financial Statements
For the year ended 30 June 2011

11. **INVESTMENTS**

	<i>2011</i>	<i>2010</i>
BNZ - Term Deposits	250,000	990,000
Westpac Term Deposit	<u>-</u>	<u>250,000</u>
Total Investments	<u><u>\$250,000</u></u>	<u><u>\$1,240,000</u></u>

Term Deposits are made up of the following:

BNZ Term Deposits

\$150,000 maturing on 9 August 2011 with an interest rate of 5.20% p.a.

\$100,000 maturing on 9 August 2011 with an interest rate of 5.20% p.a.



VALLEY PHO TRUST
Notes to the Financial Statements
For the year ended 30 June 2011

12. **Funds Carried Forward to Next Year**

This comprises the following:

	2011	2010
Services to Improve Access		
Carry Forward SIA Funds Bfwd from YE 2011	<u>225,630</u>	<u>372,341</u>
<u>Services to Improve Access Total Funds</u>	<u>225,630</u>	<u>372,341</u>
Health Promotion Funds		
HP 2010 Funds Bfwd from YE 2011	<u>86,086</u>	<u>161,453</u>
<u>Health Promotion Total Funds</u>	<u>86,086</u>	<u>161,453</u>
DHB CAC 2005 Funds	4,844	4,844
Practice Viability Funds	2,256	3,838
CarePlus Funds	189,705	261,264
Eastbourne FLS March 2007 Funds	3,166	3,242
PPP Quality Cervical Screening	2,356	-
PPP Held Distribution Funds	43,252	66,872
PPP Bonus Funds	10,362	2,078
PPP CVR FFS Bfwd Funds	6,063	3,334
PPP CVR Software	1,032	2,386
Wellbeing Workforce Development	26,812	16,288
Wellbeing PoC Bfwd	11,544	57,366
PPP Supportive Quality Improvement Funds	87,678	203,545
Total Funds Carried Forward to Next Year	<u><u>700,784</u></u>	<u><u>1,158,849</u></u>

The trust receives contract funds to be used to provide services. If those services are not provided or fully utilised, then those funds may be required to be returned to the funder of the contract. The unused contract income listed as a liability represent those funds that would have to be returned at balance date if the trust did not continue to provide the services it had contracted to complete with the contract funder.

13. **RELATED PARTIES**

During the year Valley PHO Trust entered into financial transaction with Kowhai Health Trust to provide services and manage administration on their behalf. Hans Snoek and David Young are trustees for both Valley PHO Trust and Kowhai Health Trust.



VALLEY PHO TRUST
Notes to the Financial Statements
For the year ended 30 June 2011

14. **EVENTS SUBSEQUENT TO BALANCE DATE**

From 1 July the practices which belonged to Valley PHO joined Te Awakairangi Health PHO and as a result the contract between Valley PHO and Hutt Valley DHB was terminated. The Valley PHO Board has agreed to continue the trust for a further financial year until June 2012. During this year there will be no additional income received apart from services they are providing on behalf of the new PHO, Te Awakairangi Health. Valley PHO income and expenditure will therefore be reduced accordingly. In due course the Valley PHO is likely to be disestablished but a timeframe around this has not yet been established. The Trustees consider that the Trust has sufficient reserves to meet expenses as they fall due up until the date of disestablishment, or at least for the next 12 months from the date of approval of these financial statements. The trustees have therefore prepared these financial statements on a going concern basis.