

TURANGANUI PHO LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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TURANGANUI PHO LTD
DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2008

INCORPORATION: 1242107

DIRECTORS: R Ropiha
K McFarlane
D Scott
J F Macaskill-Smith
A Stewart
T Tangihaere
P Brown
T James

SHAREHOLDERS: Te Hauora O Turanganui A Kiwa Ltd
(Turanga Health) 150 Shares
Pinnacle Incorporated 150 Shares

ACCOUNTANTS: Pinnacle Group Ltd
Hamilton

AUDITORS: KPMG
PO Box 929
Hamilton

SOLICITORS: Beattie Rickman Legal
Hamilton

REGISTERED OFFICE: 610 Victoria St
Hamilton

BANKERS: National Bank of New Zealand

PRINCIPAL ACTIVITIES: Primary Health Funding Services

TURANGANUI PHO LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

In accordance with Section 208 of the Companies Act 1993, the Directors of Turanganui PHO Limited submit the following report for the year ended 30 June 2008.

General Disclosures

In accordance with Section 211(1) of the Companies Act 1993 the Directors disclose the following information.

Company Business

The company business is to provide primary health services in the Tairāwhiti District.

Financial Statements

The financial statements for the company for year ended 30 June 2008 immediately follow this report.

Changes in Accounting Policies

All policies have been applied on bases consistent with those used in the prior year.

Dividends

No dividend has been proposed or declared.

Share Dealings of Directors

There were no share transactions involving the Directors of the company during the year.

Directors Interests

No Director has had any financial interest or transactions with the company during the year.

Directors' Remuneration

	\$
R Ropiha	3,800
J Peters	2,475
K McFarlane	3,800
D Scott	7,100
J Macaskill-Smith	3,300
A Stewart	3,800
T Tangihaere	3,300
P Brown	3,300
T James	825
	<u>31,700</u>

TURANGANUI PHO LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

Directors Holding Office

The following directors held office at 30 June 2008:

R Ropiha	
K McFarlane	
D Scott	
J Macaskill-Smith	
A Stewart	
T Tangihaere	
P Brown	
T James	appointed 1 June 2008

The following director resigned during the 2008 year:

J Peters	resigned 31 March 2008
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Employee Remuneration

No employees earned over \$100,000 in the 2008 year.

Use of Company Information

The Board did not receive any notices during the year from directors requesting to use company information received in their capacity as directors which would not have been otherwise available to them.

Donations

The company did not make donations during the accounting period.(2007-nil)

Auditor

The principal auditor of the company is KPMG. KPMG provide audit services for which they are remunerated. An amount of \$ 7,500 will be payable to the auditors.

.....
Director

.....
Director

.....
Date

.....
Date

TURANGANUI PHO LTD

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
OPERATING ACTIVITIES			
Operating Revenue	2	2,023,427	1,950,932
Expense	3	(1,916,948)	(1,956,039)
Net Operating Surplus (Deficit)		<u>106,479</u>	<u>(5,107)</u>

TURANGANUI PHO LTD

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	2008 \$	2007 \$
EQUITY AT THE START OF YEAR	<u>265,002</u>	<u>270,109</u>
SURPLUS AND MOVEMENTS IN RESERVES		
Net Operating Surplus (Deficit)	<u>106,479</u>	<u>(5,107)</u>
Total Recognised Revenues and Expenses	106,479	(5,107)
EQUITY AT THE END OF YEAR	<u>371,481</u>	<u>265,002</u>

The accompanying notes form part of these financial statements.

TURANGANUI PHO LTD

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
EQUITY			
Share Capital	4	-	-
Retained Earnings and Reserves		<u>371,481</u>	<u>265,002</u>
		371,481	265,002
 CURRENT LIABILITIES			
Accrued Audit Fees		5,500	5,500
Payables	5	538,530	819,451
Hire Purchase - Minolta Copier	6	-	1,439
		<u>544,030</u>	<u>826,390</u>
		<u>915,511</u>	<u>1,091,392</u>
 Represented by:			
CURRENT ASSETS			
National Bank Cheque Account		4,813	20,727
National Bank 01 Account		91,171	194,742
Investments	7	639,432	724,362
Prepayments		10,644	-
Receivables	8	<u>124,957</u>	<u>119,311</u>
		871,017	1,059,142
 NON CURRENT ASSETS			
Property, Plant & Equipment	9	<u>44,494</u>	<u>32,250</u>
		<u>915,511</u>	<u>1,091,392</u>

For and on behalf of the board who authorised these financial statements for issue on the date shown below.

.....
Director

.....
Director

.....
Date

.....
Date

The accompanying notes form part of these financial statements.

TURANGANUI PHO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Turanganui PHO Limited is a company incorporated under the Companies Act 1993. The financial statements comply with the Financial Reporting Act 1993. The financial statements are prepared on the basis of historical cost.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied.

Differential Reporting Exemptions

The company qualifies for differential reporting as it is not publicly accountable and all owners are represented on the board of directors. The company has taken advantage of all available differential reporting exemptions.

Accounts Receivable

Accounts receivable are stated at their estimated realisable value.

Investments

Investments have been recorded at cost.

