

TE AWAKAIRANGI HEALTH NETWORK

General Purpose Financial Report
For the year ended 30 June 2023

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For the year ended 30 June 2023

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Te Awakairangi Health Network – Statement of Service Performance for the year ended 30 June 2023

In our 2022/23 Business Plan, we identified key goals and strategies to guide us towards achieving Te Awakairangi Health Network’s vision of “Everyone in the Hutt Valley is healthy and well” and fulfilling our purpose “We will make a difference to the health and wellbeing of everyone in the Hutt Valley, with a clear focus on achieving equity”.

Our values Whānaungatanga (*Relationship and connections*),
Manaakitanga (*Mutual respect, support and care*),
Rangatiratanga (*Leadership, ownership*)
Pūkengatanga (*Expertise and skills*).

Our four strategic goals were:

- Improved wellbeing for people and whānau
- Connected equitable and accessible healthcare
- Enhanced and sustainable primary care
- Participation in Pae Ora environment.

Across all our activities, we have committed to having a clear focus on Te Tiriti o Waitangi and on addressing equity issues, particularly by improving access to care and health outcomes for Māori, Pacific and low-income people. As a Network, we have placed significant emphasis on understanding and proactively addressing health inequities, both in our prioritisation decisions and the way we work with our general practices, local Māori and Pacific providers and community organisations, and our communities.



This report outlines our performance against the key goals, strategies and indicators in our 2022/23 Business Plan.

2022/23 PERFORMANCE

In the 2022/23 year, we were expecting to see significant changes arising from the establishment of Te Whatu Ora and Te Aka Whai Ora. While they were establishing themselves and beginning the work of transforming the health system, we continued our usual work as a Network and Primary Health Organisation (PHO) to support our providers and our communities, and to achieve the aspirations laid out in our 2022/23 Business Plan.

The year has proved a difficult one for many of the primary and community providers, including general practices, as staff illness and shortages across the sector and a backlog of work from COVID-19 combined to create significant pressure. General practice has also been badly impacted by the reduction in COVID-19 funding not being balanced by any significant action towards an equitable and sustainable funding system, despite years of advocacy and the findings of the Waitangi Tribunal report on the WAI2575 claim. We are hopeful that 2023/24 will see a significant improvement in the funding policy settings.

Improved wellbeing for people and whānau

Under our goal of **Improved Wellbeing for People and Whānau** in 2022/23, we have aimed to assist our providers and our teams to maintain access and deliver high quality care in ways that reduce inequity and improve the health outcomes of the people of the Hutt Valley.

After the significant efforts to respond to the **COVID-19 pandemic** (with testing starting in 2020, vaccination in 2021 and care in the community in 2022) our response in 2022/23 scaled down but continued to require flexible planning and service delivery to meet the changing needs of the Hutt Valley community, and continued collaborative relationships with local Māori and Pacific providers to reach our high need communities.

Testing has largely been undertaken by Te Rūnanganui o Te Āti Awa. Our large community vaccination sites were scaled down and closed, but we have continued to offer vaccination at community events, our own pop-up vaccination events and through a mobile in-home vaccination programme. We have supported our local Māori and Pacific providers with their outreach vaccination programmes as required, including a regular weekend clinic at Brewtown in Upper Hutt.

The COVID-19 Care in the Community model established in February 2022 continued through 2022/23, with our teams supporting the clinical care across the general practices and coordinating our manaaki efforts with those of Te Rūnanganui o Te Āti Awa and Takiri Mai Te Ata. The team has proactively called all patients who have reported a positive COVID-19 result and who were at high risk of severe disease. They have supported our general practices to care for their patients who were isolating by providing clinical checks, prescription collection, pulse oximeter delivery and welfare checks, as needed. The manaaki service has been strongly connected with many providers in the Hutt Valley to supply food parcels, care packages, cultural and mental health support, MSD support, and other needs, as identified by patients. Over the year, our general practices provided care for more than 11,800 people with COVID-19, while our manaaki team looked after over 3700 bubbles covering more than 10,500 people.

Staff numbers dropped steadily across the year as demand for support has reduced, but we have retained a small workforce pool to enable surge capacity. This team was also able to offer some support to our general practices to catchup with work that was postponed during the COVID-19

response, particularly prevention efforts such as immunisations (see below).

During 2022/23, **prevention and screening services** have continued with mixed results, reflecting the continued workload and staff shortages across our general practices. Despite significant efforts, childhood immunisation rates have been slightly lower than in the previous year, reaching 84% overall at 8 months but with lower rates for Māori (71%), reflecting wider community concerns about vaccinations. Our COVID team assisted practices with MMR catchups for preschoolers, contacting whānau that practices had not reached. We expect to work closely with our practices, the local Outreach Immunisation Service and Te Whatu Ora to improve this uptake in 2023/24. We have also increased the number of practices and community pharmacies offering Rheumatic Fever prevention interventions, for people aged 3 to 35 years.

Prevention and screening services for adults are showing reasonable results, given the workload pressures and staffing shortages. 75% of eligible people received a CVD risk assessment, with no equity gap. Pacific people were the group with highest uptake (79%) reflecting the great work of Pacific Health Services nurses embedded in several general practices. Our teams continue to support the screening services for cervical and bowel cancer.

We have participated in and supported the activities and leadership of Healthy Families Hutt Valley, facilitating changes that enable our people, whānau and communities to live healthier lives. We were pleased to support several health events with funding and staff representation, including men's health (run by Pacific Health Services) and staff wellbeing (managed by Hutt City Council).

Connected equitable and accessible healthcare

Our team continued to manage **programmes that extend primary care** with diverse programmes, including skin lesion removal, palliative care, and contraceptive access. The community radiology programme was well used in 2022/23 with more patients being managed in the community than in previous years, and with similar uptake by Māori, Pacific and Other ethnicities. A six month pilot to extend eligibility was successful, with 322 referrals reducing the demand on the Hutt Hospital radiology service.

The POAC (Primary Options for Ambulatory Care) programme aims to reduce hospital admissions by offering extended care in the community. Given the pressures on Hutt Hospital, it was pleasing to see significantly higher utilisation of the POAC programme in 2022/23 compared to previous years, with higher utilisation rate by Māori patients compared to Pacific and Other patients.

While our general practices have been under pressure, during the year they have strengthened their efforts to support patients with **Long Term Conditions (LTC)**, such as diabetes, respiratory, conditions, heart conditions and mental distress. For people with diabetes, the percentage with good glycaemic control has improved since last year (up from 59% to 62%) with improvements across all ethnicities. There remains an equity gap with Māori (54%) and Pacific (51%) both lower than the Other ethnicities (67%). Addressing this gap will be a focus for additional effort in 2023/24, and we expect that the health coaches now operating in almost all practices will play an important role, supporting clients with health improvement and self-management.

