



ANNUAL REPORT





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Introduction

"Be well for all people"
Piki te Ora o nga tangata katoa
E nga mana
E nga reo
E nga iwi o te rohe
O nga Tai o Whakatu
Tena koutou, tena koutou, tena koutou katoa!

Nelson Bays Primary Health (NBPH) is the local structure for delivering and coordinating primary health care services for the Nelson and Tasman regions. These services include not only first line services to restore people's health when unwell, but in conjunction with the local community and other health care providers, there is an increasing number of targeted programmes which aim at improving and maintaining good health throughout the region.

Our Mission

It is our aim to improve the health and well-being of people in the Nelson Bays region and to reduce health inequalities.

We do this by:

- Promoting, maintaining and restoring health throughout the region
- Providing quality evidence-based services
- Supporting an adaptable and innovative workforce
- Developing a collaborative approach.

Clinical Network Partners:

NBPH has been building a clinical network for primary health care across our region. More than 150 health providers have formed strong partnerships to meet the needs of the Nelson Bays population. These partnerships have formed through formalised contracts, receivers of funding, memoranda of understanding and other agreements. These arrangements all contribute to a robust clinical network, and assist NBPH to implement the Primary Health Care Strategy for Nelson Bays. The health providers within the clinical network include 7 Māori health providers, 26 general practices, 17 pharmacies, over 80 non-government and community health providers, 65 primary mental health providers, plus key government organisations and Crown agencies.

Chair's Report

To 30 June 2010

It is my pleasure to present the Annual Report and Financial Statements for Nelson Bays Primary Health (NBPH) for the year ended 30 June 2010.

To review the seventh year of the Trust's existence has been to reflect once more on a period of significant growth for the organisation, but also on challenges for Primary Health Organisations (PHOs) in general as the Government set its priorities for "Better, Sooner, More Convenient" health care for all New Zealanders. These priorities are for a more personalised system that provides services closer to home, makes Kiwis healthier and reduces pressure on hospitals.

The Government has also reviewed the number of PHOs throughout the country with a view to amalgamations enabling greater efficiencies and less duplication. Whilst NBPH is not planning amalgamation, we are looking at ways to deliver a growing range of primary health services in partnership with our neighbouring PHO in Marlborough, Nelson Marlborough District Health Board and community providers.

Meeting the increasing demands has meant a huge commitment by our staff under the leadership of Andrew Swanson-Dobbs, our CEO. The enthusiasm and dedication shown by staff in implementing the Board's strategic direction for NBPH is admirable.

The Board, too, has worked hard to provide support, leadership and vision for the organisation. The resignations of Dr Patch Graham, Duncan Eddy and Shane Graham were received with regret, but we were pleased to welcome Dr James Chisnall and Judene Edgar. Lisa Lawrence was reappointed by the Iwi Health Board for a further term. The Board appreciates the valuable advice from our Clinical Governance Group and the support of Gilbert Robertson and his staff from Robertson Chartered Accountants.

This past year NBPH has continued to build relationships with community-based primary health care providers. Our NBPH Alliance, formerly known as the Charter, has been signed by a large number of organisations who have committed to implement the vision of the Primary Health Care Strategy. This shared vision and desire to work together augurs well for the future of primary health service provision in Nelson Bays.

Our highly praised "Be Well" electronic newsletter keeps recipients abreast of matters of interest both within NBPH and in the wider community, as does the Health Directory published annually.

Chair's Report

Through the year a number of significant initiatives have been implemented. As well as expanding our staff to provide a wider range of services we have:

- Assumed responsibility for all our own Information Technology;
- Acquired, from 1 April this year, a General Practice when the staff of the Golden Bay Medical Centre became employees of NBPH;
- Set up an Alliance Advisory Group to enable advice on community issues to be brought to the Board; the members to be drawn from NBPH Alliance partners;
- Participated with other stakeholders in the planning of an Integrated Family Health Centre, in accordance with government policy, in Golden Bay;
- Shifted services from the back office to the frontline, as required by the Minister of Health.

