# ANNUAL REPORT 2018

ProCARE

Excellence delivered with humanity

**ProCare is New Zealand's largest and most diverse network of healthcare professionals, with a local and personal approach to delivering world leading health services. We aim to understand and meet the needs of our patients, their whānau, and collectively as communities and populations.**

It is estimated that by 2030, Auckland's population could exceed two million people. It is critical that we have a primary health organisation that is set-up to cater for the increasing need. One that is about respect and being empathetic and fair, that is accountable, consistent and transparent. It also needs to be a network that takes a collaborative approach to building sustainable partnerships, while pushing for excellence and a commitment to achieving quality health outcomes. Those values, are our values. CARE is at the heart of everything we do.

We believe every New Zealander has the right to live well but the fact is not everyone does live well. That's why we strive to be the most progressive, trusted healthcare network, that is practice-focused and has general practitioners, nurses, practice managers, and owners represented right across the organisation.

ProCare is dedicated to helping all Kiwis make good choices for their wellbeing.

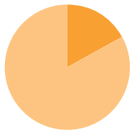
We are proud of our strategic plan that will guide us through the next five years. Developed by our network, 'Excellence delivered with humanity' is a strategy that will enable us to thrive in the face of changes in society and technology.

**Together, we transform healthcare so people can live great lives.**

## OUR PRACTICES AND PEOPLE

**177** PRACTICES

**826,226** ENROLLED PATIENTS



16.9% (4,878,500) Of estimated New Zealand population

49.3% (1,676,100) Of estimated Auckland regional DHB's population

24.6% Of our patients are Māori or Pacific (as at 30 June 2018)

ProCare is responsible for the largest Māori and Pacific communities in New Zealand.

ProCare also has the largest enrolled high-needs patient population in New Zealand.

269,853

* Figures as at 30June 2018

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# ProCare Health Limited - Chair Report

**On behalf of the Board, it is a privilege to present this year's annual report and to look back on the achievements that we have made as a network.**

### A new strategic direction

Late last year, we started a discussion about environmental trends and how we might be best positioned to combat a fast-changing health sector.

The Board recognised that we needed clarification of our strategy. We consulted widely with patients, clinicians, and practice staff in the development of our new vision, purpose and values.

Developed by our network, 'Excellence delivered with humanity' is a strategy to enable us to thrive in the face of changes in society, in models of general practice ownership, and in technology.

We are proud of our vision. We believe every New Zealander has the right to live well, but we know not everyone does live well. This is where our purpose becomes so important, in that together we can transform healthcare, so people can live great lives.

To achieve our vision will require a strong focus and commitment, which is outlined in our strategic objectives: to be your health partner for life, achieve quality health outcomes, enable thriving practices, and be a transformative network.

We are excited by this strategy and look forward to working alongside the network so that this becomes inherent in all that we do.

### ProCare for today and tomorrow

ProCare is working alongside our partners to continue to push the boundaries in innovation, and we are starting to see the results of several pilot programmes, specifically the ACC High-Tech Imaging programme which, as a result of the successful pilot, is now being rolled out as a new service offering across several other PHOs around the country.

The Practice Management System (PMS) review is another important project. It was great to see the labs used by GPs, nurses and practice managers. We received significant positive feedback, and while there have been some challenges, we narrowed down the field from seven potential providers, to two. We hope to make a recommendation to the Board in November 2018, followed by communication with members.

Toward the end of this year, we also began consultation with the network on what our organisation might look like in the future. We did this as during our consultation on our strategy, members asked us to look at practice sustainability and succession planning. This resulted in the Board and management planning on a proposed change to our organisational structure that includes a move towards becoming a true co-operative. This proposed change will help to address some of those challenges identified by our members. We are encouraged with the engagement from our shareholders so far. Once the consultation and feedback stage is complete, we will ask our shareholders to vote on the proposal.

### Changes in sector and new relationships

A change in government has meant a new focus on primary healthcare as the Labour-led coalition has had to juggle election promises and how these are implemented.

We supported the announcement of a sector review by Health Minister, Hon. David Clark. It was encouraging to hear his view that we need a fairer health system to overcome the inequalities in our communities. We will be taking a proactive approach with the review and ensuring the ProCare network has a strong voice.

Along with the change in government, we have also welcomed three new DHB Chairs, and a Chief Executive - Pat Snedden, Judy McGregor, Vui Mark Gosche, and Chief Executive Fepulea'i Margie Apa. They are all experienced leaders and have strong public-sector backgrounds.

While it has been pleasing to work more collaboratively with DHBs, there is a need for ProCare to spend more time engaging with government and the relevant agencies. As the Auckland population changes, these relationships and partnerships will be crucial for our sector and our ability to continue to provide quality services.

### Looking ahead

Finally, I'd like to thank the Board of ProCare Health for their commitment and drive to keep pushing our great organisation to be the best it can be. This year we welcomed Dr Stephanie Taylor to the Board and she has brought with her a fresh perspective and valuable insights.

To our CEO, Steve Boomert, the executive and management, and the entire ProCare team, thank you for your continued pursuit of excellence and professionalism as you support our members, patients and the organisation.

It is an exciting time for ProCare and as Chair I look forward to what the coming year brings.

**Dr Harley Aish**

CHAIR,
PROCARE HEALTH LIMITED



## Vision

### We believe every New Zealander has the right to live well

That's why we strive to be the most progressive, trusted healthcare network so people can achieve greater wellbeing for themselves and whānau.

## Purpose

### Together, we transform healthcare so people can live great lives

ProCare is a network of healthcare professionals dedicated to helping New Zealanders make good choices for their wellbeing.

To achieve our vision we must

**Be your Health Partner for Life**

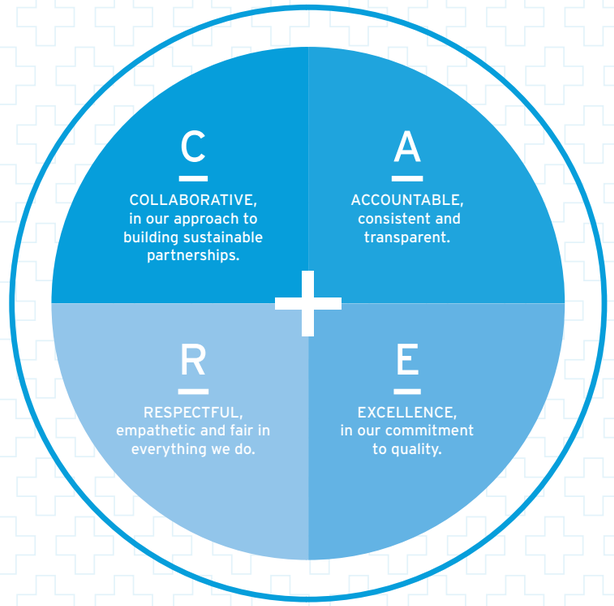
**Achieve Quality Health Outcomes**

**Enable Thriving Practices**

**Be a Transformative Network**

## Values

CARE is in our name and at the heart of our business. It's also how we express our core values



# ProCare Networks Limited - Chair Report

**Mālo e lelei**

Our practices are often the first contact for people who need healthcare services and support. It is critical then, that we do what we can to make people feel welcomed, comfortable, and respected. I'm proud that ProCare practices do this daily across the greater Auckland region, supporting the largest population base in our country. We are making a difference to people's lives, and we are striving to do more.

We continued to work hard towards the achievement of our national health targets: 8 month immunisations and smoking brief advice. This year we were above target for smoking brief advice 91% against a target of 90%. We acknowledge we were just short of the 8 month immunisation target but are pleased to see the percentage achieved for high needs remains consistent with the general population, indicating we are managing to reach populations most at risk. In addition, I would like to acknowledge the enormous effort and resource practices committed this year to meet our own clinical health targets achieving 92% for CVDRA (target 90%).

The Ready, Steady, Quit programme is working well now. We have learnt over the past year that the model needed to be more culturally appropriate and required a more specific approach based on data. We have taken these learnings on board and new initiatives aimed at Māori and Pacific communities are showing promising results.

Mental Health care continues to be a priority for us. Access to services at a primary care level is crucial, because we know people are much more likely to seek support from someone they know and trust. Personally, I'm passionate about this work because if we can get in early enough, we could help change lives.

### Tackling inequity head on

Not a day goes by where we don't hear about, or see, clear indicators of gaps in our society. There is no doubt that the lack of warm, dry homes, and affordable houses is impacting our population.

Factors like these and other social structures affect people's health, so we must take a holistic approach and not just look at patients through a clinical lens. It is important we consider the wider determinates of health when making our decision on funding.

We know our high-need communities such as Pasifika and Māori often struggle to access healthcare. Given ProCare has the highest number of Māori and Pasifika people enrolled, this is an important issue. Challenges such as affordability, transportation to visit a practice, and juggling care for family members, are problems people can face even before walking through the practice door. However, there has been a concerted effort – not only at policy level but also operationally – to always have this as part of our thinking.

Following the release of 'Our Picture of Health' this year ProCare Networks has focused on how to implement its six recommendations. The comprehensive report provided valuable insights into our population, helping us to understand the key issues we face as a PHO. Everything we do now is guided by the findings. We can focus on what really matters and invest our resources and assets where they will have the greatest benefit.

I want to pay tribute to ProCare Māori (ProMa) and ProCare Pacific (ProPa) Advisory Committees, who both play an important role in supporting the work we do with their communities. Both Advisory Committees have set strategies for the PHO and the organisation and we are pleased that they are now starting to be implemented. There is still work to be done but we are heading in the right direction. Special acknowledgement to retiring ProPa Chair Sam Fuimaono, who has dedicated nearly eight years of his time to the committee and many more as a dedicated GP serving his community.

### Future of Public Health care

The past year has raised the potential for key changes in our sector. With a new Minister and a new direction there is a spotlight on primary health care.

At the time of writing this report, the Mental Health and Addiction inquiry is coming to a close, with a report due to government setting out a clear direction for the next five to ten years. ProCare has worked with the Inquiry Panel and the DHBs to provide our thoughts as clinicians and leaders in this field.

The Minister has announced a review of primary health care funding, to happen within the first 18 months of the government's time in office. That's an ambitious goal given the scale of the sector. As the largest PHO, we need to ask ourselves 'how do we ensure we are participating in the reviews' and 'how do we protect clinically-led primary health care'. As a Board we see these reviews as opportunities, not threats.

Alongside the new government, we have seen the appointment of a new Director General of Health, Dr Ashley Bloomfield, who is highly respected and has a deep understanding of public healthcare. I acknowledge Dr Bloomfield, and our three new Chairs at Auckland, Counties, and Waitematā DHBs.

Finally, thank you to my fellow ProCare Network directors for their ongoing support and tireless dedication to population health. My thanks also to our CEO Steve Boomert, and all the team at ProCare for their great work.

Malo 'aupito

**Tevita Funaki**
CHAIR,
PROCARE NETWORKS LIMITED



## A SNAPSHOT OF ACTIVITY JULY 2017 – JUNE 2018

**7,140** People quit smoking

**90,277** Cervical screens

**114,470** Flu vaccines

**6,730** Referrals to ProCare Psychological Services

**3,375** Palliative care services

## TARGETS AS AT 30 JUNE 2018

(% = COVERAGE OF RELEVANT ENROLLED POPULATION)

**SMOKING BRIEF ADVICE**

TARGET 90%

ACHIEVED 91% total pop and **91%** high needs

**CERVICAL SCREENING**

TARGET 80%

ACHIEVED 79% total pop and **74%** high needs

**CVDRA**

TARGET 90%

ACHIEVED 92%

**8-MONTH IMMUNISATIONS**

TARGET 95%

ACHIEVED 92% total pop and **92%** high needs

**2-YEAR IMMUNISATIONS**

TARGET 95%

ACHIEVED 91% total pop and **91%** high needs

## HEALTH CHALLENGES FOR OUR POPULATION

SMOKING

ALCOHOL RELATED HARM

DIABETES

OBESITY

RHEUMATIC FEVER

MENTAL DISTRESS

# ProCare Health Limited - CEO Report

**It's been another year of accomplishments for ProCare. Not only have we worked hard developing initiatives to support practices so they can focus on improving the health and wellbeing of their patients, but we've also been building on relationships and ideas that will support the network into the future.**

### Advocating for general practice

A significant part of our role is advocating both nationally and regionally for general practice and we are proud of what we are able to achieve for the network in this area.

Earlier this year, practices raised concerns over the Ministry of Health's endorsement as best practice to immunise patients with Zostavax (shingles vaccine) and the flu vaccine at the same time. Practices felt only receiving one payment when giving both vaccines did not recognise the increased work that was required with the patient. We were able to raise these concerns with the Ministry and negotiate an increased payment when co-administering Zostavax and flu vaccines. This was a great result for the network, and general practice across the country.

As part of PSAAP, we have been strong supporters of the new government's initiative to improve access to primary care by reducing the co-payment for Community Service Card holders. This initiative will go a long way to helping the 90,000 ProCare high needs patients currently enrolled in non VLCA practices to access care through their GP team. But we are acutely aware that this initiative may create additional burden on already busy practices and via our PSAAP representation continue to advocate for additional support for general practices to cope with the increase in demand.

It's also been a successful year supporting practices who wish to increase their co-payment amount. We encourage practices to increase their fees to a reasonable level to ensure sustainability of their practice. With our support, seven practices appealed to the Ministry to increase the payment. All practices succeeded in winning their fees review appeal for amounts ranging from 3.2% - 12.1%.

### Essential support

We are always seeking new ways to support practices with running their business, so they can focus on clinical work with their patients.

This year we introduced Employment Plus, a human resources and recruitment service featuring a telephone support line and online resources. This exclusive service for ProCare practices is going from strength to strength offering valuable support to the network.

Forty practices are now taking part in our financial benchmarking initiative which allows practices to monitor their progress against their peers. Feedback from those participating is that the programme has been highly valuable in casting a spotlight on areas of their businesses that would benefit from more focused analysis.

### Changing how we deliver healthcare

ProCare is working alongside our partners to continue to push the boundaries in innovation, and we are starting to see the results of several pilot programmes.

Health Care Home has gone from strength to strength and is showing benefits for patients. So too is our Stepped Care Model for Mental Health and Addiction Services (Te Tumu Waiora), which is receiving overwhelming support.

A co-design project with ACC and Mercy Radiology on high tech imaging has also been very successful and has now moved from a pilot into full implementation with interest from across New Zealand.

We are also encouraged by a new partnership with the Ministry for Social Development. We have co-designed a model focusing on improving the connections between general practice and Work and Income to enhance the wellbeing and employment support available to people on a medical deferral benefit. We look forward to testing this through a proof of concept in the near future.

In the last 12 months, two of our ProCare Psychological Service (PPS) branches have moved into new offices. This is a major milestone for ProCare. The shift has allowed the PPS staff to explore new models of delivering care by co-locating with other staff members. This is a good example of ProCare working smarter and investing in patient-facing services and infrastructure.

### Overcoming challenges

During the year we have had to make some difficult decisions as an organisation. This included the need to reduce staff numbers as part of a focus on overall cost savings, so we can devolve more flexible funding out to practices, and accommodating the reduction of some DHB contracts.

Working through these types of challenges is never easy, and I thank all involved for their understanding and support.

**Steve Boomert**
CEO,
PROCARE HEALTH LIMITED



## HIGH TECH IMAGING IN PRIMARY CARE PROJECT

**Following a co-design programme of work with ACC and Mercy Radiology, ProCare implemented a pilot in 2017 to test a new way of referring patients direct for an MRI. The pilot was so successful that the service is now being rolled out to all GPs and practices in the network.**

The programme focuses on four common body injury sites (knee, shoulder, neck and back) with clear guidelines for GPs to identify patients who would benefit from an MRI. Training sessions for GPs have been a key part of the initiative with hands-on examination workshops with emphasis on the best tests to use in busy clinical practice. The workshops are supported by online training courses.