Our Network offers services which improve **access to care**, particularly for Māori, Pacific and low-income people. These include interpreter, transport, primary mental health, and outreach (social work, community health work and nursing). The outreach services have looked after fewer clients in 2022/23 compared to the previous year, reflecting the growing complexity of clients' lives resulting from low incomes and housing shortages. Our primary mental health (Wellbeing and Piki) service has

continued to be hampered by difficulties in recruiting and retaining skilled staff. This has resulted in slightly fewer clients being cared for compared to last year but utilisation by Māori clients is higher than for Pacific and Other clients. To grow our workforce, we have provided support to a final year intern who has now transitioned to being a permanent employee, and an NZAC registered counsellor who is new to the primary care environment.

Enhanced and sustainable primary care

In 2022/23 we continued to support our general practices, as they transitioned from the intensity of focus on COVID-19 back to business-as-usual (albeit with higher demand), and from the higher level of funding for COVID-19 care, back to the inequitable and inadequate funding for general practice care. Our Executive team has collated evidence of local underfunding of Hutt Valley primary and community care and shared this with the funders. Our Network is also a member of General Practice NZ, who advocate on behalf of general practice and PHOs (to address the issues of underfunding, under-investment, insufficient workforce and training opportunities) and coordinate primary care advice to and connection with decisionmakers in Government, Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora. We are hopeful that these issues of primary care sustainability will begin to be properly addressed in 2023/24.

In the meantime, many practices have faced workforce challenges, with GPs retiring or returning to homes overseas, while some practice nurses have followed the lure of better pay in hospital services or overseas. Our Network ended 2022/23 with a slight improvement in general practice staff (with 1,806 patients per GP FTE and 1,929 patients per practice nurse FTE) compared to the same time the previous year. We remain concerned about the prospects for 2023/24, with more retirements expected, insufficient numbers of clinical staff in training, and continuing difficulties with overseas recruitment.

The Health Care Home (HCH) model of care assists practices to give patients improved urgent and unplanned care, increased proactive care and more effective routine and preventative care, all with a focus on equity and Māori health. There are 15 Hutt Valley practices now using the model, covering 87% of the Hutt Valley population, with Māori and Pacific people having the same coverage as Other people.

The model encourages practices to improve **the patient experience of care**, in part by offering patient portals and telehealth options. Patient portal coverage continues to grow with more than 57,000 (50%) of our enrolled patients connected. Uptake has increased for all ethnicities, although more effort is needed to enable Māori (31%) and Pacific people (24%) to use the portals. We have also encouraged practices to involve patients in co-design processes (a focus area in the Health Care Home programme) and to use the results of the Patient Experience Survey for quality improvement. The response rate for the most recent Patient Experience Survey was 18%, a little higher than last year, and better than the national figure of 17%. The Pacific response rate is lower than the Māori and Other rates, which are similar.

Our team have continued to offer a range of **professional development opportunities** for practice staff (clinical and management/administration), both online and in person. Not only did we connect members of our Network to a range of external education and training promoted through our weekly Bulletin, but TeAHN also organised eight education sessions over the 2022/23 financial year (including the well-attended training for the ACC-funded GP MRI programme that saw 34 doctors trained in the year).

In 2021, practices asked Te Awakairangi Health Network to investigate ways in which we could reduce the burden of after hours shifts for our GPs, while maintaining or enhancing **patient access to after hours care**. Over 2021/22 and 2022/23, we have participated with other PHOs in the establishment of Practice Plus, a virtual telehealth service which is complementary to general practice. In 2022/23, 2,087 patients (from all of our practices) used Practice Plus for a virtual GP consultation. There was reasonable utilisation by priority groups, for Community Services Card users (23.9%), Māori (23.1%), Asian (7.4%) and Pacific (5.9%). The most recent report (June 2023) showed an average resolution rate of 94% and a patient satisfaction score of 4.8 out of 5. Over time we expect that this service and other initiatives will reduce the demand for face-to-face care after hours, relieving GPs of some of the additional workload.

We have continued to **expand the primary care teams** by embedding more Te Awakairangi staff in the general practice teams, with clinical pharmacists now in 15 out of 18 practices, alongside social workers and outreach nurses. One of the highlights of 2022/23 has been the continued expansion of the Access and Choice primary mental health service which has integrated health improvement practitioners (HIP), health coaches and community support workers into 17 out of 18 general practice teams (up from 11 at the end of 2021/22). Practices are very positive about this initiative, as it assists them to provide timely and responsive care for people experiencing mental distress.

Participation in Pae Ora environment

As noted above, we are looking forward to significant change arising from the work of **the new health agencies**. We were delighted when Te Aka Whai Ora provided specific 18-month funding for Hauora Māori practices to undertake or extend initiatives for better care of people with long term conditions. We were also pleased to pass on the Primary Care Equity Adjustment funding to three of our practices, although we hope that Te Whatu Ora will make progress soon on an equitable funding formula so that all practices receive appropriate funding to cover the care that their patients need.

The Chair of **our local Iwi Māori Partnership Board** (Āti Awa Toa Hauora Board) met with our Board in December 2022 and we are looking forward to further engagement as localities are finalised and locality planning begins here in 2023/24. We think this will be a great opportunity to strengthen relationships with a range of providers and organisations, and to use pro-equity approaches to improve population health outcomes.

During 2022/23, we met with colleagues in the other Central Region PHOs to explore how we could evolve the role of PHOs towards becoming **Network Support Services**, including possible collaborations around some shared services. These discussions were paused until there was greater clarity from Te Whatu Ora about their expectations.

We have also been able to work in an integrated way with Pacific Health Services (Hutt Valley) and our general practices to implement better primary mental health and wellbeing services (notably the Access and Choice model) in the Hutt Valley, and to embed some of the PHS nurses into general practices with high Pacific populations.

Early in 2022/23, we commissioned an **independent cultural audit** to review our progress in addressing the challenges and opportunities arising from the “Hauora” report of the Waitangi Tribunal (following the WAI2575 claim) and the health reforms, and to guide our actions to build enduring Treaty partnerships and improve health outcomes for Māori.

We have implemented the first set of recommendations of the cultural audit report, establishing the role of Kaiwhakahaere (GM, Māori and Population Health) and appointing into it in April 2023. We continued to fund Te Mauri (a support programme for Māori with cancer and their whānau) and also

assisted with funding three Māori staff of local organisations (alongside one of our own staff) to participate in Te Ara Ako o Collaborative Aotearoa international study tour, focusing on indigenous health and integrated care. Our teams have also updated many of our Human Resources policies and procedures so that they reflect our commitment to Te Tiriti o Waitangi, and a weekly programme of staff training relating to Te Ao Māori and Te Reo has been implemented.