When the current Government assumed office, the Minister of Health charged those working in health to step up to meet the huge challenges faced in making and keeping New Zealanders well. NBPH has taken this challenge seriously. Through vision, passion, partnership, skill and sheer hard work the staff, board and advisors have endeavoured to fulfil our role of leading and coordinating primary health care in our region. With the help of our contracted providers, our partners and our community we look forward to continuing to build on the strong foundations we have established.



Jan Morgan
Board Chair

CEO's Report

To 30 June 2010

The health sector this year has undergone close scrutiny and been presented with formidable challenges, to which we have not been immune. Throughout the country funding pressures and national targets have been driving the sector towards new priorities. This time of the year allows me to reflect on how our organisation is managing and I am incredibly proud of what we have achieved. Although I am not suggesting we are perfect; I do know that every member of our staff is committed to ongoing quality improvement. I know first-hand that all of our 31 staff members show that dedication and commitment every day they come to work. They have demonstrated their desire to improve the health of people in our region and to make sure that the services are delivered in a high quality, effective and appropriate manner. We are focused on facilitating the health system to deliver ***'the right thing to the right person at the right time'*** and our programmes are all designed to make this a reality.

Throughout this year NBPH has shown ongoing commitment to clinical leadership in the health sector. Our Clinical Governance Group is proving to be an effective mechanism to ensure the expertise of our primary care clinicians contribute to health care delivery, alongside the specialists at the hospital. The PHO Performance Programme (PPP) is designed to assist general practices improve the delivery of their services by meeting national and locally agreed targets for health programmes such as cervical screening, breast screening, immunisation, health assessments, laboratory expenditure, diabetes reviews and smoking cessation. Other programmes within general practice include palliative care, care plus, HPV immunisation, doctor and nurse outreach clinics, nurse-led chronic conditions clinics and primary mental health support. We also support general practice to gain Cornerstone accreditation and we are very pleased to say that all of the practices in Nelson/Tasman are in the process of being accredited.

NBPH facilitates continuing education for general practitioners, general practice teams, primary care nurses and pharmacists. Other workforce development for the primary health care sector supported by NBPH includes youth health, cultural support and nurse-led diabetes management, in collaboration with NMIT. A Language Line service is funded by NBPH and is available to health providers in our region who wish to access this support for their patients and NBPH also funds Refugee Services to better meet the health needs of our refugee population.

We have developed and delivered a variety of health programmes that are based in the community for all health providers to encourage their patients to access. They include falls prevention programmes, diabetes education, community podiatry, respiratory education, Green Prescription, aqua programmes, cardiac rehabilitation programmes, a community nutrition service, childhood obesity management, breastfeeding support, health education and promotion programmes, Strengthening Families, exercise

CEO's Report

classes, brief intervention counselling support and youth health checks. Some of these programmes are directly provided by NBPH, others are contracted out to organisations that are best positioned to deliver them.

NBPH is continuing to meet the new challenges and our ongoing commitment to reducing the costs of backroom systems and management have allowed us to continue to grow the programmes which we make available to our community. Thank you to all of the organisations across the region who work alongside NBPH. There are well over 150 providers linked to us in programme delivery and development and I appreciate their continued commitment to supporting our community to be as healthy as it can be.



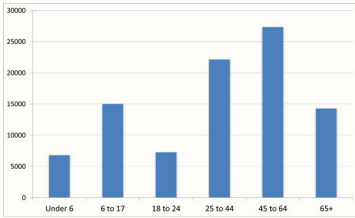
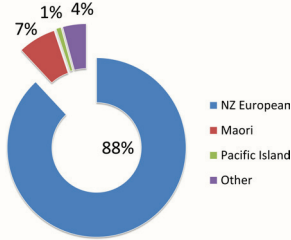
Andrew Swanson-Dobbs
CEO