Quality assurance was important during the trial and each MRI was reviewed in conjunction with the GPs' radiology request form and feedback provided. This was invaluable in supporting GPs to confidently use the new pathway.

Thanks to the success of our pilot, ACC is rolling the programme out in other PHOs in New Zealand.

DR STEPHEN KARA LEADS EXAMINATION TRAINING WITH DR ANNIE BRADLEY AND DR MARGARET GOODEY.

## A STREAMLINED PATIENT JOURNEY

PREVIOUS PATHWAY >


**NEW PATHWAY >**


### GP E-REFERRAL - Increased efficiency


### Radiology-led patient appointment booking


**4 DAYS** TO MRI

PACIFIC PEOPLE HAVE **INCREASED ACCESS** TO MRI

**50%** IMPROVEMENT IN ACCESS TO MRI FOR 15-30 YEAR OLD PACIFIC

PATIENT EXPERIENCES A MORE **STREAMLINED JOURNEY TO REHABILITATION**

### HANDS ON GP EDUCATION

EASY ACCESS MUSCULO-SKELETAL ONLINE TRAINING

### CLINICAL PATHWAYS

**Decision support providing more appropriate and better quality referrals**

**140** PRACTICES ARE ACCREDITED REFERRERS

**88%** OF GP REFERRALS ARE FOR APPROPRIATE MRI

# ProCare Charitable Foundation - Chair Report

**Tēnā koutou katoa,**

Responding to the growing needs in our communities and reducing inequity in our health system is a key focus for the ProCare Charitable Foundation. As we move into our fourth year, it is hugely satisfying to look back on what's been achieved over the past 12 months, and since the Foundation was established.

### There is a lot of generosity

This year the Foundation allocated funding of $220,000 to support eight non-profit organisations, all of whom are delivering important services across the Greater Auckland region.

A total of 60 applications were received, up from 40 in 2016, reflecting the mounting pressure for funding that charities are facing while working to serve areas of high need.

Year on year, the list of applicants increases, and so does the total funding they are seeking. This is likely to continue as organisations become more aware of the Foundation and the support it offers.

We have seen a rise in the number of charities in the health sector, ranging from small not-for-profits catering to a targeted portion of the population, through to major and long established trusts who work across the region.

It is becoming clearer every year that a large part of the health sector is funded by philanthropic endeavours like the ProCare Charitable Foundation. We are fulfilling a crucial need.

As Chair, I'm proud to report that your generosity as shareholders is making a real difference. In 2012, when shareholders gifted 90% of their shares to provide a base for the Foundation, the purpose was simple – to improve the health and wellbeing of Auckland communities. The Foundation is delivering on that commitment.

### Every student in New Zealand stands to gain

One of our recipients this year was Connect: Supporting Recovery Inc. a leading provider of mental health, addiction and wellness services.

The Foundation grant will support the delivery of MINDSETS, a youth resilience programme currently running in seven low decile schools across Auckland. Co-designed with youth, youth providers and psychologists, the MINDSETS programme provides practical support for adolescents.

Connect Supporting Recovery CEO, Darryl Bishop says, "It's the programme we all wish had been around when we were at school".

The grant will allow MINDSETS to be extended into ten schools, to support youth dealing with the daily stresses of a changing world that is more complex than ever before.

### We Heart Kids NZ

Providing access to health care services in disadvantaged communities is also a major motivation for us as a Foundation.

The application we received from Heart Kids NZ, is one that especially tugged at the heart strings.

Living life with a childhood heart condition is a huge challenge, for both the child and the whole whānau.

With our grant, families in South Auckland now have the assistance of a dedicated family support worker to help with those day-to-day challenges.

Montee, the new support worker, is already making a huge impact in the community through her nurturing nature and ability to make a personal connection. The Foundation's funding has supported her to increase referrals to the service, while also providing regular support to families when they most need it, such as post or pre-surgery or when under palliative care. We are told that families have appreciated knowing someone is there for them in those trying times.

You can read more about these two important kaupapa on the following pages, along with inspiring stories from our six other recipients: Age Concern North Shore Inc; Aphasia New Zealand; Communicare CMA (AK) Inc; North Harbour Living Without Violence; The Life Education Trust; and The Stroke Foundation of NZ (North Region).

### Helping those who may miss out

I would like to acknowledge all the recipients, and all those charities who applied for funding. We would love to say yes to every application, as they are all deserving.

To assist in how we prioritise applications, the Board considers the capacity (viability and other funding partners) of an organisation to deliver a project, and -the outcomes (people assisted, and their needs) that they expect will reduce health inequities.

Choosing just eight recipients is daunting. As Trustees, we read every application, and we care about the outcomes and opportunities that they will deliver. We are again very pleased with this year's chosen recipients and the diversity of the health populations they work with. Every grant has gone towards addressing an inequity.

It is worth noting at this point that the Foundation has to date granted over $670,000 to charities in the greater Auckland region since its establishment.

I wish to acknowledge the enthusiasm and dedication of the Board of Trustees, who are committed to progressing the important work of the Foundation. Special thanks to Tyler Ward, the Public Trust administrator who oversees the grant applications process. Your assistance is invaluable. Once again, a sincere thank you to you, our members, for your ongoing support and contribution to the communities we serve.

Ngā mihi

**June McCabe**
CHAIR,
PROCARE CHARITABLE
FOUNDATION



# FOUNDATION GRANTS
## Helping Auckland's population live well

**Eight non-profit organisations delivering vital services and support to Auckland's diverse population received a combined $220,000 thanks to the allocation of ProCare's Charitable Foundation funding in December 2017.**
**The Foundation, established in 2012, makes grants available to charities in the greater Auckland region with the aim of reducing health inequity, alleviating the symptoms of poverty and increasing community health and wellbeing.**

## Age Concern North Shore Inc.

With 5% of ProCare's enrolled general practice population over the age of 75, supporting the wellbeing of senior communities is vital. The ProCare Foundation was pleased to fund a dedicated Age Concern Asian support service for the North Shore community.

"We're very grateful for the support of the ProCare Foundation which has helped us to reach out to the growing number of Asian elders living in the North Shore area. Being able to support them in a culturally appropriate way is hugely important for their wellbeing," Said Janferie Bryce-Chapman, Executive Officer.

"We've had a great response to our programmes, a recent presentation by Ivy Zhao from Age Concern, attracted 59 people who came to hear about 'sleeping as we age' which included recognising the symptoms of sleep debt and advised tips for positive sleep strategies. Another recent gathering invited older Chinese members to express their needs and comment on key topics such as connection with community and feeling safe and supported."

**5%** OF PROCARE'S POPULATION IS OVER 75

MONTEE, HEART KIDS SUPPORT WORKER FOR SOUTH AUCKLAND, PICTURED WITH HEART KIDS WHĀNAU

## Heart Kids NZ

Heart kids helps families at every step of their journey with a baby, child or teen diagnosed with a heart condition. It is thanks to ProCare Foundation funding that families in South Auckland living with children suffering from rheumatic heart disease and/or a congenital heart defect have the assistance of a dedicated family support worker who helps them cope with the day to day challenges of living with a childhood heart condition.

Funding support has helped the new Heart Kids family support worker increase referrals to the service. She has been able to provide regular support to families with high need; either post or pre-surgery or under palliative care. This is a vulnerable time for families and having someone able to visit them and provide regular and consistent contact is very comforting.

Regular social groups such as the coffee group Murmurs, family day and education events help connect members of the Heart Kids community in South Auckland so they do not feel so isolated and can meet people experiencing the same things as themselves. Funding has also supported the first event for heart teens in South Auckland.

"Our Heart Kids family support worker, Montee, has amazing enthusiasm and passion for Heart Kids! She has initiated many great new activities for all of the Heart families so we can connect and support one another." Sarah, mum of a six year old heart boy.

**126** FAMILIES CONTACTED
**28** NEW MEMBERS IN SOUTH AUCKLAND
**15** HEART KIDS EVENTS FOR FAMILIES HOSTED FROM JAN – MAY IN SOUTH AUCKLAND

*stats based on the five months from Jan – May 2018

MINDSET FACILITATORS KIERAN AND CORDELIA.

## Connect: Supporting Recovery Inc.

Connect Supporting Recovery is one of the leading direct providers of mental health, addiction and wellness services in New Zealand. ProCare Foundation provided a grant in 2017 to help support the delivery of Mindsets, the youth resiliency programme, in 10 low decile schools across Auckland.

Mindsets is an engaging group resiliency programme, especially developed for Year 11, 12 and 13 students to address the unique set of challenges they are facing at this time in their lives. Co-designed by students and developed using up to date psychological research models, the Mindsets programme has been honed for students of Aotearoa, incorporating aspects of Te Ao Māori into activities and processes. Mindsets provides students with tools to add to their kete of knowledge, to build confidence and resilience, so they can better manage stress now and in the future.

The six-week programme covers topics such as, psychological flexibility, self-acceptance, awareness of strengths and values, and self-empowerment. The content has been developed from evidenced based research into the drivers of resiliency, which include mindfulness, Acceptance and Commitment Therapy (ACT), and positive psychology.

"Every student in New Zealand stands to gain from this initiative, regardless of gender, family background, religion, ethnicity or decile. It's the programme we all wish had been around when we were at school," says Darryl Bishop, CEO, Connect Supporting Recovery.

Programmes are currently running in seven schools across Auckland including; Tamaki College, Glenfield College, Pakuranga College, Aorere College, Papakura High School, James Cook High School and Manurewa College.

**10** LOW DECILE SCHOOLS BENEFIT FROM MINDSET'S PROGRAMME

## Aphasia New Zealand

Aphasia is the partial or total loss of the ability to articulate ideas or comprehend spoken or written language, resulting from damage to the brain from either injury or illness; such as stroke or brain tumour. The Aphasia New Zealand (AphasiaNZ) Charitable Trust provides support services, education and information to the estimated 17,000 New Zealanders affected by stroke-acquired aphasia, as well as those with aphasia acquired from brain tumour and brain injury, and PPA (Primary Progressive Aphasia).

Funding from the ProCare Foundation has enabled AphasiaNZ to grow its Auckland Community Aphasia Advisor (CAA) service to help people adjust to living a different life with aphasia. Aphasia NZ's CAAs assist families, extended whānau and the wider community to communicate effectively with their loved ones with aphasia, reduce the barriers faced by people with aphasia, and navigate the complexities of life with a communication impairment which affects speaking, reading, writing, participating in conversations and using numbers.

**17,000**
NEW ZEALANDERS LIVE WITH STROKE-ACQUIRED APHASIA

## Communicare CMA (AK) Inc.

Communicare aims to improve the quality of life for the elderly, lonely and disabled within Auckland communities by providing recreation, support and advocacy via their 21 friendship centres across Central, East, West and South Auckland.

Funding provided by the ProCare Foundation has allowed Communicare to employ centre coordinators, including some new energetic members of the team who are adding fresh ideas to the service to engage and delight members. The funding also assisted with the running of Communicare support vehicles, used to visit seniors or those isolated in their homes. The specialist Communicare art and craft therapist, who visits centres on a rotational basis, used funding to purchase craft supplies and new games so members can be creative and stimulated when they visit their local friendship centre.

Communicare's friendship centres provide a safe, happy and welcoming environment for those faced with the challenges of aging and social isolation, in particular those experiencing financial hardship, ensuring they remain engaged with their local community. The centres are operated by locally employed coordinators and also rely on the goodwill of local community volunteers as well as the support of local businesses.

"Communicare is indebted to ProCare for the very generous support delivered to us with this grant. As we approach our 60th year of service we are also so grateful for the recognition and validation that such a grant provides," says Communicare General Manager Sudha Bhana.

**21** FRIENDSHIP CENTRES ACROSS AUCKLAND





## The Life Education Trust Counties Manukau


A VISUALLY IMPAIRED CHILD MEETS 'HAROLD' IN THE LIFE EDUCATION TRUST MOBILE CLASSROOM

A generous grant from the ProCare Foundation supported the delivery of important preventative health messages, via unique mobile classrooms, to children aged 5 – 13 in schools across Counties Manukau. Life Education Trust Counties Manukau General Manager Lincoln Jefferson says: "The need for our health literacy programme is more relevant today than ever with 14% of New Zealand's child population, and 42% of New Zealand's decile one and two schools, in the Counties Manukau area".

In term one of 2018, schools in the following areas welcomed the health education programme: Otara-Papatoetoe, Mangere-Otahuhu, Papakura, Manurewa, Franklin, Maungakiekie-Tamaki, Waitemata, Albert-Eden, Puketepapa, Howick and four schools in north Waikato.

In addition to school visits, funding also helped the Life Education Trust to attend community events such as the 'Girls Only' day of sport at Kolmar Sports Centre where 450 girls played 15 different sports as well as learned about healthy nutrition from two members of the Life Education team.

**238** SCHOOLS REACHED

**29,000** CHILDREN IN COUNTIES MANUKAU VISITED BY THE LIFE EDUCATION TRUST MOBILE CLASSROOM

## North Harbour Living Without Violence

North Harbour Living Without Violence supports children affected by abuse and violence at home, school or in the community via its KidSafe Children's Programme.

"On behalf of North Harbour Living Without Violence, the families and the children we see, we would like to send you our sincere gratitude for your contribution to our KidSafe programme. Having this funding available has increased access for people who are unable to afford the programmes. Many of our clients are not funded and we try to subsidise where possible," says John Sione Tesimale, Practice Manager for North Harbour living without violence.

The KidSafe programme is directly helping children living in the North Harbour region who have witnessed abuse or have been victims of abuse and ensuring they do not feel isolated or alone. Being part of a group with other children helps them to realise they are not alone and they are not to blame. Funding from ProCare Foundation also contributed to hiring a new family worker to work with children individually and in the group.

## The Stroke Foundation of New Zealand (Northern Region)

High blood pressure is a leading cause of stroke and evidence suggests Pacific people are less likely to be diagnosed with high blood pressure, less likely to be on treatment and less likely to comply with treatment for high blood pressure than non-Pacific people. This has been related to poor knowledge of the healthcare system and limited access to culturally appropriate education material. Representing the highest enrolled Pacific population in primary care it was therefore appropriate for the ProCare Foundation to support the Hypertension Action for Pacific People, Encouraging Engagement (HAPPEN) as it has a vital role in supporting hypertension management in low-income, high-risk Pacific communities.

"We're so grateful for the funding made available from ProCare Charitable Trust as it has allowed us to extend our 'by Pacific, for Pacific' initiatives in the Auckland region. We've been able to develop and pilot HAPPEN among 20 Pacific individuals and their families at the Fono in Waitakere," says Tai Faalogo, Leader Pacific Stroke Prevention Programme.

It has also enabled a partnership with Harbour Sport (Green Prescription) to deliver a four-month community health worker led programme to offer home blood pressure monitoring, raise awareness of stroke, its risk factors and support personal lifestyle change. Data on blood pressure, medication adherence, and cardiovascular knowledge and lifestyle behaviours is being recorded to assess the impact of the programme.

THE NUMBER OF NEW ZEALANDERS AFFECTED BY STROKE IS SET TO INCREASE BY 40% BY 2028

# ProCare Psychological Services Limited Chair Report

**This year saw ProCare Psychological Services enter an exciting new phase as we continue to bolster services and offer pyschological support in new, more accessible ways to reach more communties across Auckland.**

**We are proud of the work we've done to develop PPS as a user-friendly, accessible and welcoming service.**

### New centres

In December and January we opened two new PPS centres in Rosedale (North Shore) and Ellerslie that offer full psychological services. This is the first dedicated PPS centre on the North Shore which opens up the service to clients in a new locality.