In our preparation for the Pae Ora environment, we have recognised the need to extend the **leadership and capability** of people across our Network. Apart from the study tour mentioned above, we have supported three clinicians from our Network to undertake leadership training. We have offered training in Collective Impact (very pertinent to locality development) to our own staff, and to the staff of our general practices and partner organisations. We have also used the results of our annual staff survey to update our Staff Wellness programme, offering a programme of wellbeing information and supports with monthly topics, and instituted weekly “low intensity workout” sessions alongside our existing “high intensity workout” sessions.

During 2022/23, our team completely revised our **Quality Plan** to cover the period from 2023 to 2026. They drew on input from consumers, clinicians and managers to ensure that we have the frameworks and systems in place for quality assurance, quality improvement and professional development, while applying an equity lens and fulfilling our te Tiriti o Waitangi responsibilities. The detailed implementation of the Quality Plan will be outlined in annual Action Plans, with the 2023/24 version in place for the coming year.

In our **data and digital systems**, we have continued to upgrade our IT infrastructure, migrating solutions and services to cloud-based platforms, consolidating vendors, and investing in mitigating cyber security risks, including the implementation of a monthly staff training programme.

Our Data and Digital team have facilitated local implementation of digital healthcare improvements. We have supported better patient care with the implementation of a simplified system for electronic referrals from general practices to Te Awakairangi Health Network services, ensuring relevant information is shared in a timely and paperless way. The D&D team have also persevered with efforts to improve primary-secondary communication, including improvements to e-referral forms to Hutt Hospital, advocating for improvements to the volume of messages being received by general practices, and modernising some antiquated processes.

The Amiorangi secure practice portal continues to provide valuable data to improve patient care and focus on improvement in equity of outcomes. Practices have been very positive about the Māori Health and Equity, Long Term Conditions and programme claiming dashboards developed by the Network’s team. We have provided training sessions so that practices can use this information to assist with improving the quality of services, equitable access to services and greater business efficiency. Our team are also supporting Pacific Health Services with data capability and dashboards to enhance their care of Pacific patients.

Quantitative Performance

The following table (Appendix 1) documents the key indicators we have identified to track our progress towards our key goals and strategies, and the performance we have achieved in the 2022/23 year, compared to 2021/22 year.

Each indicator has been assessed against:

- Whether the target (if there was one) has been achieved or not
- Has the performance improved compared to the previous year
- How big is the equity gap for
 - Māori compared to Other (i.e. non-Māori non-Pacific people)
 - Pacific compared to Other (i.e. non-Māori non-Pacific people).

The results have been colour coded, using a traffic light system, where

- Green indicates good performance
- Orange indicates moderate performance but some improvement needed
- Red indicates poor performance with significant improvement needed.

The information contained in the Statement of Service Performance for the year ended 30 June 2022 has not been audited.

Appendix 1: Te Awakairangi Health Network – Statement of Service Performance for the year ended 30 June 2023

Our Vision		Everyone in the Hutt Valley is healthy and well						
Our Purpose		We will make a positive difference to the health and wellbeing of everyone in the Hutt Valley, with a clear focus on achieving equity						
Our Goals	Our Strategies	Indicator (as at 30 June)	Target	Performance 1 July 2021 – 30 June 2022	Performance 1 July 2022 – 30 June 2023	Achieved target in 2022/2023	Improvement from previous year	Equity gap (Māori to Other; Pacific to Other)
Improved wellbeing for people and whānau	Prevention and Screening	% of eight-month-old immunisations completed by ethnicity	95%	Māori: 80.6% Pacific: 86.4% Other: 92.6% Total: 88.6%	Māori: 71.5% Pacific: 87.2% Other: 90.5% Total: 84.2%	NO	NO Lower rate for Māori in 2022/23	M to Other: 19.0% P to Other: 3.3%
		% of eligible people who have a CVD risk assessment, by ethnicity	80%	Māori : 76.0% Pacific: 79.6% Other: 76.2% Total: 76.5%	Māori: 74.5% Pacific: 78.5% Other: 75.2% Total: 75.4%	NO	NO Slightly lower uptake	NO EQUITY GAP Pacific have highest rate. Māori and Other similar.
Connected equitable and accessible healthcare	Programme delivery	Number of procedures under community radiology programme, by ethnicity	10,500	Māori: 1,852 Sessions Pacific: 985 Sessions Other: 9,076 Sessions Total: 11,913 Sessions	Māori: 2,291 Sessions Pacific: 1,081 Sessions Other: 11,137 Sessions Total: 14,509 Sessions	YES	YES Higher uptake than last year	NO EQUITY GAP Māori and Pacific are similar to Other.
		Number of POAC claims by ethnicity.	350	Māori: 96 Sessions Pacific: 69 Sessions Other: 347 Sessions Total: 512 Sessions	Māori: 323 Sessions Pacific: 131 Sessions Other: 1,122 Sessions Total: 1,576 Sessions	YES	YES Higher uptake than last year	NO EQUITY GAP Māori have highest rate. Pacific is the same as Other.
	Managing Long Term Conditions	% of people with diabetes with glycaemic control (measured by HbA1c <= 64) by ethnicity	60%	Māori: 50.3% Pacific: 48.0% Other: 64.8% Total: 59.4%	Māori: 54.3% Pacific: 50.7% Other: 67.0% Total: 62.0%	YES	YES Improvement since last year for all ethnicities	M to Other: 12.7% P to Other: 16.3%
	Access to services	Number of clients receiving outreach services (social work /community health work /nursing)	1650	Māori: 1,067 Pacific: 485 Other: 567 Total: 2,119	Māori: 806 Pacific: 358 Other: 391 Total: 1,555	NO	NO	NO EQUITY GAP Māori and Pacific have higher rates than Other.
		Number of clients receiving primary mental health services (Wellbeing team and Piki)	2400	Māori: 161 Pacific: 46 Other: 435 Total: 642	Māori: 197 Pacific: 41 Other: 364 Total: 602	NO	NO	NO EQUITY GAP Māori have highest rate. Pacific is the same as Other