Enrolled Population

93029 people were enrolled with NBPH

Ethnicity

NZ/European	81915
Māori	6352
Pacific Island	825
Other	3937



Age Groups

Under 6	6823
6 to 17	15049
18 to 24	7296
25 to 44	22183
45 to 64	27372
65+	14306

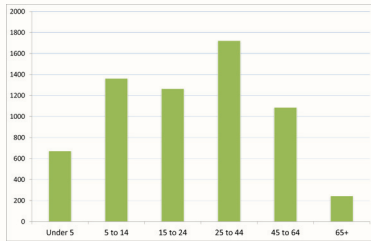
6352 Māori were enrolled

3178 male/3174 female

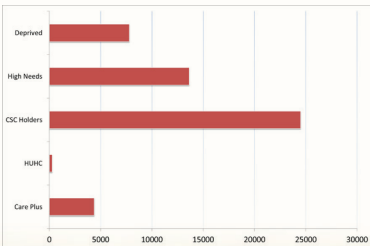
6.8% of the total enrolled population

Total Māori Enrolled

Under 5	672
5 to 14	1363
15 to 24	1264
25 to 44	1722
45 to 64	1087
65+	244



High Needs/Deprived



High Needs/Deprived

Deprived	7801
High Needs	13627
CSC Holders	24494
HUHC	277
Care Plus	4384

Directory

as at 30 June 2010

Principal Business: Primary Health Organisation

Address: 20 New Street
NELSON

Trustees:

M Briggs	
P Chapman	
J Chisnall	appointed: September 2009
D Eddy	resigned: December 2009
J Edgar	appointed: April 2010
P Graham	resigned: September 2009
S Graham	resigned: May 2010
L Lawrence	
D Magee	
J Morgan	
S Stevenson	
M Wetere	

Accountants: Robertson Chartered Accountants Ltd
PO Box 250
Nelson 7040

Auditors: BDO Wellington

Solicitors: Pitt & Moore
Hunter Ralfe

Bankers: ASB Bank
Westpac Trust

Statement of Financial Responsibility

for the year ended 30 June 2010

The Trustees are responsible for preparing the financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand, and give a true and fair view of the financial position of the Trust as at 30 June 2010 and the result of their operations for the year ended on that date.

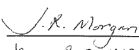
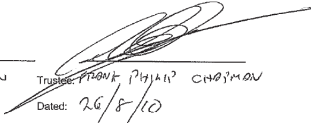
The Trustees consider that the financial statements of the Trust have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Trustees believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Trust and facilitate compliance with generally accepted accounting practice in New Zealand.

The Trustees consider that they have taken adequate steps to safeguard the assets of the Trust, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Trustees are pleased to present the financial statements of the Nelson Bays Primary Health Trust for the period ending 30 June 2010.

For and on behalf of the Trustees:

	
Trustee: JANET RUTH MORGAN	Trustee: GRANT PIHLAN CHAIRMAN
Dated: 26-8-10	Dated: 26/8/10

Nelson Bays Primary Health acknowledges the support of Gilbert Robertson of Robertson Chartered Accountants in providing accountancy services.

Income Statement

for the year ended 30 June 2010

	Note	2010 \$	2009 \$ *Restated
Operating revenue	1, 11	19,359,452	16,805,617
Total operating revenue		19,359,452	16,805,617
Operating expenses	2, 11	19,568,705	16,849,804
Total operating expenses		19,568,705	16,849,804
Net operating surplus (deficit)		(209,253)	(44,187)
Interest Received		135,567	162,290
Net surplus (deficit) for the period		(73,686)	118,103

* Restated

The 2009 comparatives have been restated. Refer to Note 11 for further details.

These statements are to be read in conjunction with the notes to the financial statements

Statement of Changes in Equity

for the year ended 30 June 2010

	2010	2009
	\$	\$
Net Surplus (Deficit)	(73,686)	118,103
Total Recognised Revenues & Expenses	(73,686)	118,103
Equity at beginning of year	519,987	401,884
Equity at end of year	446,301	519,987

These statements are to be read in conjunction with the notes to the financial statements

Balance Sheet

as at 30 June 2010

	Note	2010 \$	2009 \$
Equity		446,301	519,987
Current assets			
Cash and Bank	3	4,528,118	3,913,315
Accounts Receivable	4	580,332	325,784
Prepayments		15,565	9,941
GST Receivable		0	141,125
		5,124,015	4,390,165
Non current assets			
Property, Plant and Equipment	5	226,168	112,712
		226,168	112,712
Total assets		5,350,183	4,502,877
Current liabilities			
Accounts Payable	6	659,304	861,844
Committed funding		4,117,672	3,110,556
HP Loan		0	10,490
GST Payable		126,906	0
		4,903,882	3,982,890
Total liabilities		4,903,882	3,982,890
Net assets		446,301	519,987

These statements are to be read in conjunction with the notes to the financial statements

Statement of Accounting Policies

for the year ended 30 June 2010

Basis of preparation

The Nelson Bays Primary Health Trust is incorporated under the Charitable Trusts Act 1957. The Trust was registered as a charitable entity under the Charities Act 2005 on 30 June 2008. These financial statements have been compiled in accordance with the Deed of the Trust and generally accepted accounting practice in New Zealand.