The centres introduced a new look and feel for clients with a more comfortable, welcoming space specially designed to be less imitimidating and complement the theraputic mahi that the service offers.

Each consult room is digitised for seemless use of multimedia in therapy sessions.

### New way of working

As our lives get busier and busier, it's become more important to offer flexible services that meet the needs of current and future clients. This year we conducted a comprehensive co-design project where we asked a large number of clients and clinicians for ideas and preferences on how to access pyschological services. As a direct result, we are developing a suite of new services that are affordable, flexible and offer choices to our clients. These will be rolled out early in 2019.

The new services will complement a new name and brand for the service. When it is launched to the network and public, the replacement name for PPS will offer a more welcoming feel for clients and remove the stigma associated with the word 'psychological'.

### New mental health pilot makes a difference

In December 2017 five ProCare practices began a pilot of a new model of care for accessbile, team-based mental health and wellbeing support in primary care (Te Tumu Waiora).

The two-year pilot gives patients access to focused support including health coaches, health improvement practitioners (mental health clinical generalists) and NGO support workers – all conveniently available as part of the general practice team.

The preliminary findings from the pilot are very positive, with an independent evaluation showing strong evidence for significant reductions in inequity of access and increased equity of outcomes. Also evidenced is a dramatic increase in access to same day therapy. The qualitative evaluation has also shown that the programme has been positively received by clients, practitioners and general practice staff.

We also made three separate submissions to the government's mental health and addictions inquiry which involved input from across PPS and ProCare.

### Family therapy project

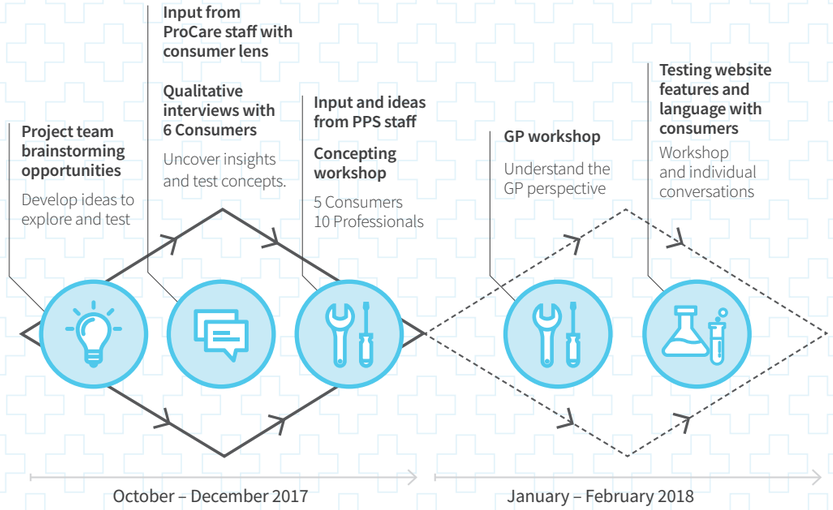
PPS provided a pyschologist and a health navigator as part of a family therapy project in Manukau. Run by the local social investment board, the project provides support to familes who are at risk of losing their social housing.

### Looking forward

The coming year will be an exciting one for PPS with the launch of a new brand, new services and, with the publication of the report from the mental health and addiction inquiry, we are anticipating a new compelling direction for the sector that prioritises primary and community wellbeing.

**Steve Boomert**
CHAIR,
PROCARE PSYCHOLOGICAL SERVICES

## CO -DESIGN WITH PATIENTS AND GPs INFORMS FUTURE PSYCHOLOGICAL SUPPORT SERVICES




**Put people in charge**

We will let our clients determine and own their own care packages, alongside their support partners.

**A flexible offering**

We will provide a range of choices and options on the care they want, who it is delivered by, when and where suits them, in a language that works for them.

**Simple, everyday language**

We will communicate our services offer in an accessible and easy to understand way that is clear and destigmatising.

**A connected experience**

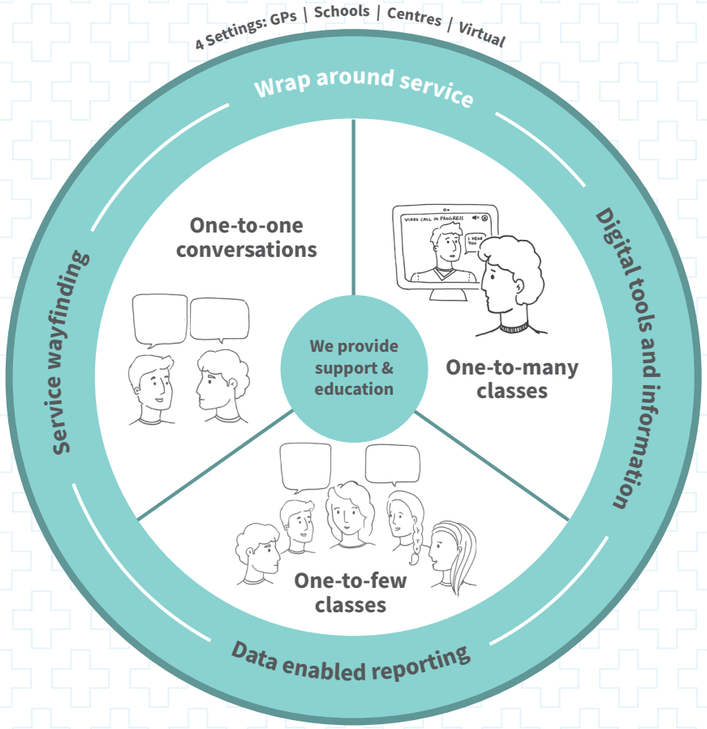
We will be present throughout the person's whole journey in a flexible way that allows for digital and face-face contact as well as timely opt in and out scheduling.

**Shared personal progress**

We will create visibility and transparency of people's personal progress that is enabled by data and informs goal setting and performance.

**Self-management at people's fingertips**

We will enable self-management with practical and useful knowledge and skills that are delivered via apps, online tools and txt.



# PRIMARY MENTAL HEALTH AND WELLBEING INNOVATION PROGRAMME
# TE TUMU WAIORA - A SNAPSHOT

## About the pilot

Established DECEMBER 2017

In 5 General Practices across Greater Auckland

**COVERS A POPULATION OF 50,000 PEOPLE**

**KEY COMPONENTS:**

- Enhanced GP Teams: health coaches, Health Improvement Practitioners, confident and capable GPs and nurses
- Self-management support
- Referral-based talking therapies
- Increased access to NGO support services
- Enhanced interface between primary and secondary services
- Same day access to a mental health clinician and/or peer health coach

## Preliminary findings

### GREATLY IMPROVED ACCESS

**57–70%** of clients seen on the same day vs. **3–5%** for conventional service

Conversion rates exceeding **90%** vs. 70% for UK Increased Access to Psychological Therapies programme

**97%** are seen 4x or fewer

REACHES **3X** AS MANY PEOPLE AS CONVENTIONAL SERVICES

**75%** SEEN WITHIN 5 DAYS VS. LESS THAN 17% IN CONVENTIONAL SERVICES

**75%** HAVE AN APPOINTMENT OF 30 MINS OR LESS

### POSITIVE CLIENT OUTCOMES

The following qualitative data recorded highly positive results. Quantitative data is being finalised.

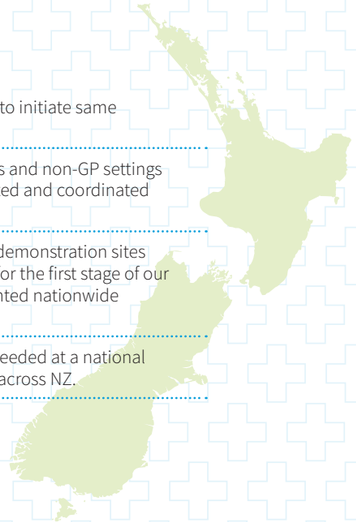
- Improvements in mental health and wellbeing
- Better access to services and supports to address broader determinants of wellbeing, such as housing, money matters and employment
- Better speed of access to services and supports:
- 57% HIP clients and 69% Health Coach clients seen same day
- Nine in ten people seen within 5 days
- Improved access for Māori, Pacific and youth
- Better access for people whose needs would have gone unmet

### SIGNIFICANTLY REDUCED INEQUITIES

- Significantly improved equity of access across Māori, Pacific, Asian and European populations
- No significant difference between rates of conversion of referral to appointments across ethnicities.
- This is a significant improvement on existing services where Māori and Pacific experience at least a 25% non-conversion rate.

Note, the data relates to data from the ProCare practices involved in this ProCare pilot programme. It does not incorporate the non-ProCare practices involved in the wider Fit for the Future programme, whose data was not yet available at the time of production of this document.

## Where to now?



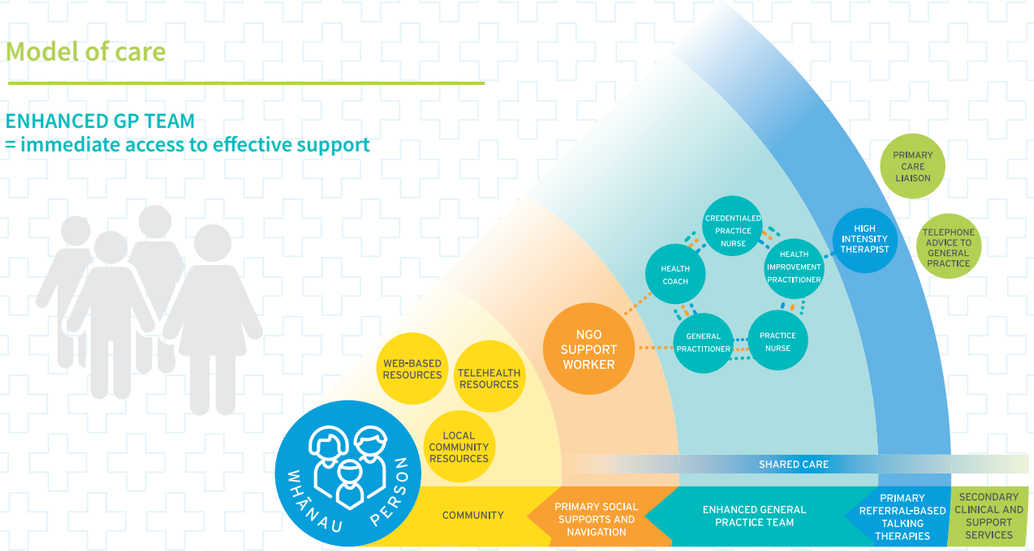
- Feb 2019: 3-4 other regions confirmed to initiate same model of care services
- Model to be tested across rural settings and non-GP settings from Northland to Canterbury,supported and coordinated by a national steering group.
- Government's proposal to establish 8 demonstration sites across NZ could provide the platform for the first stage of our stepped model of care to be implemented nationwide and refined.
- Significant funding and leadership is needed at a national level to enable wider implementation across NZ.



PRIMARY MENTAL HEALTH AND WELLBEING INNOVATION PROGRAMME
TE TUMU WAIORA - A SNAPSHOT

## Model of care

**ENHANCED GP TEAM**
**= immediate access to effective support**




"In my first session, the Health Improvement Practitioner gave me at least three different things that I needed to start practicing, and that made me feel like I was instantly making progress. And that's kind of what I needed, I needed to feel like I was actually getting somewhere."

*HEALTH IMPROVEMENT PRACTITIONER CLIENT*

"Nurses don't ask if people are stressed ... and doctors don't either ... because if you ask that question you must do something about it. Yeah, and that's going to blow my whole day. Now they have something they can do - they can ask the questions they never would have done before."

*PRACTICE NURSE*

"She put me at ease ... it was so easy to talk about everything. Life, family, money; I put it all on the table."

*HEALTH COACH CLIENT*

## SHARING PILOT IMPLEMENTATION LEARNINGS WITH SECTOR COLLEAGUES

ProCare hosted a full day workshop to share early learnings from the implementation of the pilot programme which was attended by more than 80 people from around New Zealand including attendees from the Ministry of Health, members of the Government's mental health enquiry, District Health Boards, NGOs, universities and PHOs from Auckland and around the country. To find out more visit www.tetumuwaiora.co.nz

# Clinical Assessments Limited - Chair Report

**Clinical Assessments Ltd (CAL) shareholding is owned two thirds by ProCare Health Ltd and one third by East Health Ltd; CAL administers the Primary Options for Acute Care (POAC] service, which gives healthcare professionals access to investigations, care or treatment for those patients who can be safely managed in the community.**

The primary aim is to reduce acute demand on hospital services and allow patient care to be managed closer to home with the use of clinical pathways and policies, and under excellent clinical governance of all aspects of the service by the expanded nursing staff and our clinical director Dr Helen Liley.

We are striving to be forward looking and fit for the future in terms of our contracting arrangements. Our revamped clinical governance group, with representation from all the DHB and PHOs, meets regularly, looking at the safety and appropriateness of claims and referrals made. We also review the development of clinical pathways reflecting localised Auckland Health pathways. Most recently the cardiology network, along with hospital cardiologists were asked to make suggestions in the redeveloped chest pain pathway.

Practice and PHO utilisation of POAC is considered taking into account deprivation of decile, ethnicity and outcomes including death, or hospitalisation. The target is that about 85% of POAC interventions will successfully and safely avoid the patient needing to go to hospital.

Overall, the total referrals received increased 32% against the same period in the previous year across the region.

The total number of Auckland Metro POAC between 1 July 2017 and 30 June 2018 was 24,443, 12% above the target of 21,870.

POAC also has an increasing role in coordinating services or funding of primary care initiatives such as the expansion of Zolendronic acid and Ferrinject infusions and the use of Fosfomycin. At governance level we continue to make representation for access to all of these programmes to be consistent across the three DHBs.

The service is being used for accessing subsidised care contracts for opiate substitution therapy [methadone and soboxone] and Hepatitis C Direct antivirals which are now being funded for all genotypes. POAC also has associations with Totara Hospice and the Palliative Outcomes initiative, and the Rural Alliance facilitating point of care testing pilots.

POAC maintains an ongoing link with the St Johns hub, which diverts patients calling an ambulance where they are accepted safely to be managed or further supported by their GP or afterhours providers. POAC is also being used by direct referral from ED, in cases including cellulitis and IV therapy in the community.

This year large group CME meetings, attended by the manager Deanna Williams and directors, increased GP and practice awareness of POAC and the potential areas it can be utilised, which we believe is reflected in the increase in usage this year.

The Synergia review report of POAC and Access to Diagnostics [A2D] was released with recommendations for the DHBs regarding utilisation and expanding of these services, particularly recommendations that A2D be accessible in the Waitemata area.

Financial oversight of the budget and projects by the management team has resulted in the BDO auditors being supportive of the accounting processes and issuing an unqualified audit position.

POAC offers a safe, consistent and effective alternative to a hospital presentation or admission for eligible patients and is highly regarded by General Practice teams.

**Dr Neil Hefford**
CHAIR,
CLINICAL ASSESSMENTS LIMITED



# Busy year for Homecare Medical

**Homecare Medical has had another successful year with increased demand and the launch of two new services; 1737 and Safe to talk.**

1737 was the first to launch at the end of 2017 providing a text-friendly helpline "The aim was to put into the pockets of every New Zealander access to 24-hour, seven-day professional counselling in a way that would resonate with them," says chief executive Andrew Slater.

Although you can call the number to chat, more than half the contacts in the first 12 months have been via text and, not surprisingly, those aged between 13 and 24 have been especially keen on that way of reaching out.