Our Goals	Our Strategies	Indicator (as at 30 June)	Target	Performance 1 July 2021 – 30 June 2022	Performance 1 July 2022 – 30 June 2023	Achieved target in 2022/2023	Improvement from previous year	Equity gap (Māori to Other; Pacific to Other)
Enhanced and sustainable primary care	Sustainable general practice	% of Hutt Valley population enrolled in Health Care Home practices	85%	Maori: 86.7% Pacific: 87.9% Other: 86.8% Total: 86.9%	Maori: 86.8% Pacific: 88.0% Other: 86.6% Total: 86.8%	YES	SAME	NO EQUITY GAP
		Enrolled population per GP FTE	Less than 1,700 Pats Per GP	1,826	1,806	NO	YES Ratio has improved.	N/A
		Enrolled population per Nurse FTE	Less than 2,300 Pats Per Nurse	2,002	1,929	YES	YES Ratio has improved.	N/A
	Comprehensive primary care teams	% of practices with a clinical pharmacist embedded within the team	80%	83.3%	83.3%	YES	SAME	N/A
		% of Hutt Valley practices with Access and Choice staff embedded within the team	40%	61%	94.4%	YES	YES	N/A
	Improving patient experience	% of enrolled patients using a patient portal by ethnicity	30%	Māori: 27.3% Pacific: 21.8% Other: 53.1% Total: 45.8%	Māori: 31.0% Pacific: 24.1% Other: 58.1% Total: 50.2%	YES	YES	M to O: 27.1% P to O: 34%
		% response rate for primary care Patient Experience Survey (PES)	23%	Māori: 18% Pacific: 13.9% Other: 16.7% Total: 16.7%	Māori: 17.6% Pacific: 13.2% Other: 18.7% Total: 17.9%	NO	YES	M to O: 1.1% P to O: 5.5%

Te Awakairangi Health Network

Statement of Responsibility General Purpose Financial Report For the year ended 30 June 2023

The Trustees are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, General Purpose Financial Reports which give a true and fair view of the financial position of the Te Awakairangi Health Network (the "Network") as at 30 June 2023 and the results of its operations for the year ended on that date.

The Trustees consider that the General Purpose Financial Reportst hav been prepared using accounting policies appropriate to the Network's circumstances, consistently applied and supported by reasonable and prudent judgements and estimate.

The Trustees believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Network and facilitate compliance of the General Purpose Financial Reports with the Financial Reporting Act 2013.

The Trustees have responsibility for the maintenance of a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Trustees consider that adequate steps have been taken to safeguard the assets of the Network and to prevent and detect fraud and other irregularities.

These General Purpose Financial Reports have been authorised for issue by the Trustees.



14 November 2023

Trustee

Date



14 November 2023

Trustee

Date

Te Awakairangi Health Network

Statement of Comprehensive Revenue and Expense For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
REVENUE FROM NON-EXCHANGE TRANSACTION			
Health Services contracts	11	47,873,264	57,862,421
REVENUE FROM EXCHANGE TRANSACTIONS			
Interest Received		598,185	67,280
TOTAL REVENUE		48,471,449	57,929,700
EXPENSES			
Direct service delivery costs	12	(38,980,692)	(43,837,108)
Depreciation	13	(142,070)	(140,172)
Administration	14	(8,355,511)	(10,332,175)
TOTAL EXPENSES		(47,478,274)	(54,309,455)
OPERATING SURPLUS		993,175	3,620,245
OTHER GAINS/(LOSSES)			
Gain/(loss) on sale of plant and equipment		7,552	0
SURPLUS FOR THE YEAR		1,000,727	3,620,245
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	15	1,000,727	3,620,245

These financial statements should be read in conjunction with the notes to the financial statements.

Te Awakairangi Health Network

Statement of Financial Position As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current			
Cash and cash equivalents	16	471,485	605,981
Receivables from Exchange transactions	17	258,872	33,619
Receivables from Non-exchange transactions	17	1,399,196	5,520,272
Prepayments	17	22,695	28,394
Term Deposits	16	15,000,000	10,200,000
Total current assets		17,152,248	16,388,266
Non-current			
Property Plant and Equipment	19	285,211	431,502
Term Deposits	16	1,500,000	
TOTAL ASSETS		18,937,459	16,819,768
LIABILITIES			
Current			
Trade creditors and other payables	18	1,556,413	2,253,878
Revenue received in advance	20	7,245,143	5,216,069
GST payable		52,895	291,930
Employee Leave entitlements		394,254	369,864
Total current liabilities		9,248,705	8,131,741
TOTAL LIABILITIES		9,248,705	8,131,741
NET ASSETS		9,688,754	8,688,027
EQUITY			
Accumulated Funds		7,880,703	7,356,163
Committed Funding Reserve	21	1,808,053	1,331,865
TOTAL EQUITY		9,688,754	8,688,027

These financial statements should be read in conjunction with the notes to the financial statements.

Te Awakairangi Health Network

Statement of Changes in Net Assets/Equity For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
ACCUMULATED FUNDS			
Opening balance		7,356,163	3,940,923
Surplus/ (deficit) for the year		1,000,727	3,620,246
		8,356,890	7,561,169
Transfer from/(to) Committed Funding Reserve in the year		(476,187)	(205,006)
Closing balance		7,880,703	7,356,163
Committed Funding reserve			
Opening Balance		1,331,866	1,126,858
Transfer from (to) Accumulated funds in the year		476,187	205,006
Closing balance		1,808,053	1,331,866
TOTAL EQUITY		9,688,754	8,688,027

These financial statements should be read in conjunction with the notes to the financial statements.

Te Awakairangi Health Network

Statement of Cash Flows For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flow from operating activities			
<i>Cash was provided from/(applied to):</i>			
Revenue from services		54,144,179	57,894,059
Interest Income		372,932	67,280
Payments to suppliers and employees		(48,098,109)	(53,280,271)
GST Paid		(239,035)	143,034
Net cash from/(used in) operating activities	7	6,179,967	4,824,102
Cash flow from investing activities			
<i>Cash was provided from/(applied to):</i>			
Proceeds from sale of property, plant and equipment		7,552	0
Purchase of property, plant and equipment		(22,015)	(191,448)
(Purchase)/sale of investments (term deposits)		(6,300,000)	(6,200,000)
Net cash from/(used in) investing activities		(6,314,463)	(6,391,448)
Net increase/(decrease) in cash and cash equivalents		(134,496)	(1,567,346)
Cash and cash equivalents, beginning of the year		605,981	2,173,327
Cash and cash equivalents, end of the year	17	471,485	605,981

These financial statements should be read in conjunction with the notes to the financial statements.