The measurement base is historical cost.

Differential reporting

In terms of the framework for differential reporting an entity is exempt from certain requirements of the financial reporting standards if it satisfies the criteria laid down in the framework; such an entity is called a qualifying entity.

The Trust is a qualifying entity because it has no public accountability and is not large (as defined in the framework).

All differential reporting exemptions have been adopted, except FRS 19 Accounting for Goods and Services Tax, as the financial statements are prepared GST exclusive.

Property, plant and equipment

Property, plant and equipment is stated at cost and depreciated as outlined below.

Where an asset is disposed of, the gain or loss recognised in the income statement is calculated as the difference between the sale price and the carrying amount of the asset.

Depreciation

Depreciation is calculated on a diminishing value basis to allocate the cost of the asset, less any residual value, over its estimated useful life.

The rates are as follows:

Computer, equipment and plant	15.6 - 60% DV
Motor Vehicles	26 - 36% DV

Revenue recognition

Revenue from contracts and interest is recognised in the Income Statement as earned.

These statements are to be read in conjunction with the notes to the financial statements

Statement of Accounting Policies

for the year ended 30 June 2010

Contract Income

Unless otherwise agreed between the parties, any underspending of contract income is to be applied to future commitments of NBPH to those contracts rolling over.

At the termination of any contract, remaining funds will either be retained by NBPH or returned to the organisation providing the funding, depending on what the parties have agreed.

Accounts Receivable

Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

Income tax

Nelson Bays Primary Health Trust is a charitable organisation and is therefore exempt from income tax.

Goods and services tax

All amounts are shown exclusive of Goods & Services Tax (GST), except for accounts receivable and accounts payable that are shown inclusive of GST.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

These statements are to be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

for the year ended 30 June 2010

1 Operating Revenue	2010	2009
	\$	\$
		*Restated
Management services	638,909	715,066
Primary Care Services	18,720,543	16,090,551
	<u>19,359,452</u>	<u>16,805,617</u>
2 Operating Expenses	2010	2009
	\$	\$
		*Restated
Accounting Fees	48,425	45,528
Audit Fees	14,415	7,672
Advertising	15,808	4,036
Bank Charges	1,835	1,553
Board Expenses	24,507	24,770
Board Meeting Fees	31,485	28,875
Consultancy Fees	32,383	13,807
Depreciation	80,737	62,081
Executive Officer expenses	3,505	4,788
Fax, Phone, Tolls	20,309	19,972
Gain / Loss on Sale	(26)	3,550
General Expenses	16,640	41,458
Insurance	15,085	10,518
Interest	552	722
Information Technology	200,058	88,878
KiwiSaver (Employer Contribution)	22,510	8,446
Legal Fees	18,311	6,706

* Restated

The 2009 comparatives have been restated. Refer to Note 11 for further details.

These statements are to be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

for the year ended 30 June 2010

Operating Expenses (continued)	2010	2009
	\$	\$
		*Restated
Office Expenses	58,416	59,559
PHO Alliance	6,429	6,098
PHO Chair Forum	0	750
Printing and Stationery	42,029	45,348
Building Rental	90,853	108,602
Repairs and Maintenance	9,739	19,028
South Link Health Education and Quality	0	2,417
Subscriptions	3,912	0
Travel and Accommodation	6,384	9,800
Vehicle Expenses	57,977	50,374
Website Service	0	924
Wages and Salaries	547,855	387,615
Other staffing costs	23,220	16,035
Primary Care Services	18,175,352	15,769,894
	19,568,705	16,849,804
3 Cash and bank balances	2010	2009
	\$	\$
ASB Current Account	805,061	798,870
ASB Savings Account	1,272,405	1,232,949
ASB Term Deposit	1,286,629	1,881,496
Westpac Current Account	58,354	0
Westpac Savings Account	350,261	0
Westpac Term Deposit	755,408	0
	4,528,118	3,913,315

* Restated

The 2009 comparatives have been restated. Refer to Note 11 for further details.