The service has been deliberately not branded to any specific issue, so it can be whatever people need it to be, says Slater. "We're hearing about anxiety, depression and addiction but also relationship matters, peer and social-media pressure, bullying or young people looking for strategies to cope with exam pressure.

The service has engaged with people who previously were struggling alone. "It's what we were hoping would happen. About 70% of people contacting us have never been in touch with a mental-health professional before. Some may just need coping strategies, others to be referred for further support."


On Friday 1 June the Minster for Social Development, Carmel Sepuloni launched Safe to talk Kōrero mai ka ora at ProCare's Auckland (Grafton) Office. Safe to talk Kōrero mai ka ora, provides nationwide 24/7 access to free confidential information and support to people affected by sexual harm in any way. It's for survivors, concerned whānau and people who have sexually harmed others or who may be thinking about harming others.

"It can be really hard for people affected by sexual harm to reach out for support. Anyone contacting the Safe to talk helpline can say as little or as much as they like – and they can remain anonymous if they want to. Early feedback from the service has shown being able to remain anonymous or provide only a first name is helping people to feel comfortable with using the service. The online chat function is also proving to be a popular communication method, followed by calls, text messaging and then emails," says Andrew.

Homecare Medical has a paid workforce of over 350 clinicians and specialist staff who work from its Auckland, Wellington, Christchurch and Dunedin contact centres. There are also some staff that work from their home offices and some staff based in the St John and Wellington Free Ambulance communications centres. The National Poisons Centre continues to operate out of Otago University.

***A quick look*** as at 30 June 2018

OUR TELEHEALTH SERVICES **GREW**

*from nearly* **575,000** contacts
to **625,000** contacts

(***That's around 2,218 contacts a day***)

**SO**

From nearly **577,000** Kiwis

- We helped **26,847** start their quit journey
- Our nurses gave health advice to **413,927**
- Poisons Officers helped **22,553**
- Our mental health team supported **69,431**

We have **350 staff** in **FOUR contact centres** and in their home offices from Kaitaia to Bluff doing this work

Our emergency triage nurses **triaged nearly 30,000 people** - which helps keep our hospitals and and ambulances available for emergencies

Homecare Medical
partners in connected care

# HIGHLIGHTS 2018

## PRACTICE MANAGEMENT SYSTEM REVIEW

### A decision by the network, for the network

**The ProCare network has been vocal about the need to work together to ensure the sustainability of practices. This includes how best to use technological advancements which have the potential to reduce administrative tasks so more clinical time can be made available to better serve the needs of patients. As a result the PMS Review began in December 2017 with the formation of a PMS Review Steering Group, chaired by Dr Jamie Shepherd, and made up of network members and practice staff including GPs, practice nurses and practice managers.**

The thorough and comprehensive review process looked at available technology options. In early June 2018 the Steering Group delivered a unanimous recommendation to the PHL Board to take the solutions put forward by Epic and Indici into a commercial and due diligence phase, so that a single vendor recommendation can be made for the network.

### High level outcomes

- A smart PMS that undertakes work for me, not records the work I do
- A PMS that is a pleasure to use for all users
- A PMS that meets all the relevant safety, quality and performance standards
- A PMS vendor that looks to the future, co-creates with users and is passionate about the customer/ partner experience
- A PMS that has focus on supporting patients as much as supporting clinicians and business owners

"Don't work for your PMS, choose a **PMS that works for you**."

*BEN LIU, GP*

"I'm looking for an intuitive PMS that allows us better quality time to **focus on our patients**."

*GREG CLARKE, CEO*

"We need to keep up with the **evolving technology** available to continue to not only meet the needs but also the expectations of the people we provide optimum care for."

*RACHEL MADSEN, PRACTICE NURSE*

**>300** COMPREHENSIVE REQUIREMENTS

**CONSIDERATIONS:**

User experience | IT architecture | Implementation | Economic model

**750** HOURS spent by the Steering Group on evaluating vendors

**>50%** of network practices attend Review Lab

ITS ABOUT **NOW** AND THE **FUTURE**

PMS LAB:

| 226 | 224 | 6 | 3 |
|---|---|---|---|
| People attended | Network members | PHOs | DHBs |

EPIC INDICI

## MEMBERS' WEBSITE

In early October 2017 we launched a new Members Website, providing a key communication portal for all practice staff. The newly co-designed site, which had input from practice staff, provides refreshed content, dynamic drill down reports, discussion boards and an online learning area for ongoing education.

The sophisticated reports portal has enabled practices to easily access their practice data in a timely manner and has enabled us to automate what had been a manual process.

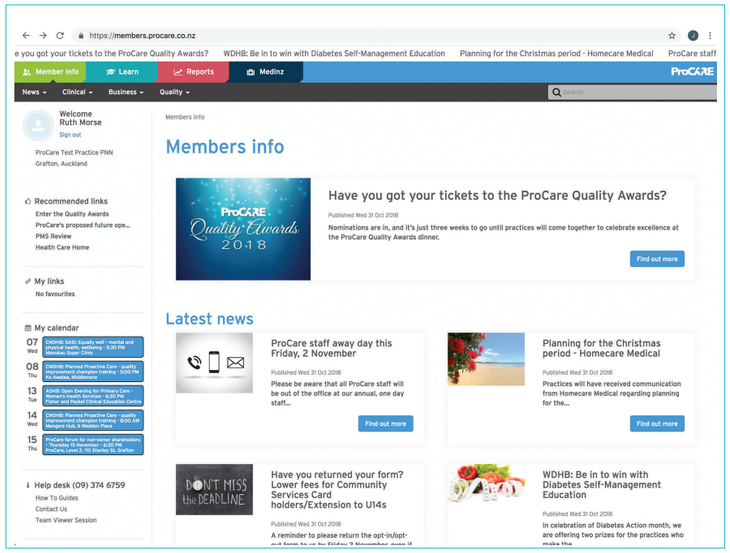
**61%** of members using the site regularly

**83.9%** returning visitors

**UP-TO-DATE NEWS**

**CLINICAL PROGRAMMES INFORMATION**

**INDIVIDUALISED PRACTICE DATA REPORTS**




## PROCARE REWARDS STUDENT SUCCESS

ProCare, in partnership with the University of Auckland, was pleased to award the top Pacific and Māori year five medical students, GP pathway, for 2017 to:

MATTHEW ADAIR,
TOP MĀORI STUDENT

LOGAN POLOAI,
TOP PACIFIC STUDENT

"I HAVE THOROUGHLY ENJOYED THE OPPORTUNITY OF HAVING ATTACHMENTS IN GENERAL PRACTICE. THESE HIGHLIGHTED TO ME THE SATISFACTION THAT ONE GETS FROM ACTUALLY KNOWING YOUR PATIENTS AND TREATING THEM HOLISTICALLY, THE IMPORTANCE OF CONTINUITY OF CARE, BUT ALSO THE CHALLENGES THAT GP'S FACE ON A DAILY BASIS. I LOOK FORWARD TO WORKING IN THE FIELD AGAIN IN THE NEXT FEW YEARS."
- MATTHEW ADAIR

"GENERAL PRACTICE IS CERTAINLY A CAREER PATH THAT I'M CONSIDERING. BUILDING RELATIONSHIPS WITH FAMILIES OVER TIME IN A COMMUNITY BASED SETTING AND PROVIDING CARE WITH A FOCUS ON HEALTH PREVENTION ARE BOTH ASPECTS OF GENERAL PRACTICE THAT APPEAL TO ME GREATLY."
- LOGAN POLOAI

# HIGHLIGHTS 2018

## HEALTH CARE HOME

In April 2018, 12 general practices from across New Zealand were officially certified Health Care Homes, four from the ProCare Network, in the inaugural certification for this new model of care. The Health Care Home model is designed to ensure primary care remains fit for the future; able to cope with increasing demand, an aging population and workforce challenges whilst at the same time delivering improved care and health of patients and satisfaction.

Martin Hefford, Chair of the Health Care Home National Collaborative says, "It's very satisfying to watch this unique New Zealand model of care maturing to the extent that practices can be certified by a national group. It's also great to see the group maintaining a very high and consistent standard, so that patients from Kaitaia to the Bluff can expect consistent service ethos from a Health Care Home practice."

Dr Harley Aish, GP, Otara Family and Christian Health Centre commented, "Otara Family and Christian Health Centre has been on the Health Care Home journey for almost two years. Some aspects were challenging, so it is great to have achieved certification. The benefits are being realised now, both from our patient's perspective, and those working in the practice. We look forward to achieving the final standards, and gaining further rewards, in the way we work as a team."

**4** PROCARE PRACTICES OFFICIALLY CERTIFIED

**10** PROCARE PRACTICES ROLLING OUT THE HEALTH CARE HOME MODEL

**101,589** PROCARE PATIENTS ARE ENROLLED IN HEALTH CARE HOME PRACTICES

**33** HEALTH CARE HOME MODULES DEVELOPED FOR PRACTICES

**30%** OF PATIENTS REQUESTING SAME DAY APPOINTMENTS ARE RESOLVED OVER THE PHONE THROUGH GP TRIAGE

**6** PRACTICES OFFERING VIDEO CONSULTATIONS

PROCARE CEO STEVE BOOMERT, PRESENTS THE CLENDON MEDICAL CENTRE TEAM WITH THEIR CERTIFICATION AS A HEALTH CARE HOME

THE TURUKI HEALTH CENTRE, WITH PROCARE CEO STEVE BOOMERT, ACCEPT THEIR CERTIFICATION AS A HEALTH CARE HOME

OTARA FAMILY AND CHRISTIAN HEALTH CENTRE

PUKEKOHE FAMILY HEALTH



## ProCARE QUALITY AWARDS

**The 2017 ProCare Quality Awards acknowledged the hard work and success of practice teams across the network. Fourteen accolades were awarded, with 11 based on clinical performance indicators and a further three assessed by a panel of judges.**

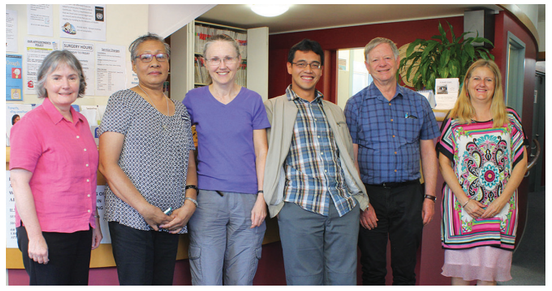
### MEDTECH SUPREME AWARD -
### Dr Upsdell's Surgery, Mangere East

The supreme award recognised excellence in clinical practice and in delivery of care and services to patients and demonstrates leadership within the ProCare network.

The judging panel stated,

**"The supreme winner is the undisputed front runner, punching well above its weight with outstanding results for its patients."**

DR UPSDELL AND PRACTICE NURSE JUDITH WILLIAMS ACCEPT THE SUPREME AWARD ON BEHALF OF THEIR TEAM



DR UPSDELL'S SURGERY TEAM PHOTO

### INNOVATION AWARD -
### Bakerfield Medical and Urgent Care

Bakerfield was recognised for partnering with a local based factory to pilot nurse-led clinics, teach self-management in goal setting and health awareness to employees, and helping to manage sickness during the working day. The judges felt that Bakerfield demonstrated solid effort and commitment to take general practice into the industrial environment; demonstrating excellence results.

### COMMUNITY ENGAGEMENT AWARD -
### Otara Family and Christian Health Centre

This award recognised outstanding engagement by general practice with the wider community, which includes external stakeholders, to improve the health outcomes of the practice population. Otara Family and Christian Health Centre received the award for its collaborative approach in undertaking a diabetes care improvement package in partnership with Counties Manukau DHB.

### PERFORMANCE AWARDS:

**CVD management**

- CVD management award for total population - Papatoetoe South Medical Centre
- Highest CVD secondary prevention rate of Triple Therapy - high needs - Hunters Corner Medical

**Outstanding diabetes management**

- Largest HbA1c reduction in Diabetes management – total population - Pukekohe Family Health
- Highest achievement in Diabetes management – high needs - Dr Upsdell's Surgery, Mangere East

**Excellence in cervical screening particularly focused on equity**

- Cervical screening equity award - Turuki Health Centre, Mangere
- Best cervical screening programme for a high needs practice - Rangitoto Medical Centre, Papatoetoe

**Outcomes and quality framework achievement award – based on practice size**

- Large practice winner - Mt Eden Medical Centre
- Medium practice winner - Mt Wellington Family Health Centre
- Small practice winner - Dr Upsdell's Surgery, Mangere East

**Best performer across the OQF indicators for reducing inequities in the Māori population**

- Ataria Marsden Māori Equity Award - Onehunga Family Medicine

**Patient experience award**

- Winner with 100% high satisfaction - Lynfield Medical Centre for reducing inequities in the Māori population

# HIGHLIGHTS 2018

## COMMUNITY PROGRAMMES - Taking exercise to the community

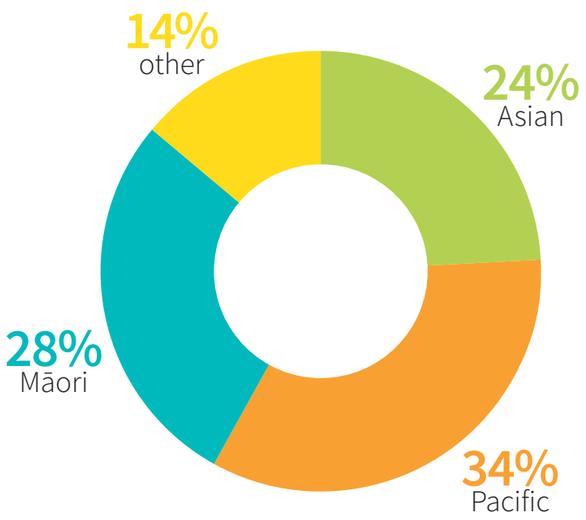

OFF THE COUCH - THREE GENERATIONS GET FIT TOGETHER; CHARLENE KIHI, KIKI TAYLOR, DOREEN KIHI

'Off the Couch' a mobile exercise truck has supported individuals and whānau of all ages to get involved and have fun with regular exercise, whilst also offering weigh-ins and lifestyle advice. The programme, managed by the ProCare Māori, Pacific and Asian community engagement teams has been visiting mārae, community centres and churches around Auckland.

> "I HAVE HAD A NUMBER OF HEALTH SCARES AND I HAVEN'T HAD THE OPPORTUNITY TO DO ANYTHING LIKE THIS FOR YEARS. OFF THE COUCH HAS BEEN GREAT, I'D DO IT AGAIN, YOUNG OR OLD, WE SHOULD ALL BE DOING THIS! THAT'S WHY I BROUGHT MY DAUGHTER AND GRANDDAUGHTER WITH ME."
>
> DOREEN KIHI

> "I'M A BUSY MUM AND DON'T NORMALLY EXERCISE. MY FRIEND AND I ARE DOING IT TOGETHER, AND WILL CONTINUE THE ROUTINE AFTER THE PROGRAMME FINISHES. AT FIRST I WAS A BIT WORRIED ABOUT JOINING THE GROUP BECAUSE I DIDN'T KNOW WHAT TO EXPECT, BUT EVERYONE IS SO FRIENDLY. IT'S BEEN A REALLY FUN AND CHALLENGING EXPERIENCE."