Te Awakairangi Health Network

Accounting Policies for the year ended 30 June 2023

1 Reporting entity

These are the financial statements of Te Awakairangi Health Network (the "Network"). The primary activity of the Network is managing and implementing primary health care programmes on behalf of the Hutt Valley DHB and other contract providers. The Network provides primary health services to the enrolled population of 114,061

The Network is domiciled in New Zealand. It is registered in New Zealand under the Charitable Trust Act 1957 and registered under the Charities Act 2005 on 20 April 2011.

For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP") the Network is a Tier 1 not-for-profit public benefit entity.

These financial statements were authorised for issue by the Trustees on _____

1.1 Basis of preparation

These financial statements have been prepared in accordance with NZ GAAP. They comply with Public Benefit Entity Standards ("PBE Standards") and the requirements of the Charities Act 2005

These financial statements have been prepared under the historical cost convention.

The financial statements are presented in New Zealand dollars, which is the functional currency of the Network. All values are rounded to the nearest dollar, unless otherwise stated.

The Network is applying Tier 1 Public Benefit Entity Standards ("PBE Standards") for the 30 June 2023 period.

2 Key estimates and judgements

The preparation of financial statements in conformity with PBE Standards requires the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the Network's accounting policies. The areas involving a higher degrees of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Revenue recognition

Revenue must be classified as arising from either exchange or non-exchange transactions. Where there is a non-exchange transaction, management must determine whether there are associated conditions (a condition is a requirement to return assets that have not been used for the purposes specified by the other party to the transaction). Information on the manner in which exchange and non-exchange transactions are accounted for is provided in the accounting policy on revenue (policy 4.1).

3 Changes to Accounting Policies

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

(i) PBE IPSAS 41 – Financial instruments

PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and was adopted by the Network in the current financial year ending 30 June 2023

PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has had an immaterial impact on the Network's measurement and recognition of financial instruments, as financial assets that were recognised as loans and receivables are now recognised as amortised cost. There were no adjustments required to be made to the opening balance of accumulated funds

(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 Network on 30 June 2023.

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

Te Awakairangi Health Network

Accounting Policies for the year ended 30 June 2023

4 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Revenue

The Network receives revenue from both exchange and non-exchange transactions.

Exchange Transactions:

An exchange transaction is a transaction in which the Network receives assets or services (or has liabilities extinguished) and directly gives approximately equal value to another entity in exchange.

Interest Income:

This is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Non - Exchange Transactions:

A non-exchange transaction is a transaction in which the Network receives an asset (such as cash), but does not provide approximately equal value in return. Revenue from non-exchange transactions is ordinarily recognised when the associated asset is received. However, where a non-exchange transaction has an associated condition (which is a requirement to return assets that have not been used for the purposes specified by the other party to the transaction), a liability is recognised and revenue is recognised (and the liability extinguished) as the condition is met. The Network's non-exchange transactions consist of Health Service Contracts.

4.2 Employee benefits

Employee benefits are recognised when employees render services that entitle them to those benefits. Liabilities for employee entitlements are carried at the present value of the estimated future cash flows. Liabilities are expected to be settled wholly within 12 months of the reporting date are not discounted.

Superannuation plans

The Network pays contributions to defined contribution superannuation plans, such as KiwiSaver. The Network has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

4.3 Lease payments

The Network is a lessee in operating leases. An operating lease is a lease in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the period of the lease.

4.4 Income taxation

The Network is a registered charity and qualifies for tax exemption under the Income Tax 2007 Legislation.

4.5 Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax ("GST"), except for receivables and payables, which are stated inclusive of GST. The net amount of GST recoverable from, or payable to, Inland Revenue, is included as part of receivables or payables in the statement of financial position

Te Awakairangi Health Network

Accounting Policies for the year ended 30 June 2023

4.6 Financial Instrument

Financial assets and financial liabilities are recognised when the Network becomes a party to the contractual provisions of the financial instrument. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that Network commits to purchase or sell the asset.

4.7 Financial Assets

Financial assets within the scope of PBE IPSAS 41 Financial Instruments. The classifications of the financial assets are determined at initial recognition. On initial recognition, a financial asset is classified as measured at: amortised cost. Financial assets include: cash and cash equivalents, investments - Term Deposits, Trade and other receivables.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows.

and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. The Network assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Network derecognises a financial asset when the rights to receive cash flows from the asset have expired or are waived, or the Network has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- The Network has transferred substantially all the risks and rewards of the asset; or
- The Network has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Trustees recognises loss allowances for expected credit losses (ECLs) on trade receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL's the Trustees considers reasonable and supportable information that is relevant and available without undue cost or effort.

4.8 Financial Liabilities

The Network's financial liabilities include Trade and other payables (excluding GST and PAYE).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit). They are measured subsequently at amortised cost using the effective interest method. Financial liabilities are derecognised if the Network's obligations specified in the contract expire or are discharged or canceled.

5 Property, plant and equipment

Items of property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment includes its purchase/construction price plus costs directly attributable to bringing it to the location and condition necessary for it to operate as intended and the initial estimate of dismantling and removing the item and restoring the site on which it is located. Where an item of property, plant and equipment is self-constructed, its construction cost includes the cost of materials and direct labour and an appropriate proportion of production overheads.

An asset acquired for nil or nominal cost is initially measured at fair value (which is treated as its cost after initial recognition). The difference between the asset's fair value and the consideration paid for it is recognised in surplus or deficit.

After initial recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Network and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance costs are expensed as incurred.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (i.e. if the asset is impaired).

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are recognised in surplus or deficit.

Depreciation

Depreciation is calculated using the straight-line method to allocate an asset's cost to its residual value over its estimated useful life. Depreciation is charged to surplus or deficit.

The following useful lives have been used in determining depreciation rates:

Leasehold improvements	10 years
Plant and equipment	5 years
Motor vehicles	5 years

The residual value, depreciation method, and useful lives of all assets are reviewed and adjusted if appropriate at each reporting date.

5.1 Impairment of non-financial assets

Items of property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Network conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses directly reduce the carrying amount of assets and are recognised in surplus or deficit.

Impaired assets are reviewed for possible reversal of the impairment at each reporting date.

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

6 Financial instrument risk

Risk management objectives and policies

The Network is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and interest rate risk.

There were no material changes in the Network's risk exposure and risk management objectives and policies during the reporting period.

The Network does not actively engage in trading of financial assets for speculative purposes.

Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Network. The Network's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date as follows:

Classes of financial assets

Carrying amounts

Cash and cash equivalents
Receivables from Exchange transactions
Receivables from Non-exchange transactions
Term Deposits

2023	2022
\$	\$
471,485	605,981
258,872	33,619
1,399,196	5,520,272
16,500,000	10,200,000
18,629,553	16,359,872

No receivables from exchange or non exchange transactions are required to be impaired. The Trustees have assessed that all of the above financial assets are not impaired for each of the reporting dates under review and are of good credit quality. The credit risks for cash and cash equivalents, short term investments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The carrying amounts disclosed above are the company's maximum possible credit risk exposure in relation to these instruments.