These statements are to be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

for the year ended 30 June 2010

4	Accounts Receivable	2010	2009
		\$	\$
	Trade Receivables	580,332	325,784
		580,332	325,784
5	Property, plant and equipment	2010	2009
		\$	\$
	Computer, Equipment & Plant		
	Cost	287,013	183,359
	Accumulated depreciation	140,375	77,288
	Net book value	146,638	106,071
	Motor Vehicles		
	Cost	97,183	17,689
	Accumulated depreciation	17,653	11,048
	Net book value	79,530	6,641
	Total property, plant and equipment	226,168	112,712
6	Accounts Payable	2010	2009
		\$	\$
	Trade payables	380,253	742,958
	Sundry payables	279,051	118,886
		659,304	861,844

These statements are to be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

for the year ended 30 June 2010

7 Commitments and Contingencies

As at 30 June 2010, Nelson Bays Primary Health Trust was not aware of any commitments or contingencies (2009: nil).

8 Related Party Transactions

P Chapman, Dr J Chisnall, S Graham and M Wetera who are or were trustees of the Nelson Bays Primary Health Trust have received capitation or other payments from the Trust in their capacity as provider members or community members of the Trust. Payments have also been made to Golden Bay Medical Centre in its capacity as health services provider. All transactions have been carried out at arms length.

9 Lease Commitment

Nelson Bays Primary Health Trust has a number of lease agreements for premises in Nelson, Takaka and Collingwood. The commitments outstanding as a result of those property agreements as at 30 June 2010 are as follows:

	2010	2009
	\$	\$
Falling due within 1 year	100,213	90,848
Falling due after 1 year	272,544	363,392
	372,757	454,240

10 Operating Lease Commitments

Nelson Bays Primary Health Trust has several lease agreements for motor vehicles as well as photocopiers. The commitments outstanding as a result of these operating leases as at 30 June 2010 are as follows:

	2010	2009
	\$	\$
Falling due within 1 year	33,483	22,093
Falling due after 1 year	55,990	38,475
	89,473	60,568

These statements are to be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

for the year ended 30 June 2010

11 Prior Year Adjustment

Revenues and expenses have been overstated in the financial reports of Nelson Bays Primary Health Trust for the year ended 30 June 2009 by \$310,444.00, all relating to internal charges. The reported net surplus for the period is not affected by this adjustment. We have made the following adjustments:

	2009
	\$
Operating revenue as reported for the year ended 30 June 2009	17,116,061
Corrections for internal charges	310,444
Adjusted operating revenue	16,805,617
Operating expenses as reported for the year ended 30 June 2009	17,160,248
Corrections for internal charges	310,444
Adjusted operating expenses	16,849,804

12 Merger

With effect 1 April 2010, Nelson Bays Primary Health Trust acquired the assets and liabilities of the practice known as the Golden Bay Medical Centre. The Golden Bay Medical Centre was acquired as a going concern.

This decision was reached by the trustees of Nelson Bays Primary Health Trust and the doctors operating Golden Bay Medical Centre.

These statements are to be read in conjunction with the notes to the financial statements

Audit Report
To The Members of Nelson Bays Primary Health Trust

We have audited the attached financial statements. The financial statements provide information about the past financial performance and financial position of Nelson Bays Primary Health Trust (the "Trust") as at 30 June 2010. This information is stated in accordance with the accounting policies as attached.

Trustee's Responsibilities

The Trustee is responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Trust as at 30 June 2010, and of the results of operations for the year ended 30 June 2010.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the management and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than our capacity as auditors we have no relationship with or interests in Nelson Bays Primary Health Trust.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by Nelson Bays Primary Health Trust as far as appears from our examination of those records; and
- the attached financial statements:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the financial position of the Trust as at 30 June 2010, and the results of their operations for the year ended on that date.

Our audit was completed on 26 August 2010 and our unqualified opinion is expressed as at that date.


BDO Wellington
Chartered Accountants
WELLINGTON

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