### Ethnicity breakdown for 'Off the Couch' participants




## HELPING PROCARE'S DIVERSE POPULATION - Asian Services

ProCare has the largest Asian population of any PHO (176,469)

With a significant and rising Asian population in Auckland, ProCare is involved in community programmes to help address their specific health needs including:

- Culturally appropriate diabetes workshops delivered in ProCare practices with significant Indian populations.
- 'Off the Couch' provided for the Indian community at Mahatma Gandhi Centre, refugee women and the Chinese community in partnership with Better Chance Charitable Trust.
- Development of culturally appropriate nutrition workshops for diverse Asian and migrant communities to address the high prevalence of CVD and diabetes in these communities.
- Engagement with Asian media in Auckland to help spread primary health messages to Asian communities.

## THE FOCUS ON HEART HEALTH

**43,951** CVD screenings from 1 Jul 17 to 30 Jun 18

Managing cardiovascular health within the ProCare network is working well. The two key platforms include screening the eligible population for cardiovascular risk, and managing individuals with increased risk and those who have had a cardiovascular event.

The publication of the updated New Zealand consensus statement on heart health (New Zealand Cardiovascular Disease and Risk Assessment and Management for Primary Care March 2018 ), has refocused the role of primary care in reducing death and morbidity from Cardiovascular Disease.

This year, the network worked hard to maintain screening rates at 92.22% of the population. Screening included seeing a large number of people who had been screened five years ago who needed to be re-screened.

Cardiovascular screening provides an opening to discuss heart health interventions with patients. The ProCare network has been focusing on primary prevention for patients CVD risk >20% over five years and secondary prevention for those with established Cardiovascular Disease. In the last year in primary prevention 1,300 more patients have been prescribed Dual Therapy (statin and antihypertensive); and in secondary prevention the percentage of patients on Triple Therapy (statin, antihypertensive and antiplatelet/anticoagulant) increased from 57% to 66%.

Improvement in managing heart health is seen within the total population but the effect is reduced in high needs patients and more specifically in our Māori male population. The average age of patients who have had a cardiovascular event in the total population is 66 years but for Māori the age is 62.

By focusing on heart health at each touch point with patients, the ProCare network has made a significant difference.

# HIGHLIGHTS 2018

## PACIFIC HIGHLIGHTS FOR 2017-2018

HALF OF AUCKLAND'S PACIFIC POPULATION ARE ENROLLED UNDER PROCARE PRACTICES **112,737**

Under the guidance of ProPa; the Pacific Advisory Committee, ProCare developed a Pacific health strategy. The ProCare Picture of Health needs analysis informs the clinical focus of the Pacific strategy which aims to increase the number of Pacific patients and communities enrolled in primary care, and ultimately to improve their health outcomes.

**Vision:** For Pacific peoples, their families and communities to live well and thrive.

**Strategic Purpose:** To be the leader and partner in well-being for Pacific peoples.

**Key objectives to help address health inequities for the Pacific population :**

- Leader in Workforce Development
- Advocate for Integrated Services
- Encourage Service Access
- Improve Health Outcomes & Equity


ProPa strongly advocated for ProCare support for the Healthy Village Action Zone (HVAZ) programme, part funded by ADHB. The church groups provide an avenue for community engagement and a direct link to Pacific communities for health and well-being initiatives.

One such initiative is the annual eight-week weight loss programme, the AIGA Challenge, which ProCare sponsored. This year the challenge, which encourages healthy lifestyles and weight loss while having fun as a group attracted almost 600 participants from fourteen churches.

More than 200 people turned out to celebrate this year's successful Aiga Challenge, organised and led by the ProCare HVAZ team; Masuisui Sam Partsch and Matalima Muelu. In attendance were church members, NGO reps, DHB staff and the ProCare team.



## SUPPORTING OUR NURSING WORKFORCE

### NURSE EDUCATION

In early 2017 ongoing nurse education was identified by the network as an area that required improvement. Nurses had been asking for a programme that supported capability and confidence to support the delivery of quality, effective and evidenced based care to our population.

The solution has been to align nursing cell group education with the GPs to deliver the same topic within the same time frame enabling a more collaborative approach to care. As part of this alignment, nursing cell groups will be increased from three times to five times per year.

**16** ADDITIONAL NURSES IN THE NETWORK COMPLETED MENTAL HEALTH AND ADDICTIONS PROGRAMMES AND ACHIEVED CREDENTIALING.

**14** completed Mental Health and Addictions training in June 2018 and are awaiting credentialing.

### NURSES DAY 2017

The 2017 ProCare Nurse' Day was the first in more than two years and was a huge success with great feedback from those who attended.


> "OVERALL GREAT DAY VERY INFORMATIVE LOOKING FORWARD TO GOING NEXT YEAR THANK YOU FOR ORGANISING",

> "WHAT A FANTASTIC DAY. I LEARNT HOW TO ACCESS DIFFERENT TOOLS AVAILABLE TO US, ENJOYED NETWORKING WITH OTHER COLLEAGUES AND ENJOYED LEARNING ABOUT HEALTH FROM THE CONSUMER'S PERSPECTIVE DURING ONE OF THE SESSIONS. A GREAT DAY, I'LL BE BACK NEXT YEAR".

> "THIS HAS BEEN SUCH A GREAT DAY TO ONCE AGAIN RE-IGNITE MY PASSION FOR PRIMARY CARE"

# HIGHLIGHTS 2018

## READY STEADY QUIT CONTINUES GREAT WORK

DAMIR SORIC

Breaking a 36 year addiction was never going to be easy, and that's why Damir is thankful for Ready Steady Quit's specialist help. It was on 4 August 2017 that Damir became a non-smoker, after smoking for almost four decades. There had been other attempts to go smoke-free in the past but nothing seemed to stick and each attempt was made more difficult by the fact that Damir's wife Brigita remained an active smoker in the house, so cigarettes were close by and available 24/7.

"In my previous attempt to stop smoking I tried it alone based on the 'willpower' method. I did not make any effort to change the mind-set regarding smoking."

Ready Steady Quit provided one-to-one support and home visits for both Damir and Brigita to help guide them through their quit smoking journey. Damir found nicotine gums useful in the first three months and was particularly motivated by the CO readings.

"You can't dispute the reading on that meter, it directly shows you just how much carbon monoxide you have in your lungs. Just four days after quitting I could see how much my CO levels had come down, that was so motivating."

"Being on the Ready Steady Quit programme and having personalised one-to-one support helped so much. My GP was also instrumental in helping me but there is not a lot of support that can happen in a typical 15 minute appointment so I was grateful for the referral to Ready Steady Quit".

> "BEING ON THE READY STEADY QUIT PROGRAMME AND HAVING PERSONALISED ONE-TO-ONE SUPPORT HELPED SO MUCH. MY GP WAS ALSO INSTRUMENTAL IN HELPING ME BUT THERE IS NOT A LOT OF SUPPORT THAT CAN HAPPEN IN A TYPICAL 15 MINUTE APPOINTMENT SO I WAS GRATEFUL FOR THE REFERRAL TO READY STEADY QUIT."

## READY STEADY QUIT - New Initiatives

**Maternity incentives programme**

A dedicated maternity Incentive programme and working with GPs and Midwives has been successful with expectant mums working towards being smoke free for the health of their babies. The programme also supports whānau living in the same house to promote smoke free homes.

**Māori Women's Smoke Free Programme – Turuki Health Centre**

RSQ enrolled 10 women on this innovative programme run by Turuki Health Care. Seven women successfully quit smoking and reported significant improvements in other areas of their lives for them and their whānau as a result of being smoke free.

PENNY TUHORO


> "I KNOW HOW HARD IT IS TO GIVE UP, THE BIGGEST SUPPORT NOW ARE MY CHILDREN WHO ARE SLOWLY GETTING USED TO NOT SEEING MUM SMOKE. MY WORK MATES FORGET I DON'T SMOKE, THEY STILL SHOUT 'PEN GOTTA CIGGY, GOTTA LIGHT, GOTTA FILTER, GOTTA PAPER, NOW I JUST SAY GOTTA GIVE IT UP CUZ!"

**Ready Steady Quit supporting business**

The traditional smoko-break might be a kiwi institution but Dempsey Wood, one of NZ's largest civil contractors, knows the health of its workforce is a top priority and has made a commitment to supporting employees wishing to enjoy their breaks smokefree.

One staff member pleased to have kicked the habit is 49 year old Penny Tuhoro. Penny, a sole parent of three children, had been smoking for 38 years; starting at the tender age of 11. She had tried quitting before but found the cravings set in very quickly so could not see it through, despite wanting to be smoke free. Penny said "What really made the difference this time was having the support of my employer and being able to get the support at work, it meant I didn't have to attend an appointment outside of work hours when I'm busy with kids. It was also fun doing it with my work mates, we encouraged each other."

"The people that ran the programme were so encouraging and didn't make me feel bad about myself. They also provided so much support as well as nicotine replacement aids and having the CO readings done each week provided great motivation, you could literally see how much your health was improving as the readings came down.

**READY STEADY QUIT** SIGNED AN MOU WITH THE AIR FORCE (WHENUAPI) AS WELL AS THE NAVY (DEVONPORT) TO PROVIDE SUPPORT TO THEIR WORKFORCE AND WHĀNAU AS THE ORGANISATION WORKS TOWARDS THEIR SMOKE FREE 2020 GOAL.

**READY STEADY QUIT** HAS BEEN WORKING WITH BUSINESSES WHO ARE HELPING THEIR STAFF BECOME SMOKE FREE SUCH AS DEMPSEY WOOD.

# Our Board

## Dr Harley Aish

BHB, MB, CHB, DIPOBST, FRNZCGP

Harley Aish started his career as a general practitioner in Otara in 1997. Past roles include director of Southmed IPA and ProCare Health Ltd, and director and later chair of ProCare Networks Ltd. He served on the executive of IPAC, was part of the team for the PSAAP PHO contract negotiations and a member of the PHO Performance Programme Governance Group. He was actively involved in the Greater Auckland Integrated Health Network (GAIHN) as a clinical champion for the High-Risk Individual Workstream. He is also a Chair of Medical Assurance Society (MAS) and director of Howick Baptist Healthcare (HBH). In between, he still loves to serve patients in Otara.

## Dr Neil Hefford

BHB, MB, CHB, FRNZCGP

Neil Hefford graduated from Auckland Medical School in 1985 and has been a GP in his own practice in Grey Lynn for 24 years. He is a director of ProCare Networks Ltd and chair of ProCare's Clinical Governance Committee. His passion is achieving better integrated care and quality outcomes for our patient population through improved models of care, as well as improving GP work satisfaction and financial security.

## Hanne Janes

LLB

Hanne Janes has extensive commercial and legal experience, including managing start-up SMEs and strategic and economic consulting with Deloitte. Hanne's law career has spanned a diverse range of specialities including; medical and health law, professional liability, regulatory compliance, health and safety, competition, employment, civil, and relationship litigation. Following fifteen years at the independent bar, Hanne was instrumental in establishing a health care practice at DLA Phillips Fox in 2013. In 2015 she returned to practice as a barrister with an interest in alternative organisational dispute resolution. In 2018 Hanne was appointed counsel assisting the Government with the mental health and addiction inquiry.

## Dr Craig King

BHB, MB, CHB, FRNZCGP, DCH, Dip. Sports Med

Craig King has been a member of the board since November 2015. He is a GP at Health New Lynn, which was established in 2013 from an amalgamation of four local medical centres in the wider West Auckland area. He has been practicing as a GP in the area since 1990. Craig is a key member of the PSAAP PHO contract negotiations team.Past roles include Director Westcare Accident and Medical Clinics, Director HealthWest PHO, teacher and examiner roles for RNZCGP.

## Dr Francesco Lentini

FRNZCGP, PGDipGP, Certamen, PGCertTravMed

Dr Francesco Lentini graduated in Italy in 1995 before moving to the UK in 1999 and qualifying as a Surgeon in 2001. He completed his training in General Practice in 2003 in London. He spent a period working in Surrey before moving to New Zealand in 2005. He was Rural GP and Partner in Wellsford for four years, where he was also a Board Member for the local 'Coast to Coast' PHO. He is currently a Partner at the Mairangi Medical Centre. He has been a RNCGP Teacher since 2009 and since 2014 Francesco has been working for the RNZCGP as a GPEP 1 Lead Medical Educator for the NW Auckland region. He also works as an Educational Supervisor for the NZMC and is a Primex Examiner.

## June McCabe

MBA

June McCabe has had a diverse career in both the public and private sectors at senior levels, including 20 years of investment and banking experience. Her past and current corporate governance experience spans public, private and not-for-profit boards in the education, finance, health, housing, television and venture capital sectors. She is currently a director on the Northland District Health Board, ProCare Networks Limited, a member of ProCare's Audit and Risk Assurance Committee and chair of the Remuneration and Governance Committee. June is also chair of the ProCare Charitable Foundation.

## James Sclater

B COM, CA

James has been a professional director since 2008 and has a broad range of board experience in both private and publicly listed companies. He has a keen interest in strengthening and developing New Zealand businesses through quality leadership, governance, and strategy. James is a Chartered Accountant and was a partner at Grant Thornton where he was a business advisory services director for 18 years, specializing in small-to-medium enterprise accounting, taxation and management advice. He is a member of the Institute of Directors and Chartered Accountants Australia and New Zealand. Current directorships include NZX Listed TeamTalk, Retail Dimension, Damar Industries, Salus Aviation, HomeCare Medical and several other companies. James is ProCare's Audit and Risk Assurance Committee Chairperson and a member of the Remuneration and Governance Committee.

## Dr Stephanie Taylor

MB, CHB, FRNZCGP

Dr Stephanie Taylor was elected to the board, effective 1 December 2017. Dr Taylor is a GP and partner at St Heliers Medical where she has practiced since 2004, previously working in general practice in Wellington and South Auckland. In addition to her role on the ProCare board Dr Taylor is an examiner for the RNZCGP, having previously been part of their Education Advisory Group.

## Dr Jan White

BHB, MB, CHB, FRNZCGP

Jan graduated from the University of Otago in 1973 and spent her early years working in the deep south. She worked in varying roles while her family was young including student health, family planning and a teaching role whilst living in Boston for three years. On returning to New Zealand she took on a locum role at Mt Eden Medical centre and became a partner in 1985. She is Chair of the General Practitioners Council of The New Zealand Medical Association and sits on the NZMA board.

Left the board in December 2017: Dr Johnathan Fox

LEFT TO RIGHT: DR JAN WHITE, DR FRANCESCO LENTINI, DR CRAIG KING, DR STEPHANIE TAYLOR, JAMES SCLATER, DR HARLEY AISH (CHAIR), JUNE McCABE, HANNE JANES, DR NEIL HEFFORD

# Our Governance Structure

**ProCare Health Ltd (ProCare or PHL) is a Limited Liability Company. The great majority of its shares are held by the independent ProCare Charitable Foundation, which has a focus on giving back to the community.**

The ProCare Board is responsible for setting the strategic direction of the organisation and adopting appropriate governance processes to ensure effective oversight of the organisation on behalf of shareholders, employees and other stakeholders. The Board appoints the Directors of Procare Network Limited (PNL) to act in the Primary Health Organisation (PHO). The Board is committed to high standards of corporate governance and follows, in principle, the corporate governance guidelines and principles developed by the Financial Markets Authority and the New Zealand Institute of Directors. The Board establishes committees to support it in its governance work. These committees do not make binding Board decisions, but make recommendations to the Board.

This year the charters for all ProCare boards and committees were updated to ensure the high standards of corporate governance are maintained.

To review our committee charters please visit  http://www.procare.co.nz/about/governance/.