The Network's policy is to deal with only creditworthy counterparts. No collateral is held by the Network in respect of its exposure to risk.

Liquidity risk analysis

Liquidity risk is the risk that the Network might not be able to meet its obligations associated with financial liabilities. The Network manages its liquidity needs by monitoring cashflow.

The company objective is to maintain sufficient cash and marketable securities to meet its liquidity requirements for three months at a minimum. This objective was met for the reporting period.

Classes of financial liabilities

Carrying amounts

Trade creditors and other payables

- not later than 1 month
- later than 1 month but not later than 3 months
- later than 3 months but not later than 1 year

Non trade payable and accrued expenses

2023	2022
\$	\$
803,274	1,517,957
6,567	71,480
12,360	-
639,698	664,441
1,461,899	2,253,878

Interest Rate Risk

The Company has exposure to interest rate risk to the extent there is cash in the bank. The interest earned is as determined by the banker. The key driver of interest income to the company is bank rates and amounts on deposit.

7 Cash Flow

Reconciliation of Surplus/(Deficit) with Net Cash Flow from Operating Activities

Surplus/(Deficit) for the year

Add/(Less) Non cash items

Depreciation
Gain/(Loss) on disposal of Fixed Assets

Add/(Less) Movement in other working capital items

(Increase)/Decrease in Exchange and Non- exchange receivables
(Increase)/Decrease in Prepayments
Increase/(Decrease) in Trade creditors and other payables
Increase/(Decrease) in Employee Leave entitlements
Increase/(Decrease) in Revenue received in advance

Net cash flow from operating activities

2023	2022
\$	\$
1,000,727	3,620,246
142,070	140,172
-	-
3,914,506	(3,104,466)
5,699	18,244
(936,500)	863,557
24,390	133,480
2,029,074	3,152,869
6,179,967	4,824,102

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

8 Capital Commitments

An agreement was made between Valentia (being the contracted company), and together, Te Awakairangi Health Network, Tu Ora Compass Health and Think Hauora (being the 3 PHO Consortium) in August 2018 for the implementation and roll out of a new cloud based Practice Management System (called Indici). The aim is to encourage as many practices to subscribe to the system. The cost for this system varies dependent on the number of enrolled service users, with additional costs incurred for hosting, developing and migration.

During 2019/20, Te Awakairangi Health Network paused on the rollout while implementation matters were resolved. In June 2020, the Board agreed to re-commence the rollout, after considering various options. The estimated cost to the organisation of the rollout over the four years (from 2020/21) was estimated to be between around \$53k and \$81k (depending on the number of practices taking up the Indici PMS). The cost to the organisation for the 21/22 year was \$102k bringing the total expenditure to date to \$521k. F22/23 cost \$27K bringing total cost to \$548K.

As at 30 June 2023 the agreement between Valentia and the 3PHOs remains in place. There has been progress towards meeting the 159,000 enrolled service users (ESU) target, but due to a range of implementation issues, the target was not achieved by October 2020 (as originally expected). Since Oct 2020, the 3 PHOs have made payments to Valentia quarterly for the outstanding ESU numbers (as per the contract). The contract is due to expire in August 2023 when it is expected that new contracts will be drafted to maintain existing services, the material change being that practices and each individual PHO will contract directly with Valentia for the use of Indici, but a consortium contract will still exist for the use of the SEHR.

9 COVID-19

The COVID-19 pandemic in New Zealand is part of the ongoing pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2. A four-level alert system was introduced on 21 March 2020 to manage the outbreak within New Zealand.

Since the COVID-19 pandemic emerged within New Zealand, it is remarkable to recognise the extraordinary response that has occurred at a local and national level in our quest to eliminate the virus. Primary care has gone through a remarkable transformation in a very short space of time, with general practices moving from face-to-face consultations to virtual consultations almost overnight, in order to minimise the risk of COVID-19 transmission.

Alongside this remarkable and rapid transition of primary care services, came the need for the creation of specific Community Based Assessment Centres (CBACs) for testing, then mass Vaccination Centres with the ability to respond to specific priority populations followed by a Care in the Community (CiC) model to support the people of the Hutt Valley whilst isolating due to COVID-19. These services enabled general practices, Healthline and other health and wellbeing providers, including individuals, to refer or walk-in for assessment and swabbing, vaccination or support to isolate.

Each of these streams of support were consistently funded by DHB. Te Awakairangi Health Network has held a specific contract for Vaccination and Care in the Community this year. There is no longer a Testing contract due to the very low numbers required. The contracts have been continued to be funded in a way that has allowed retention of sufficient capacity to surge during periods of peak activity but to retain staff and infrastructure during low activity periods.

Alongside these contracts, Te Awakairangi Health Network holds contracts to fund general practices for their work completing clinical assessments and swabbing, providing vaccinations and undertaking clinical assessment of clients who are isolating through COVID-19.

There is an expectation that Te Awakairangi health Network will continue to deliver a level of mobile vaccination and CiC for the full 2023/24 year. This will include seasonal delivery of flu vaccine and providing support to the general practices to catch up with overdue vaccines. CiC will continue to focus on those at high risk of severe illness from COVID19.

COVID-19 has not had a negative financial impact on the Network.

10 Health and Disability System Reforms

The health system reforms formally came into place from 1 July 2022, with the 20 District Health Boards replaced with two new entities, Te Whatu Ora (Health New Zealand) and Te Aka Whai Ora (Māori Health Authority). This is centralising the running of hospitals and the commissioning of primary and community health services. This may impact on the funding and contracting arrangements for primary care, including Primary Health Organisations such as Te Awakairangi Health Network. Further clarity on future arrangements (nationally and locally) should be forthcoming during 2023/24.

On the basis of the currently available information the Trust considers it appropriate to continue to adopt the going concern assumptions. As the primary funder of Te Awakairangi Health Network, Te Whatu Ora (Capital, Coast and Hutt Valley) has confirmed that the multiple contracts between the two organisations will continue in 2023/24, largely on the same basis as in 2020/21, 2021/22 and 2022/23, with additional contracts continuing for delivery of the COVID-19 response and some System Pressures initiatives. Along with positive equity and large cash reserves, the Trust has the ability to implement changes and strategies when required. On this basis, the Trust deems it is appropriate to adopt the going concern basis in preparing the financial statements.

