

TURANGANUI PHO LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009

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TURANGANUI PHO LTD
DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2009

INCORPORATION: 1242107

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

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 2009

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 2009.

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 2009 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

The following directors received financial benefit from transactions relating to the provision of health services, on an arms length basis.

	§
K McFarlane	1,487
T James	7,960

Directors' Remuneration

	§
R Ropiha	4,050
K McFarlane	3,800
D Scott	8,150
J Macaskill-Smith	1,650
A Stewart	4,050
T Tangihaere	1,650
P Brown	3,300
D Maplesden	2,050
T James	3,300
D Cooper	1,075
	<u>33,075</u>

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FOR THE YEAR ENDED 30 JUNE 2009

Directors Holding Office

The following directors held office at 30 June 2009:

R Ropiha	
K McFarlane	
D Scott	
J Macaskill-Smith	
A Stewart	
P Brown	
T James	
D Cooper	appointed 17 March 2009

The following directors resigned during the 2009 year:

T Tangihaere	resigned 14 October 2008
D Maplesden	resigned 29 January 2009

Employee Remuneration

One employee earned over \$100,000 in the 2009 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.

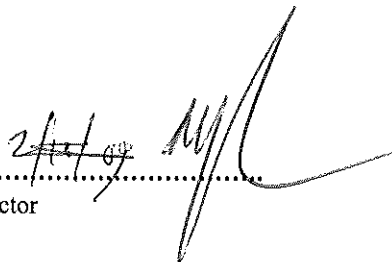
Donations

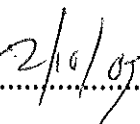
The company did not make donations during the accounting period.(2008-nil)

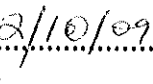
Auditor

The principal auditor of the company is KPMG. KPMG provide audit services for which they are remunerated.


.....
Director


.....
Director


.....
Date


.....
Date

TURANGANUI PHO LTD

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
OPERATING ACTIVITIES			
Operating Revenue	2	2,329,493	2,023,427
Expense	3	(2,289,379)	(1,916,948)
Net Operating Surplus (Deficit)		<u>40,114</u>	<u>106,479</u>

TURANGANUI PHO LTD

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	2009 \$	2008 \$
EQUITY AT THE START OF YEAR	<u>371,481</u>	<u>265,002</u>
SURPLUS AND MOVEMENTS IN RESERVES		
Net Operating Surplus (Deficit)	<u>40,114</u>	<u>106,479</u>
Total Recognised Revenues and Expenses	40,114	106,479
EQUITY AT THE END OF YEAR	<u>411,595</u>	<u>371,481</u>

The accompanying notes form part of these financial statements.

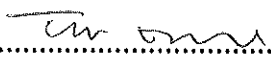


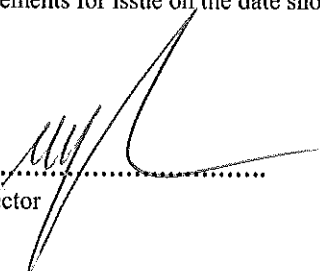
TURANGANUI PHO LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
EQUITY			
Share Capital	4	-	-
Retained Earnings and Reserves		<u>411,595</u>	<u>371,481</u>
		411,595	371,481
CURRENT LIABILITIES			
Payables	5	<u>844,705</u>	<u>544,030</u>
		844,705	544,030
		<u><u>1,256,300</u></u>	<u><u>915,511</u></u>
Represented by:			
CURRENT ASSETS			
Cash at Bank		442,685	95,984
Investments	6	536,972	639,432
Prepayments		6,349	10,644
Receivables	7	<u>220,223</u>	<u>124,957</u>
		1,206,229	871,017
NON CURRENT ASSETS			
Property, Plant & Equipment	8	<u>50,071</u>	<u>44,494</u>
		<u><u>1,256,300</u></u>	<u><u>915,511</u></u>

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


.....
Director


.....
Director

2/10/09
.....
Date

2/10/09
.....
Date

The accompanying notes form part of these financial statements.



TURANGANUI PHO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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 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 recorded, 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 2009

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.

Revenue

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to work performed.

2. OPERATING REVENUE

	2009	2008
	\$	\$
Interest Received	58,644	78,819
Revenue	<u>2,270,849</u>	<u>1,944,608</u>
	<u>2,329,493</u>	<u>2,023,427</u>

First Contact Care Revenue and Expenditure of \$4,900,514 (2008: \$4,598,758) 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

	2009	2008
	\$	\$
Audit Fee	7,523	7,541
Depreciation	13,832	13,727
Directors Fees	33,075	31,700
Interest	-	214
Loss on Disposal of Fixed Assets	-	2,859
Rental and operating lease payments	64,200	50,942
Other Expenses	<u>2,170,749</u>	<u>1,809,965</u>
	<u>2,289,379</u>	<u>1,916,948</u>



TURANGANUI PHO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

4. SHARE CAPITAL

	2009	2008
	\$	\$
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

	2009	2008
	\$	\$
Accrued Audit Fees	5,500	5,500
Accounts Payable	82,200	58,119
Accrual Liablitiy	23,444	28,438
Holiday Pay Accrual	32,185	24,918
PAYE Clearing	14,937	11,111
GST Payable	14,545	-
Related Party Payables	51,140	1,968
Related Party Accruals	6,934	39,145
Income in Advance	613,820	374,831
	<u>844,705</u>	<u>544,030</u>

6. INVESTMENTS

	2009	2008
	\$	\$
UDC Deposits	28,901	75,795
ASB Term Deposits	303,496	282,957
Westpac Term Deposits	204,575	280,680
	<u>536,972</u>	<u>639,432</u>



TURANGANUI PHO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

7. RECEIVABLES

	2009	2008
	\$	\$
Accounts Receivable	105,674	58,786
Related Party Receivables	0	16,234
GST Receivable	0	3,680
Accrued Income	114,549	46,257
	220,223	124,957

8. FIXED ASSETS

2009 Year	Cost	Accum Depn	Book Value	Depn
Office Equipment	45,934	22,274	23,660	6,991
Computer Equipment	25,532	18,437	7,095	3,103
Project Assets	25,508	6,192	19,316	3,738
	96,974	46,903	50,071	13,832

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

9. 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 2009**

10. 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.

10.1 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	2009	2008
	\$	\$
Current	72,691	33,442
Noncurrent	104,782	20,691
	<u>177,473</u>	<u>54,133</u>

11. CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2009(2008-Nil).





Audit report

To the shareholders of Turanganui PHO Limited

We have audited the financial statements on pages 5 to 11. The financial statements provide information about the past financial performance of the company and its financial position as at 30 June 2009. This information is stated in accordance with the accounting policies set out on pages 7 and 8.

Directors' responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company as at 30 June 2009 and the results of its operations for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Directors 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 statements. It also includes assessing:

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

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain 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 in our capacity as auditors we have no relationship with or interests in the company.



Unqualified opinion

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

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;
- the financial statements on pages 5 to 11:
 - comply with New Zealand generally accepted accounting practice;
 - give a true and fair view of the financial position of the company as at 30 June 2009 and the results of its operations for the year ended on that date.

Our audit was completed on 2 October 2009 and our unqualified opinion is expressed as at that date.

KPMG

Hamilton