# Boards

## ProCare Networks Board

9 MEMBERS

## ProCare Health Board

9 MEMBERS

## Executive

6 MEMBERS

## ProCare Health

131 FULL TIME EMPLOYEES

24 PART TIME EMPLOYEES

35 CONTRACTORS

# Proper governance is the hallmark of a responsible company

**ProCare's Boards and Committees provide business expertise, leadership and clinical governance for our organisation, ensuring the ongoing success of our business and clinical direction. Between 1 July 2017 and 30 June 2018 the committees and boards were as follows:**

## Audit & Risk Assurance Committee

The Audit & Risk Assurance Committee assists the Board in fulfilling its responsibilities relating to accounting and reporting, external audit, legislative and regulatory compliance and general risk management for ProCare. The Committee oversees, reviews and provides advice to the Board on the Company's financial information, policies and procedures in regards to financial matters, external audit functions and internal control and risk management policies and processes. The Committee reviews and reports to the Boards on management's processes for the identification, prioritisation and management of risk.

**ARAC Members** James Sclater (Chairman), Hanne Janes, Harley Aish, June McCabe.

## Remuneration & Governance Committee

The Remuneration & Governance Committee assists the Board in the establishment of remuneration policies and practices for the company, and in discharging the Board's responsibilities related to remuneration and governance; and monitors the Chief Executive Officer's performance.

**RAGC Members** June McCabe (Chair), Hanne Janes, Harley Aish, James Sclater.

## Clinical Governance Committee

The Clinical Governance Committee (CGC) is an advisory committee to the Boards of ProCare Health Limited, ProCare Networks Limited and ProCare Physiological Services Limited. The Committee provides a population health perspective in relation to the clinical performance of ProCare and its provider network; recommends clinical goals; champions a culture of clinical excellence while providing oversight of the clinical safety and quality of ProCare's clinical providers; and sets and oversees the clinical direction and performance of ProCare. CGC is supported by ProCare's Clinical Directorate for implementing its work programme and managing clinical risks.

**CGC Members** Neil Hefford (Chairman), Dean McKay, Doone Winnard, Jessie Crawford, Jim Kriechbaum, Kim Bannister, Metua Bates (resigned 21 December 2017), Michelle Cray, Minnie Strickland (appointed 2 February 2018), Rachel Madsen , Rod Jackson, Stephen Child (resigned 21 June 2018), Wikitoria Gillespie.

Note: The Clinical Governance Committee (CGC) and the Clinical Quality and Education Committee (CQEC) (a management committee) amalgamated to form the Clinical Quality Committee (CQC) on 3 July 2018 in order to provide clarity over the clinical approval process and remove any duplication of effort between the two committees. It is chaired by Dr Jim Kriechbaum.

## ProCare Māori Advisory Committee

ProCare's Māori Advisory Committee (ProMA) advises and supports ProCare Health and ProCare Networks, in recognising the special place of Māori peoples as Tangata Whenua, to respond to the diverse cultural needs of Māori peoples, and to promote health and wellbeing amongst Māori communities. The Committee develops and helps implement Māori strategy for ProCare so it may achieve Māori health goals and reduce inequities in Māori health

**ProMA Members** Patience Te Ao (Chair), Francesco Lentini, John Marsden, Taima Campbell, Tania Riddell, Wikitora Gillespie.

## ProCare Pacific Advisory Committee

ProCare's Pacific Advisory Committee (ProPA) advises and supports ProCare Health and ProCare Networks, in recognising the special place Pacific peoples have in New Zealand society, to respond to the diverse cultural needs of Pacific peoples, and to promote health and wellbeing amongst Pacific communities. The Committee develop and implements a Pacific strategy for ProCare so it may achieve Pacific health goals and reduce inequities in Pacific health.

**ProPA Members** Sam Fuimaono (Chairman), Judy Matai'a, Maika Veikune, Metua Bates, Stephen Stehlin, Tevita Funaki.

## Other boards

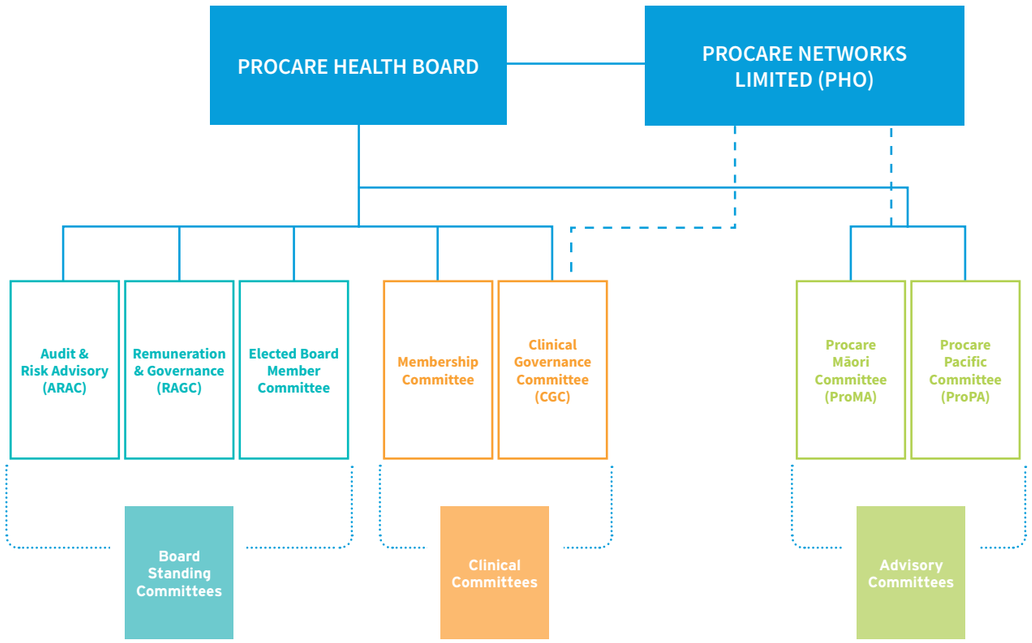
**ProCare Networks Ltd** The ProCare Networks Ltd (PNL) Board is responsible for ensuring that PNL discharges its responsibilities under its PHO Services Agreement and achieves the agreed outcomes and ensures the provision of essential primary health care services, mostly through general practices, to those people who are enrolled with the PHO. PNL currently holds a PHO agreement with Auckland District Health Board, Counties Manukau District Health Board and Waitemata District Health Board. The Board of Directors are: Tevita Funaki (Chairman), Jodie O'Sullivan (appointed 13 February 2018), John Marsden, June McCabe, Kim Bannister (resigned 29 November 2017), Lesley Going, Neil Hefford, Patience Te Ao (resigned 29 November 2017), Renee Newman, Sam Fuimaono, Taima Campbell (appointed 8 December 2017).

**Clinical Assessments Ltd** (CAL) Neil Hefford (Chairman), John Betteridge, Paul Roseman.

**ProCare Psychological Services Ltd** (PPS) is governed by a Management Board of Directors: Steve Boomert (Chairman), Allan Moffitt, Tony Wai.

**Homecare Medical Ltd** (HML) Board of Directors Roger Sowry (Chairman), Debbie Packer (appointed 1 May 2018), Hillary Currie, James Sclater, Lee Eglinton, Steve Boomert, Vince Barry.

# ProCare Governance and Advisory



PROCARE HEALTH LIMITED AND SUBSIDIARIES

ANNUAL REPORT

**for the year ended 30 June 2018**

# CONTENTS

# Directory

## Directors:

| | |
|---|---|
| ProCare Health Limited | Dr H E Aish |
| | Dr C L King |
| | Dr J E M Fox (resigned 7 November 2017) |
| | Dr N J H Hefford |
| | J N McCabe |
| | J M Sclater |
| | Dr J F V White |
| | H Janes |
| | Dr F Lentini |
| | Dr S L Taylor (appointed 8 November 2017) |
| ProCare Networks Limited | T F Funaki (Chair) |
| | Dr R K Bannister (resigned 4 December 2017) |
| | Dr S Fuimaono |
| | L A Going |
| | Dr N J H Hefford |
| | J Marsden |
| | J N McCabe |
| | R J E Newman |
| | P O Te Ao ( resigned 29 November 2017) |
| | T Campbell (appointed 8 December 2017) |
| | Dr J J O'Sullivan (appointed 13 February 2018) |
| ProCare Network West Limited | Removed from Companies Office on 17 March 2017 |
| ProCare Psychological Services Limited | S J Boomert (Chair) |
| | Dr A Moffitt |
| | T A Wai (appointed 1 July 2017) |
| | D E Baty (resigned 1 July 2017) |
| ProCare Health (LP) Limited | S J Boomert (Chair) |
| | T A Wai |
| Clinical Assessments Limited | Dr N J H Hefford (Chair) |
| | Dr J H Betteridge |
| | P D Roseman |

## Group Chief Executive

S J Boomert

## Subsidiaries:

| | % |
|---|---|
| ProCare Networks Limited | 100 |
| ProCare Psychological Services Limited | 100 |
| ProCare Health (LP) Limited | 100 |
| Clinical Assessments Limited | 67 |

All subsidiaries have a 30 June balance date.

## Joint venture

| | |
|---|---|
| Homecare Medical Limited Partnership | 50 |

REGISTERED OFFICE:

Level 2
110 Stanley Street
Grafton
Auckland

BANKERS:

ANZ Bank
PO Box 12 060
Penrose
Auckland 1642

SOLICITOR:

Buddle Findlay
PricewaterhouseCoopers Tower
188 Quay Street
Auckland 1140

AUDITOR:

BDO Auckland
Level 4, BDO Centre
4 Graham Street
Auckland





# Directors' Report

## for the year ended 30 June 2018

The Directors present their annual report including financial statements of the Group for the year ended 30 June 2018.

## Directors

The persons listed on the directory page held office as directors during the year. No other person held the office of director at any time during the year.

## Principal activities

ProCare Health Limited provides management and clinical services to its subsidiary, ProCare Networks Limited, which is a Primary Health Organisation (PHO). The Company's functions include the design, development, implementation and management of health programmes with the objective of improving the health status of patients in the care of associated general practitioners and their professional colleagues.

The Company's other subsidiaries are:

- ProCare Health (LP) Limited provided a telephone nurse triage service, which assisted the patients of subscribing GPs, PHOs and District Health Boards to access healthcare on a 24-hour basis, until 1 May 2014. After that date it became the limited partner in Homecare Medical (NZ) Limited Partnership (HMLP) which has taken over the business and associated assets of ProCare Health (LP) Limited. Its only activity going forward is to hold the Group's investment in HMLP, which is a 50% owned equity accounted investee.
- Clinical Assessments Limited facilitates the delivery of specific health service initiatives in the wider Auckland region; and
- ProCare Psychological Services Limited provides clinical psychological and psychiatric services in the wider Auckland region.
- ProCare Network West Limited was incorporated on 1 July 2007 and removed from the Companies Office on 17 March 2017.

## Results

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Profit after tax for the year | **21,719** | 683,820 | **147,106** | 148,905 |
| Non-controlling interest in profit of subsidiary | **(850)** | (277) | **-** | - |
| Dividends paid to Ordinary A shareholders | **(28,047)** | (27,800) | **(28,047)** | (27,800) |
| Dividends paid to Ordinary B shareholders | **(227,400)** | (227,400) | **(227,400)** | (227,400) |
| Opening retained earnings | **1,953,182** | 1,524,839 | **1,725,153** | 1,831,448 |
| Closing retained earnings | **1,718,604** | 1,953,182 | **1,616,812** | 1,725,153 |

## Dividends

On 3 October 2017, the Board resolved to pay fully imputed dividends of $50 per "A" and "B" share.
Dividends were paid in November 2017 on Redeemable Preference Shares at a coupon rate of 7.1% and are recognised as an interest expense for accounting purposes. An accrual is recognised for dividends payable as at 30 June 2018, at the coupon rate.

## Auditors

BDO Auckland continue in office as auditors.

# Directors' Report (Continued)

## for the year ended 30 June 2018

### Directors' interests

Directors' interests have been declared pursuant to section 140(2) of the Companies Act 1993. Those directors are to be regarded as having an interest in any contract that may be made with any one of the group companies by virtue of their directorship or membership of those entities.

No material contracts involving directors' interests existed at the end of the financial year other than the transactions detailed below :

### Directors' remuneration

| ProCare Health Limited | 2018 $ Directors Fees | 2018 $ Committee Fees |
|---|---|---|
| Dr H E Aish | 90,000 | - |
| Dr C L King | 45,000 | - |
| Dr J E M Fox (resigned 7 November 2017) | 18,750 | - |
| Dr N J H Hefford | 45,000 | - |
| J N McCabe | 45,000 | 15,000 |
| J M Sclater | 45,000 | 15,000 |
| Dr J F V White | 45,000 | - |
| H Janes | 45,000 | 10,000 |
| Dr F Lentini | 45,000 | - |
| Dr S L Taylor (appointed 8 November 2017) | 26,250 | - |
| | **450,000** | **40,000** |

| ProCare Networks Limited | 2018 $ Directors Fees |
|---|---|
| T F Funaki (Chair) | 22,000 |
| Dr R K Bannister (resigned 4 December 2017) | 5,500 |
| Dr S Fuimaono | 11,000 |
| L A Going | 11,000 |
| Dr N J H Hefford | 11,000 |
| J Marsden | 11,000 |
| J N McCabe | 11,000 |
| R J E Newman | 11,000 |
| P O Te Ao (resigned 29 November 2017) | 11,000 |
| T Campbell (appointed 8 December 2017) | 5,500 |
| Dr J J O'Sullivan (appointed 13 February 2018) | 4,583 |
| | **108,166** |





Directors' Report (Continued)

for the year ended 30 June 2018

| ProCare Psychological Services Limited | 2018 $ Directors Fees |
|---|---|
| S J Boomert (Chair) | - |
| T A Wai (appointed 1 July 2017) | - |
| Dr A Moffitt | - |
| | - |

| Clinical Assessments Limited | 2018 $ Directors Fees |
|---|---|
| Dr N J H Hefford (Chair) | 5,000 |
| Dr J H Betteridge - paid to East Health Services Limited | 2,000 |
| P D Roseman - paid to ProCare Health Limited | 2,000 |
| | **9,000** |

| ProCare Health (LP) Limited | 2018 $ Directors Fees |
|---|---|
| S J Boomert (Chair) | - |
| T A Wai | - |
| | - |

Additional remuneration was paid to directors for services separate from services as a director as disclosed in note 19.3 of the financial statements.

# Directors' Report (Continued)

## for the year ended 30 June 2018

### Employee remuneration

The number of employees in the Group, who are not directors, whose remuneration and benefits exceeded $100,000 in the financial year were:

| Range | 2018 Number |
|---|---|
| $420,001-$430,000 | 1 |
| $270,001-$280,000 | 2 |
| $210,001-$220,000 | 1 |
| $190,001-$200,000 | 1 |
| $170,001-$180,000 | 2 |
| $150,001-$160,000 | 2 |
| $140,001-$150,000 | 1 |
| $130,001-$140,000 | 3 |
| $120,001-$130,000 | 5 |
| $110,001-$120,000 | 6 |
| $100,001-$110,000 | 4 |

### Directors and employees indemnity and insurance

The Company has insured all its directors and employees and those of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their positions as directors or employees.

### Donations

In accordance with section 211(1)(h) of the Companies Act 1993, the Company records that it donated a total of $1,041 (2017: $750) to various charities during the year.





# Directors' Report (Continued)

## for the year ended 30 June 2018

### Director share ownership

ProCare Health Limited's ordinary shares owned by directors have the same voting rights as all other ordinary shares of ProCare Health Limited currently on issue.