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

11 Health Services Contracts - Non-exchange revenue

	Notes	2023 \$	2022 \$
First Contact Care		26,792,326	26,792,746
Overnight PC Service Delivery		107,581	110,622
Valleywide Contract Income DHB		2,660,444	2,008,173
SIA/HP Income		2,034,124	2,069,185
Careplus Income		2,130,568	2,156,618
Mental Health Income		2,592,813	2,292,181
PHO Management		880,169	907,385
COVID-19		6,232,094	17,672,545
Health Care Home		1,625,726	1,766,862
Other service income		2,413,864	1,758,561
Gross service revenue for the year		47,469,710	57,534,876
Plus Bfwd Funds		403,553	327,544
Total revenue from services for the year		47,873,264	57,862,421

12 Direct Service Delivery Costs

The following service delivery costs are direct costs in relation to carrying out projects based on Health Service Contract revenue that is received by the Network as per note 11

	2023 \$	2022 \$
First Contact Care (Capitation)	26,792,326	26,792,747
Overnight PC Service Delivery	107,731	110,851
Valleywide Contract Expenses DHB	2,585,598	1,790,533
Services to Improve Access/Health Promotion	730,205	692,416
Careplus	1,557,829	1,598,831
Mental Health	69,342	119,006
COVID-19 - (including COVID Practice payments)	3,982,620	9,890,145
Health Care Home	1,357,774	1,498,911
Other service delivery costs	1,797,267	1,343,668
Total service delivery costs for the year	38,980,692	43,837,108

Note: with the exception of SIA/HP, the above do not include salary components of these contracts

Note: Other service delivery costs are made up of misc contracts with various providers and use of Bfwd funds.

13 Depreciation and impairment expenses

	Notes	2023 \$	2022 \$
Depreciation of property, plant and equipment	19	142,070	140,172
Total depreciation and impairment expense		142,070	140,172

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

14 Other overhead and administrative expenses

	Notes	2023 \$	2022 \$
Salaries & Personnel Costs		6,943,657	9,058,608
Audit fees (to BDO Wellington for Audit Services)		43,356	22,669
Board fees	23b	32,850	19,600
FRAC and CGC		18,000	11,300
Operating lease expenses inc Premises rental		187,974	193,213
Contractors/Consultants		485,454	304,210
Computer expenses & support		283,925	330,621
Other expenses		360,295	391,953
Total other overheads and administrative expenses		8,355,511	10,332,175

15 Total Comprehensive Revenue and Expense for the Year

	2023 \$	2022 \$
The Surplus for the year consists of the following		
Transfer to (from) committed funds reserve	476,187	205,006
Surplus after utilisation of/transfer to Committed Funds Reserve	524,540	3,415,239
Total Comprehensive Revenue and Expenses	1,000,727	3,620,245

16 Cash and cash equivalents

	2023 \$	2022 \$
Cheque account	470,735	604,731
Petty cash	750	1,250
Total cash and cash equivalents	471,485	605,981

The carrying amount of cash, cash equivalents and term deposits approximates their fair value.

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

Term Deposits held

		2023 \$	2022 \$
	Rate %		
44 15-Oct-22	1.70		400,000
45 15-Oct-22	1.70		400,000
600260 28-Feb-23	3.00		1,400,000
600259 31-Oct-22	2.46		1,000,000
600261 30-Mar-23	3.12		1,000,000
600262 30-Sep-22	2.27		1,000,000
618291 01-May-23	4.22		1,000,000
618292 30-Jan-23	3.86		2,000,000
618296 30-Dec-22	3.69		2,000,000
622289 01-Feb-24	5.81	3,000,000	
g 09-Sep-23	5.55	2,000,000	
667650 01-Mar-24	5.41	2,000,000	
672547 02-Apr-24	5.81	2,000,000	
672548 02-Apr-24	5.81	1,000,000	
672549 30-Nov-23	5.57	1,000,000	
679522 01-May-24	6.20	2,000,000	
679524 03-Jan-24	6.00	1,000,000	
679526 01-Aug-23	5.30	1,000,000	
692419 01-Jul-24	6.20	1,500,000	
Total Term Deposits Held		16,500,000	10,200,000

17 Trade debtors and other receivables

	Notes	2023 \$	2022 \$
Trade debtors		193,065	4,172,416
Total Prepayments		22,695	28,394
Related party receivables	23	887,840	790,497
Accrued receivables from non-exchange transactions		318,291	557,359
Accrued interest		258,872	33,619
Total trade debtors and other receivables		1,680,763	5,582,285

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore the carrying value of trade debtors and other receivables approximates its fair value.

As at 30 June 2023 and 2022, all overdue receivables have been assessed for impairment and no allowances have been required. All receivables are subject to credit risk exposure.

18 Trade creditors and other payables

	2023 \$	2022 \$
Trade creditors	822,201	1,589,437
Non trade payables and accrued expenses	734,212	664,441
Total trade creditors and other payables	1,556,413	2,253,878

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

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

19 Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

2023	Plant and equipment	Motor Vehicles	Total
	\$	\$	\$
Cost			
Opening balance	790,766	230,200	1,020,966
Additions	7,237	14,778	22,015
Disposals	(19,875)	(6,361)	(26,236)
Closing balance	778,127	238,617	1,016,745
Accumulated depreciation			
Opening balance	444,987	144,477	589,464
Current year depreciation	117,064	25,006	142,070
Closing balance	562,051	169,483	731,534
Carrying amount 30 June 2023	216,076	69,135	285,211

2022	Plant and equipment	Motor Vehicles	Total
	\$	\$	\$
Cost			
Opening balance	643,492	186,026	829,518
Additions	147,274	44,174	191,448
Closing balance	790,766	230,200	1,020,966
Accumulated depreciation			
Opening balance	329,116	120,176	449,292
Current year depreciation	115,871	24,301	140,172
Closing balance	444,987	144,477	589,464
Carrying amount 30 June 2022	345,779	85,723	431,502

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

20 Income in advance

The following service funding has been received before reporting date, the funding balance has been carried forward for the proportion of agreed upon services not delivered at the reporting date.

When the funding received is defined as a non-exchange revenue transaction, any funding received where there is no obligation to refund unused amounts to third parties is recognised immediately as revenue and not carried forward, regardless of whether agreed upon services have been delivered.