Fixed Assets and Depreciation

Depreciation of fixed assets is calculated on a straight line basis at depreciation rates calculated to allocate the assets' cost less estimated residual values over their useful lives as follows:

	Straight Line Value Percentage
Computer Equipment	25%
Office Furniture Equipment	15%-25%
Project Assets	15%-25%

Gains and losses of fixed assets are taken into account in determining the operating result for the year.

Charitable Status

Turanganui PHO Limited is registered as a charity under the Charities Act 2005. The organisation had previously been granted tax exemption from Income Tax by the Inland Revenue department under section CB(i)(c) of the Income Tax Act. There have been no changes in business activity, contrary to its charitable objectives, which would impact on this tax exemption.

Leased Property

The entity leases property and vehicles. Finance leases, which effectively transfer substantially to the entity all of the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the lease payments. The leased assets and corresponding liabilities are disclosed, and the leased assets are depreciated over the period for which the entity is expected to benefit from their use. Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised in the determination of the operating surplus in equal instalments over the lease term.

TURANGANUI PHO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Goods and Services Tax

The financial statements are prepared on a GST exclusive basis, with the exception of Accounts Receivable and Payable which include GST.

Changes in Accounting Policies

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

2. OPERATING REVENUE

	2008	2007
	\$	\$
Interest Received	78,819	88,414
Revenue	<u>1,944,608</u>	<u>1,862,518</u>
	<u>2,023,427</u>	<u>1,950,932</u>

First Contact Care Revenue and Expenditure of \$4,598,758 (2007: \$4,226,979) has been excluded from the Statement of Financial Performance for the year, because the PHO acts in an agency capacity for this funding between the DHB and General Medical Practitioners. There is no impact on the reported net surplus as a result of this treatment.

3. EXPENSES

	2008	2007
	\$	\$
Audit Fee	7,541	5,500
Depreciation	13,727	11,460
Directors Fees	31,700	29,350
Interest	214	641
Loss on Disposal of Fixed Assets	2,859	
Rental and operating lease payments	50,942	41,513
Other Expenses	<u>1,809,965</u>	<u>1,867,575</u>
	<u>1,916,948</u>	<u>1,956,039</u>

TURANGANUI PHO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

4. SHARE CAPITAL

	2008	2007
	\$	\$
300 Ordinary Shares	-	-
	<u> </u>	<u> </u>

All shares carry the right to one vote on a poll at a meeting of the company on any resolution. Upon wind up, the surplus assets must be distributed to the shareholders, each being tax exempt charitable entities in accordance with section CB4 of the Income Tax Act 1994.

5. PAYABLES

	2008	2007
	\$	\$
Accounts Payable	58,119	71,836
Accruals	28,438	20,942
GST Payable	-	-
Holiday Pay Accrual	24,918	15,817
PAYE Clearing	11,111	5,479
Related Party Payables	41,113	126,659
Income in Advance	374,831	578,718
	<u>538,530</u>	<u>819,451</u>

6. HIRE PURCHASE - MINOLTA COPIER

	2008	2007
	\$	\$
Current	-	1,439
Noncurrent	-	-
	<u>0</u>	<u>1,439</u>

7. INVESTMENTS

	2008	2007
	\$	\$
UDC Deposits	75,795	205,427
South Canterbury Finance Ltd	-	518,935
ASB Term Deposits	282,957	-
Westpac Term Deposits	280,680	-
	<u>639,432</u>	<u>724,362</u>

TURANGANUI PHO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

8. RECEIVABLES

	2008	2007
	\$	\$
Accounts Receivable	58,786	36,751
Related Party Receivables	16,234	773
GST Receivable	3,680	18,657
Accruals	46,257	63,130
	124,957	119,311

9. FIXED ASSETS

2008 Year	Cost	Accum Depn	Book Value	Depn
Office Equipment	45,398	17,305	28,093	6,110
Computer Equipment	20,153	15,334	4,819	5,163
Project Assets	14,036	2,454	11,582	2,454
	79,587	35,093	44,494	13,727

2007 Year	Cost	Accum Depn	Book Value	Depn
Office Equipment	30,604	11,195	19,409	4,375
Computer Equipment	31,653	18,812	12,841	7,085
	62,257	30,007	32,250	11,460

10. RELATED PARTY DISCLOSURES

Pinnacle Incorporated is a shareholder of the company. Pinnacle Incorporated provides general practice network services, clinical quality assurance programmes and implementation of clinical services to the company. The company paid fees to Pinnacle Incorporated during the period.

Pinnacle Group Limited is a related party. The company paid Management Service Organisation and Project Management fees to Pinnacle Group Limited during the year.

Turanga Health Limited is a shareholder of the company. Turanga Health Limited provides implementation of clinical service projects, workforce development and health promotion services for the company. The company paid fees to Turanga Health Limited during the period.

No related party debts have been written off or forgiven during the year.

TURANGANUI PHO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

11. COMMITMENTS

The following amounts have been committed to by the company but are not recorded in either the statement of financial position or the statement of financial performance.

11.1 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	2008	2007
	\$	\$
Current	33,442	40,052
Noncurrent	<u>20,691</u>	<u>22,025</u>
	<u><u>54,133</u></u>	<u><u>62,077</u></u>

12. CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2008(2007-Nil).