As at 30 June 2018, directors had a relevant interest (as defined in the Securities Markets Act 1988) in ProCare Health Limited shares as follows:

| Name | Relevant interest in ProCare Health Limited Shares 30 June 2018 |
|---|---|
| Dr H E Aish | 1 |
| Dr C L King | 1 |
| Dr S L Taylor | 1 |
| Dr N J H Hefford | 1 |
| Dr J F V White | 1 |
| Dr F Lentini | 1 |
| Dr R K Bannister | 1 |
| Dr S Fuimaono | 1 |
| Dr J J O'Sullivan | 1 |

The above directors also received the Redeemable Preference Shares (RPS) as part of the capital restructure. Refer to note 18 on the RPS issue.

### Use of company information

The board received no 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.

For and on behalf of the board

**Harley Aish**
Director
2 October 2018

**James Sclater**
Director
2 October 2018

# Statement of Comprehensive Income

for the year ended 30 June 2018

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | **2018** | 2017 | **2018** | 2017 |
| | Notes | **$** | $ | **$** | $ |
| Revenue | 3 | **194,514,398** | 193,177,886 | **37,327,612** | 36,041,391 |
| Other income | 3 | **-** | - | **857,470** | 368,672 |
| **Total income** | | **194,514,398** | 193,177,886 | **38,185,082** | 36,410,063 |
| | | | | | |
| **Expenses** | | | | | |
| Clinical costs | | **168,821,803** | 169,296,203 | **15,670,759** | 15,452,271 |
| Administrative expenses | 4 | **26,253,694** | 23,829,258 | **22,457,689** | 20,660,990 |
| **Total expenses** | 4 | **195,075,497** | 193,125,461 | **38,128,448** | 36,113,261 |
| | | | | | |
| **Operating (loss)/ profit** | | **(561,099)** | 52,425 | **56,634** | 296,802 |
| | | | | | |
| Finance income | 3 | **370,716** | 538,231 | **123,030** | 121,975 |
| Less: Finance costs | 4 | **111,646** | 127,042 | **109,728** | 124,234 |
| **Net finance income/ (expense)** | | **259,070** | 411,189 | **13,302** | (2,259) |
| | | | | | |
| **(Loss)/ Profit before share of profit of equity accounted investees** | | **(302,029)** | 463,614 | **69,936** | 294,543 |
| | | | | | |
| Share of profit of equity accounted investees | 15 | **469,514** | 558,207 | **-** | - |
| **Profit before tax** | | **167,485** | 1,021,821 | **69,936** | 294,543 |
| | | | | | |
| Income tax expense | 16 | **145,766** | 338,001 | **(77,170)** | 145,638 |
| **Profit for the year** | | **21,719** | 683,820 | **147,106** | 148,905 |
| | | | | | |
| Other comprehensive income | | **-** | - | **-** | - |
| **Total comprehensive income for the year** | | **21,719** | 683,820 | **147,106** | 148,905 |
| | | | | | |
| **Profit attributable to:** | | | | | |
| Owners of the company | | **20,869** | 683,543 | **147,106** | 148,905 |
| Non-controlling interests | | **850** | 277 | **-** | - |
| **Profit for the year** | | **21,719** | 683,820 | **147,106** | 148,905 |
| | | | | | |
| **Total comprehensive income attributable to:** | | | | | |
| Owners of the company | | **20,869** | 683,543 | **147,106** | 148,905 |
| Non-controlling interests | | **850** | 277 | **-** | - |
| **Total comprehensive income for the year** | | **21,719** | 683,820 | **147,106** | 148,905 |





# Statement of Financial Position

for the year ended 30 June 2018

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | **2018** | 2017 | **2018** | 2017 |
| | Notes | **$** | $ | **$** | $ |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 6 | **13,697,671** | 12,882,014 | **4,162,400** | 4,030,234 |
| Investments - short term deposits | 6 | **400,000** | 5,000,000 | **-** | 2,000,000 |
| Trade and other receivables | 7 | **7,120,392** | 4,854,889 | **3,472,901** | 2,203,555 |
| Income tax receivable | | **36,727** | 154,336 | **200,408** | 208,104 |
| Intercompany receivables | 10 | **-** | 11,572 | **3,225,598** | 3,646,148 |
| | | **21,254,790** | 22,902,811 | **11,061,307** | 12,088,041 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 12 | **907,978** | 231,490 | **907,978** | 231,490 |
| Computer software | 13 | **1,294,692** | 1,205,694 | **1,294,692** | 1,205,694 |
| Deferred tax assets | 16 | **441,764** | 322,448 | **414,324** | 309,596 |
| Deferred settlement | 8 | **-** | 127,500 | **-** | - |
| Investment in subsidiaries | 14 | **-** | - | **648,403** | 648,403 |
| Investment in equity accounted investees | 15 | **1,828,959** | 2,359,445 | **118** | 118 |
| | | **4,473,393** | 4,246,577 | **3,265,515** | 2,395,301 |
| **TOTAL ASSETS** | | **25,728,183** | 27,1493,88 | **14,326,822** | 14,483,342 |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 9 | **8,422,356** | 8,488,919 | **5,443,524** | 5,441,163 |
| Deferred revenue | 11 | **10,664,072** | 11,767,318 | **2,141,964** | 2,253,416 |
| Intercompany payables | 10 | **16,582** | - | **263,791** | 168,629 |
| Redeemable preference shares | 17 | **42,000** | 42,000 | **42,000** | 42,000 |
| | | **19,145,010** | 20,298,237 | **7,891,279** | 7,905,208 |
| **Long-term liabilities** | | | | | |
| Redeemable preference shares | 17 | **2,136,000** | 2,184,000 | **2,136,000** | 2,184,000 |
| **TOTAL LIABILITIES** | | **21,281,010** | 22,482,237 | **10,027,279** | 10,089,208 |
| **NET ASSETS** | | **4,447,173** | 4,667,151 | **4,299,543** | 4,394,134 |
| | | | | | |
| **REPRESENTED BY:** | | | | | |
| **EQUITY** | | | | | |
| Share capital | 19 | **2,682,731** | 2,668,981 | **2,682,731** | 2,668,981 |
| Retained earnings | | **1,718,604** | 1,953,182 | **1,616,812** | 1,725,153 |
| **Equity attributable to parent** | | **4,401,335** | 4,622,163 | **4,299,543** | 4,394,134 |
| **Non-Controlling Interests** | | **45,838** | 44,988 | **-** | - |
| **TOTAL EQUITY** | | **4,447,173** | 4,667,151 | **4,299,543** | 4,394,134 |

For and on behalf of the board

**Harley Aish**
Director
2 October 2018

**James Sclater**
Director
2 October 2018

# Statement of Changes in Equity

for the year ended 30 June 2018

| Parent 2017 | Notes | Share capital $ | Retained Earnings $ | Total Equity $ |
|---|---|---|---|---|
| **Balance at 1 July 2016** | | 2,575,231 | 1,831,448 | 4,406,679 |
| **Total comprehensive income for the period** | | | | |
| Profit for the period | | - | 148,905 | 148,905 |
| **Total comprehensive income** | | - | 148,905 | 148,905 |
| **Transactions with owners in their capacity as owners** | | | | |
| Dividends | 24 | - | (255,200) | (255,200) |
| "A" shares repurchased | 18 | (5,500) | - | (5,500) |
| Issue of ordinary "A" shares | 18 | 99,250 | - | 99,250 |
| **Balance at 30 June 2017** | | **2,668,981** | **1,725,153** | **4,394,134** |

| Parent 2018 | Notes | Share capital $ | Retained Earnings $ | Total Equity $ |
|---|---|---|---|---|
| **Balance at 1 July 2017** | | 2,668,981 | 1,725,153 | 4,394,134 |
| **Total comprehensive income for the period** | | | | |
| Profit for the period | | - | 147,106 | 147,106 |
| **Total comprehensive income** | | - | 147,106 | 147,106 |
| **Transactions with owners in their capacity as owners** | | | | |
| Dividends | 24 | - | (255,447) | (255,447) |
| "A" shares repurchased | 18 | (8,500) | - | (8,500) |
| Issue of ordinary "A" shares | 18 | 22,250 | - | 22,250 |
| **Balance at 30 June 2018** | | **2,682,731** | **1,616,812** | **4,299,543** |





# Statement of Changes in Equity

for the year ended 30 June 2018

| | | Attributable to owners of the Company | | | | |
|---|---|---|---|---|---|---|
| Group 2017 | Notes | Share capital $ | Retained Earnings $ | Total $ | Non-Controlling Interest $ | Total Equity $ |
| **Balance at 1 July 2016** | | 2,575,231 | 1,524,839 | 4,100,070 | 44,711 | 4,144,781 |
| **Total comprehensive income for the period** | | | | | | |
| Profit for the period | | - | 683,543 | 683,543 | 277 | 683,820 |
| **Total comprehensive income** | | - | 683,543 | 683,543 | 277 | 683,820 |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Dividends | 24 | - | (255,200) | (255,200) | - | (255,200) |
| "A" shares repurchased | 18 | (5,500) | - | (5,500) | - | (5,500) |
| Issue of ordinary "A" shares | 18 | 99,250 | - | 99,250 | - | 99,250 |
| **Balance at 30 June 2017** | | **2,668,981** | **1,953,182** | **4,622,163** | **44,988** | **4,667,151** |

| | | Attributable to owners of the Company | | | | |
|---|---|---|---|---|---|---|
| Group 2018 | Notes | Share capital $ | Retained Earnings $ | Total $ | Non-Controlling Interest $ | Total Equity $ |
| **Balance at 1 July 2017** | | 2,668,981 | 1,953,182 | 4,622,163 | 44,988 | 4,667,151 |
| **Total comprehensive income for the period** | | | | | | |
| Profit for the period | | - | 20,869 | 20,869 | 850 | 21,719 |
| **Total comprehensive income** | | **-** | **20,869** | **20,869** | **850** | **21,719** |
| **Transactions with owners in their capacity as owners** | | | | | | |
| Dividends | 24 | - | (255,447) | (255,447) | - | (255,447) |
| "A" shares repurchased | 18 | (8,500) | - | (8,500) | - | (8,500) |
| Issue of ordinary "A" shares | 18 | 22,250 | - | 22,250 | - | 22,250 |
| **Balance at 30 June 2018** | | **2,682,731** | **1,718,604** | **4,401,335** | **45,838** | **4,447,173** |

# Statement of Cash Flows

for the year ended 30 June 2018

| | Notes | Group 2018 $ | Group 2017 $ | Parent 2018 $ | Parent 2017 $ |
|---|---|---|---|---|---|
| **Cash flows from/ (to) operating activities** | | | | | |
| Cash provided from: | | | | | |
| Receipts from customers and funders | | **192,288,832** | 192,565,100 | **37,847,082** | 37,901,607 |
| Interest income received | | **330,387** | 550,011 | **110,559** | 125,501 |
| Dividends received | | **-** | - | **650,000** | 1,866 |
| | | **192,619,219** | 193,115,111 | **38,607,641** | 38,028,974 |
| Cash applied to: | | | | | |
| Payments to suppliers and providers | | **(182,012,717)** | (180,473,378) | **(26,834,816)** | (24,878,178) |
| Payments to and on behalf of employees | | **(13,342,464)** | (11,752,958) | **(11,721,807)** | (10,320,439) |
| Income tax paid | | **(147,473)** | (601,448) | **(19,862)** | (429,264) |
| Interest paid | | **9,854** | (5,542) | **1,612** | (2,734) |
| | | **(195,492,800)** | (192,833,326) | **(38,574,873)** | (35,630,615) |
| **Net cash from/ (to) operating activities** | 23 | **(2,873,581)** | 281,785 | **32,768** | 2,398,359 |
| **Cash flows from/ (to) investing activities** | | | | | |
| Cash provided from: | | | | | |
| Proceeds from short term deposits | 6 | **4,600,000** | 1,000,000 | **2,000,000** | - |
| Proceeds from sale of property, plant and equipment | | **-** | - | **-** | 292 |
| Distributions by equity accounted investees | 15 | **1,000,000** | 15,541 | **-** | 5,000 |
| Cash applied to: | | | | | |
| Purchase of property, plant & equipment and software | | **(1,378,721)** | (708,825) | **(1,378,721)** | (709,117) |
| **Net cash from/ (to) investing activities** | | **4,221,279** | 306,716 | **621,279** | (703,825) |
| **Cash flows from/ (to) financing activities** | | | | | |
| Cash provided from: | | | | | |
| Issue of ordinary "A" shares | 18 | **22,250** | 99,250 | **22,250** | 99,250 |
| Cash applied to: | | | | | |
| Share repurchase | 18 | **(56,500)** | (41,500) | **(56,500)** | (41,500) |
| Dividends paid to Ordinary A shareholders | | **(28,047)** | (27,800) | **(28,047)** | (27,800) |
| Dividends paid to Ordinary B shareholders | | **(227,400)** | (227,400) | **(227,400)** | (227,400) |
| Interest paid on redeemable preference shares | | **(242,344)** | (122,804) | **(232,184)** | (122,804) |
| | | **(554,291)** | (419,504) | **(544,131)** | (419,504) |
| Net cash to financing activities | | **(532,041)** | (320,254) | **(521,881)** | (320,254) |
| Net increase in cash and cash equivalents | | **815,657** | 268,247 | **132,166** | 1,374,280 |
| Cash and cash equivalents at beginning of the year | | **12,882,014** | 12,613,767 | **4,030,234** | 2,655,954 |
| **Cash and cash equivalents at the end of the year** | 6 | **13,697,671** | 12,882,014 | **4,162,400** | 4,030,234 |





# Statement of Significant Accounting Policies

for the year ended 30 June 2018

## 1) CORPORATE INFORMATION

The financial statements presented are for the reporting entity ProCare Health Limited (the Company) and for the Group comprising ProCare Health Limited (the parent company and the ultimate holding company), ProCare Health (LP) Limited, Clinical Assessments Limited, ProCare Psychological Services Limited and ProCare Networks Limited, (the subsidiaries), and the Group's interest in equity accounted investees.

The financial statements of ProCare Health Limited and the financial statements for the Group for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the Directors on 2 October 2018.

The financial statements are for the year ended 30 June 2018.

The companies are limited liability companies incorporated and domiciled in New Zealand under the Companies Act 1993.

The Company is registered under the Companies Act 1993 and is a Financial Markets Conduct Act 2013 reporting entity in terms of the Financial Reporting Act 2013.

For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Company and Group are for-profit entities.

### Principal activities

ProCare Health Limited (the "Company or the Parent") provides management and clinical services to its subsidiary ProCare Networks Limited which is a Primary Health Organisation (PHO). The Company's functions include the design, development, implementation and management of health programmes with the objective of improving the health status of patients in the care of associated general practitioners and their professional colleagues.

The Company's other subsidiaries are:
ProCare Health (LP) Limited provided a telephone nurse triage service, which assists the patients of subscribing GPs, PHOs and District Health Boards to access healthcare on a 24-hour basis, until 1 May 2014. After that date it became the limited partner in Homecare Medical (NZ) Limited Partnership which has taken over the business and assets of ProCare Health (LP) Limited.

Clinical Assessments Limited facilitates the delivery of specific health service initiatives in the wider Auckland region.

ProCare Psychological Services Limited provides clinical psychological and psychiatric services in the wider Auckland region.

## 2)SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements comply with NZ GAAP, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards and the relevant requirements of the Financial Markets Conduct Act 2013.

**Functional and presentation currency**

The financial statements are presented in New Zealand dollars, which is the Company's and it's subsidiaries functional currency and presentation currency. All values are rounded to the nearest dollar.

**Basis of measurement**

The financial statements are prepared on the historical cost basis.

### 2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are as follows:

- Income recognition and deferral utilising the income recognition policies in 2.3. See Notes 3 - Revenue and 11 - Deferred revenue.
- Recognition of deferred taxation in accordance with the taxation policy in 2.3. See note 16.2.