	2023 \$	2022 \$
PC Local Services Agreement		58,631
Mental Health	872,888	579,856
Mental Health IPMHA	438,891	154,844
HealthPathways	11,148	11,148
Radiology	32,610	204,172
MoreHeart&Diabetes	21,914	21,914
POAC	8,232	26,063
Rapid response	99,981	-
Contraception Access	98,741	53,290
Bowel Screening	39,240	34,020
Health Care Home	256,988	247,133
Raising Healthy Kids	7,013	7,013
Raising Healthy Kids - Te Roopu U5	86,250	101,250
Palliative Care	20,879	18,750
COVID-19	4,941,093	3,395,234
Pharmacist	61,472	-
Specific Project Funding	26,383	143,627
Other income in advance	221,420	159,124
Total Income in Advance	7,245,143	5,216,069

21 Committed Funds

The following funding is held as Equity in Committed Funding Reserve. Committed funds are restricted funds that have been set aside to spend on the specific project.

	2023 \$	2022 \$
CarePlus	262,005	214,996
System Level Measures	30,000	30,000
PMS Data Migration	114,101	114,101
Services to Improve Access	978,566	779,651
Health Promotion	423,382	193,118
Total Committed Funding Reserve	1,808,053	1,331,865

Movement in Committed funding Reserve is made up of;	2023 \$	2022 \$
Existing committed funds spent in the year	-	(156,813)
New committed funds received and not spent in year	476,187	361,819
	476,187	205,006

22 Operating leases

Operating leases are held for premises used for office space.

	2023 \$	2022 \$
<i>Non-cancellable operating leases are payable as follows:</i>		
Less than one year	99,886	244,837
Between one and five years	1,775	100,683
More than five years	-	-
Total	101,661	345,520

The Lease renewal for the printers and photocopiers for July 2023 has been included in the above disclosure.

Notes to the financial statements year ended 30 June 2023

23 Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Network.

The Network has a related party relationship with its Trustees and other key management personnel.

(a) Transactions with related parties

The following transactions were carried out with related parties in which Trustees of the Network hold key positions.

The income and expenses for the related parties are all based on contracts or agreements held between the individual organisations and the Network for services delivered and capitation payments for GP practices.

	2023		2022	
	\$	\$	\$	\$
	Expense	Income	Expense	Income
Connolly Street Medical	1,589,656	29,997	1,679,601	28,634
Emergency Medical Services	18,336	-	25,145	-
Gibson Sheat	2,517	-	9,046	-
Hutt Union Community Health	3,285,074	71,747	4,122,703	71,406
Hutt Valley DHB	239,908	6,172,745	570,063	9,724,717
Naenae Medical Centre	2,505,768	69,274	2,683,495	59,285
Pacific Health Services	-	209,208	77,570	-
The Doctors Silverstream	2,801,160	39,865	3,180,028	68,117
Te Omanga Hospice Trust	-	-	504	64,146
Te Whatu Ora	240	37,748,393	-	-
Waiwhetu Medical Centre	912,477	15,176	848,847	18,905
Total	11,355,136	44,356,404	13,197,002	10,035,210

The following statement discloses outstanding balances with related parties in which trustees of the Network hold key positions at year end.

	2023		2022	
	Receivable at Year end	Payable at Year end	Receivable at Year end	Payable at Year end
	\$	\$	\$	\$
Connolly Street Medical	951	9,255	903	68,710
Emergency Medical Services	-	3,443	-	2,181
Gibson Sheat	-	-	-	-
Hutt Union Community Health	1,419	113,170	1,484	115,086
Hutt Valley DHB	322,862	-	780,927	19,263
Naenae Medical Centre	2,193	6,322	2,127	129,794
Pacific Health Services	-	-	-	-
Te Whatu Ora	558,081	43,635	-	-
The Doctors Silverstream	1,867	5,844	1,968	54,797
Waiwhetu Medical Centre	467	36,707	3,088	15,916
Total	887,840	218,376	790,497	405,747

(b) Key management remuneration

The Network has a related party relationship with its key management personnel. Key management personnel include the Network's Trustees and Senior Management.

Key management personnel received the following remuneration in the year:

	2023	2022
Network Trustees excl FRAC & CGC	\$ 32,850	\$ 19,600
Number of Network Trustees	8	9
Key Senior Management Personnel	\$ 959,091	\$ 977,019
Number of Key Senior Management Personnel	6	7
Total key management remuneration	991,941	996,619

Te Awakairangi Health Network

Notes to the financial statements year ended 30 June 2023

24 Contingent assets and contingent liabilities

The Network has no contingent assets or contingent liabilities as at 30 June 2023.

25 Events after the reporting period

There are no significant subsequent events from 30 June 2023 that we are aware of.

26 Capital Management

The Network's risk management policy is to ensure they can continue to adhere to their objectives in the long term in providing comprehensive, quality primary health care in order to ensure "Everyone in the Hutt Valley is healthy and well".

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF TE AWAKAIRANGI HEALTH NETWORK**

Opinions

We were engaged to audit the general purpose financial report Te Awakairangi Health Network ("the Network"), which comprise the financial statements on pages 13 to 29, and the statement of service performance on pages 3 to 11. 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.

Opinion on the Financial Statements

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Network as at 30 June 2023, and its financial performance, and its cash flows for the year then ended in accordance with Public Benefit Entity Standards ("PBE Standards") issued by the New Zealand Accounting Standards Board.

Disclaimer of Opinion on the statement of Service Performance

We do not express an opinion on the accompanying statement of service performance. Because of the significance of the matters described in the Basis for Disclaimer of Opinion on the Statement of Service Performance section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of service performance.

Basis for Disclaimer of Opinion on the Statement of Service Performance

As reported in the statement of service performance on pages 3 to 11, the Network has reported a selection of performance measures to reflect the services it provides and commissions for primary and community health services in the Hutt Valley region. These performance measures of the Network rely on information from third parties. The Network's control over much of this information is limited. The Network has not been able to provide sufficient appropriate evidence to support the performance measure results reported in the statement of service performance. There were no alternative audit procedures we could apply to obtain adequate assurance over all the performance measures reported in the statement of service performance.

Our responsibility is to conduct an audit of the Trust's financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the statement of service performance 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. However, because of the matter described in the *Basis of Disclaimer of Opinion* section of our report, we were not able to obtain sufficient audit evidence to provide a basis for an audit opinion on the Statement of Service Performance. We are independent of the Network 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 for the financial statements is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

Other Matter

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

Trustees' Responsibilities for the General Purpose Financial Report

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

- (a) the preparation and fair presentation of the financial statements and statement of service performance 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 statement of service performance 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 statement of service performance 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 Network'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 Network 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 statement of service performance 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 <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

Who we Report to

This report is made solely to the Network's trustees, 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 Network and the Network's trustees, as a body, for our audit work, for this report or for the opinions we have formed.

**BDO WELLINGTON AUDIT LIMITED**

Wellington

New Zealand

14 November 2023