### 2.3 Specific accounting policies

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

**Revenue recognition**

Revenue from the delivery of clinical services are recognised in the accounting period in which the services are rendered. Funding received in advance of service provision is treated as deferred income until the related service provision obligations are met. This includes initiatives funding.

Performance management income is recognised in the year it relates to. 75% of the total payment is paid up front for capability and capacity building, 25% in quarter 1 and 50% in quarter 3. The remaining 25% is based on performance measured against the targets.

Interest earned on funding received in advance of service provision is also treated as deferred income per funding agreements required to be applied to the provision of future health services on the basis that the Company and Group have a constructive obligation to the funder. It is not regarded as income available to shareholders.

Interest income is recognised in the profit or loss on an accrual basis, using the effective interest method.

Deferred income held as 'Settlement saving funding' is held for

# Statement of Significant Accounting Policies

## for the year ended 30 June 2018

the provision of general health services that meet criteria set when the funding was received. Under NZ IAS 18 the deferral is based on undertakings given by the Company to the funder and ongoing dialogue with them. These funds will be applied to meet current service expenditure at the Directors' discretion.

Dividend income is recognised in the profit or loss on the date the Company's right to receive payment is established.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2018 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are entities that are controlled, either directly or indirectly, by the Company. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

For the Group, intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

**Acquisition of non-controlling interests**

Acquisition of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

**Investment in subsidiaries**

In the parent Company's financial statements, investments in subsidiaries are stated at cost less any impairment if applicable.

**Investments in associates**

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired

**Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is recognised in the profit or loss on a straight line basis over the estimated useful lives.

Property, plant and equipment depreciation rates are summarised as follows for the current and prior year:

Leasehold improvements: 12.5% - 20% straight line

Furniture and equipment : 20% - 40% straight line

Computer hardware: 33% straight line

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

*Subsequent costs*

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or parent Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other subsequent expenditure is expensed as incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the profit or loss.

**Computer software**

All costs directly incurred in the purchase or development of major computer software or subsequent upgrades and material enhancements, which can be reliably measured and are not integral to a related asset, are capitalised as computer software.

**Research and development**

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company or Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and



PROCARE HEALTH LIMITED AND SUBSIDIARIES

Statement of Significant Accounting Policies

for the year ended 30 June 2018

capitalised borrowing costs.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Costs incurred on computer software maintenance are expensed to the profit or loss as they are incurred.

Computer software is amortised over the period of time during which the benefits are expected to arise, being two to five years. Amortisation commences once the computer software is available for use. The amortisation period is reviewed at each reporting date, with the effects of any changes in estimate accounted for on a prospective basis.

**Financial instruments**

Financial assets and liabilities are recognised in the statement of financial position initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

A financial instrument is recognised when the parent Company or Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

The Company or Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, investments - short term deposits, trade and other payables, redeemable preference shares and intercompany receivables and payables.

Financial assets and financial liabilities are only offset if there is currently legally enforceable right of offset and the Company or Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company or Group has one classification of financial assets, loans and receivables. Loans and receivables comprise cash and cash equivalents, investments - short term deposits, trade and other receivables and inter company receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in the active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. Loans and receivables are carried at amortised cost using the effective interest method, less impairment loss.

**Trade and other receivables**

Trade and other receivables are stated at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts). An impairment allowance is established when there is objective evidence that the Group or parent Company will not be able to collect all amounts due according to the original terms of the receivable. Receivables of a short-term duration are not discounted.

**Trade and other payables**

Trade and other payables (including intercompany payables) are carried at amortised cost using the effective interest method and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company or Group prior to the end of the financial year that are unpaid and arise when the Company or Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**Redeemable Preference Shares**

Redeemable preference shares are carried at amortised cost.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

*Investments - short term deposits*

Investments in short term deposits include short-term liquid investments maturing within four to twelve months. These are measured at amortised cost using the effective interest method, less impairment losses.

**Leased assets and lease incentives**

Leases in which a significant portion of a risk and rewards of ownership are not transferred to the Group as leasee are classified as operating leases and the leased assets are not recognised on the statement of financial position. Payments made or received under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

The incentive to lease, paid by the landlord is amortised over the term of the lease, on a straight line basis.

**Impairment**

*Financial assets (including receivables)*

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company or Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows

# Statement of Significant Accounting Policies

## for the year ended 30 June 2018

discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss, and reflected in an allowance account against receivables.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

*Non-financial assets*

The carrying amounts of the Group's and Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in previous periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Employee benefits**

The Company and Group recognise a liability and an expense for employee bonuses where contractually obliged or when there is a constructive obligation to pay bonuses based on past practice.

Liabilities for wages and salaries, including non monetary benefits, and annual leave expected to be wholly settled within 12 months of reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**Taxation**

Income tax for the period comprises current and deferred tax. Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Current tax is the expected tax payable or receivable on the taxable income for the period, using tax rates enacted or substantively enacted at reporting date after taking advantage of all allowable deductions under current taxation legislation and any adjustment to tax liabilities in respect of previous years.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

**Dividend policy**

The Company has a dividend policy of distributing around 50% of the Net Profit after Tax with imputation credits attached only to the extent that these are available from taxation payments. The Directors reserve the right to amend the dividend policy at any time. Each dividend will be determined after due consideration of the capital requirements, operating performance, financial position and cash flows of the Company at the time.

**Deferred settlement**

The fair value of the deferred payment owing on the sale of a business segment or subsidiary is recognised as an asset at the acquisition date, calculated by discounting the expected cash flows comprising the deferred payment. The difference between the nominal and discounted value of the deferred payment will be recognised as notional interest income over the period of the settlement.

**Goods and services taxation (GST)**

The statement of comprehensive income has been prepared on a basis exclusive of GST.

All items in the statement of financial position are stated net of GST, with the exception of receivables and payables which are GST inclusive.





# Statement of Significant Accounting Policies

## for the year ended 30 June 2018

**Statement of cash flows**

The following is the definition of the terms used in the statement of cash flows:

- Cash and cash equivalents means coins, notes, demand deposits and other highly liquid investments in which the Company or Group has invested as part of its day to day cash management. Cash and cash equivalents does not include receivables or payables or any borrowing that forms part of a term liability.
- Investing activities include those relating to the addition, acquisition and disposal of property, plant and equipment and any addition and reduction of subsidiary investments and loans.
- Financing activities are those activities that result in changes in the size and composition of the capital structure of the Company or Group.
- Operating activities include all transactions and other events that are neither investing or financing activities.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**Repurchase, disposal and reissue of share capital (treasury shares)**

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in share capital.

### 2.4 New standards and interpretations not yet effective

There are new standards, amendments to published standards and interpretations that are mandatory for the Company and Group's financial periods beginning on or after 1 January 2018 or later periods that are applicable to the Company and Group, but which the Company or Group has not adopted earlier.

| | Standard/ Interpretation | Effective date (Periods beginning on or after) |
|---|---|---|
| NZ IFRS 9 (2013) | Financial Instruments | 1 January 2018 |
| NZ IFRS 15 | Revenue | 1 January 2018 |
| NZ IFRS 16 | Leases | 1 January 2019 |

The Group is yet to assess the full impact of the news standards. A working group led by the CFO is reviewing the implementation of these standards. The working group has yet to complete its work but it is likely that NZ IFRS 15 Revenue from Contracts and Customers will impact the basis upon which the Company and Group recognise revenue. The implementation of NZ IFRS 16 Leases will require the Company to capitalise its lease obligations (these principally relate to the leasing of premises) and recognise an equivalent liability. NZIFRS 9 is unlikely to have any material impact on the Company or Group.

There are no other standards or interpretations that are not yet effective that would be expected to have a material impact on the Company and Group.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 3) INCOME

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| **3.1 Revenue** | **$** | $ | **$** | $ |
| First level services funding | **131,888,890** | 131,019,854 | **-** | - |
| Other DHB or Ministry of Health funding (health initiatives) | **51,028,398** | 51,000,375 | **30,091,543** | 28,625,344 |
| Performance management fees | **4,559,803** | 4,332,462 | **4,514,187** | 4,762,515 |
| Management fees received from DHB | **5,168,777** | 5,134,607 | **-** | - |
| Management fees to related parties | **176,906** | 199,710 | **1,388,076** | 1,148,733 |
| Income from non DHB or MOH (GP Services) | **1,222,918** | 1,481,436 | **1,023,555** | 1,233,259 |
| Other | **468,706** | 9,442 | **310,251** | 271,540 |
| | **194,514,398** | 193,177,886 | **37,327,612** | 36,041,391 |

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| **3.2 Other income** | **$** | $ | **$** | $ |
| Rent received from subsidiaries | **-** | - | **207,470** | 366,806 |
| Dividend received from subsidiaries and associates | **-** | - | **650,000** | 1,866 |
| | **-** | - | **857,470** | 368,672 |

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| **3.3 Finance income** | **$** | $ | **$** | $ |
| Interest received | **370,716** | 538,231 | **123,030** | 121,975 |
| | **370,716** | 538,231 | **123,030** | 121,975 |

Interest income is from financial assets measured at amortised cost.





# Notes to the Financial Statements

for the year ended 30 June 2018

## 4) EXPENSES

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| **4.1 Expenses** | **$** | $ | **$** | $ |
| First level service to GPs | **131,888,890** | 131,019,967 | **-** | - |
| Other Primary Health Organisation expenses | **36,932,913** | 38,276,236 | **15,670,759** | 15,452,271 |
| Administrative expenses - refer to 4.2 below | **26,253,694** | 23,829,258 | **22,457,689** | 20,660,990 |
| | **195,075,497** | 193,125,461 | **38,128,448** | 36,113,261 |

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | **2018** | 2017 | **2018** | 2017 |
| **4.2 Administrative expenses** | | **$** | $ | **$** | $ |
| Fees paid to auditors - BDO | | | | | |
| Audit of financial statements | | **95,000** | 86,000 | **73,500** | 67,500 |
| Taxation services | | **13,440** | 13,005 | **8,380** | 8,269 |
| Accounting advice | | **4,975** | 120 | **4,975** | 120 |
| Depreciation | | **208,720** | 147,028 | **208,720** | 147,028 |
| Amortisation | | **404,515** | 301,781 | **404,515** | 301,781 |
| Directors remuneration | Note 19 | **605,212** | 616,167 | **490,045** | 499,167 |
| Employee remuneration | | **13,504,410** | 11,905,439 | **11,808,694** | 10,452,707 |
| Property expenses | | **936,765** | 721,765 | **856,550** | 666,107 |
| Staff cost (training, recruitment, temp/contract staff) [1] | | **1,774,317** | 2,271,286 | **1,215,742** | 1,556,273 |
| Other expenses | | **8,706,340** | 7,766,667 | **7,386,568** | 6,962,038 |
| | | **26,253,694** | 23,829,258 | **22,457,689** | 20,660,990 |

[1] Includes Kiwisaver defined contribution for the Group of $242,926 (2017: $230,085) and for the Parent of $209,962 (2017: $205,251)

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| **4.3 Finance costs** | **$** | $ | **$** | $ |
| Interest paid | **-** | 6,198 | **-** | 3,390 |
| Interest accrued on redeemable preference shares | **111,646** | 120,844 | **109,728** | 120,844 |
| | **111,646** | 127,042 | **109,728** | 124,234 |

Interest expense is from financial liabilities measured at amortised cost.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 5) FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| **Loans and receivables** | | | | |
| Cash and cash equivalents | **13,697,671** | 12,882,014 | **4,162,400** | 4,030,234 |
| Investments - short term deposits | **400,000** | 5,000,000 | **-** | 2,000,000 |
| Trade and other receivables | **6,912,769** | 5,767,125 | **2,943,772** | 1,769,058 |
| Intercompany receivables | **-** | 11,572 | **3,225,598** | 3,646,145 |
| Deferred settlement | **-** | 127,500 | **-** | - |
| | **21,010,440** | 23,788,211 | **10,331,770** | 11,445,437 |
| **Financial liabilities at amortised cost** | | | | |
| Trade and other payables | **7,158,256** | 8,343,808 | **4,334,557** | 4,286,469 |
| Intercompany payables | **16,582** | - | **263,791** | 168,629 |
| Redeemable preference shares | **2,178,000** | 2,226,000 | **2,178,000** | 2,226,000 |
| | **9,352,838** | 10,569,808 | **6,776,348** | 6,681,098 |

## 6) CASH AND CASH EQUIVALENTS

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Bank - Cash and cash equivalents | **13,697,671** | 12,882,014 | **4,162,400** | 4,030,234 |
| | **13,697,671** | 12,882,014 | **4,162,400** | 4,030,234 |

Bank balances and cash held by the Group is on a short term basis with original maturity of three months or less. The carrying amounts of these assets approximate their fair value.

## 7) TRADE AND OTHER RECEIVABLES

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Trade receivables | **6,914,568** | 4,682,513 | **2,945,085** | 1,772,719 |
| Impairment allowance | **(1,799)** | (5,043) | **(1,313)** | (3,661) |
| | **6,912,769** | 4,677,470 | **2,943,772** | 1,769,058 |
| Prepayments | **359,111** | 66,335 | **349,347** | 55,887 |
| GST receivable (payable) | **(151,488)** | 111,084 | **179,782** | 378,610 |
| | **7,120,392** | 4,854,889 | **3,472,901** | 2,203,555 |
| *Movements in the specific impairment allowance* | | | | |
| Balance at start of year | **(5,043)** | (4,946) | **(3,661)** | (3,998) |
| (Additional allowance)/ balance written back | **3,244** | (97) | **2,348** | 337 |
| Balance at end of year | **(1,799)** | (5,043) | **(1,313)** | (3,661) |

Trade receivables have a 30 day collection cycle. Any debtors that extend beyond this point are identified for discussion by management to include in the impairment allowance. The Company and Group monitors its debtors closely and considers there is no requirement for a collective allowance.





Notes to the Financial Statements

for the year ended 30 June 2018

## 8) DEFERRED SETTLEMENT

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Deferred settlement - opening balance | **127,500** | 345,903 | **-** | - |
| Reduction of deferred receivable | **(127,500)** | (234,279) | **-** | - |
| Release of notional interest | **-** | 15,876 | **-** | - |
| Deferred settlement - closing balance | **-** | 127,500 | **-** | - |

Under the terms of the sale and purchase agreement dated 27 March 2014, Homecare Medical (NZ) Limited Partnership (the Partnership) acquired the assets and contracts of ProCare Health (LP) Limited. The terms of the sale and purchase agreement included provision for a deferred payment of part of the consideration for these assets and contracts.

The agreement allows for the consideration to be settled progressively throughout the earn out period (four years from the establishment of the Partnership) depending on the earnings of Homecare Medical (NZ) Limited Partnership.

The fair value of the deferred payment is recognised as a receivable at the acquisition date, calculated by discounting the expected cash flows comprising the deferred payment. The difference between the nominal and discounted value of the deferred payment will be recognised as notional interest income over the period of the settlement.

On 16 May 2018 Homecare Medical (NZ) Limited Partnership settled the liability of $127,500.

## 9) TRADE AND OTHER PAYABLES

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Trade creditors | **4,772,264** | 5,374,006 | **2,550,926** | 3,142,051 |
| Health service claims | **1,294,178** | 815,887 | **1,294,178** | 815,887 |
| Other accruals | **1,091,814** | 1,185,104 | **489,453** | 449,375 |
| | **7,158,256** | 7,374,997 | **4,334,557** | 4,407,313 |
| Other taxes (PAYE) | **2,420** | 14,188 | **-** | 11,768 |
| Accrual for holiday pay | **700,577** | 617,420 | **615,037** | 568,835 |
| Accrual for bonuses | **160,500** | 201,263 | **160,500** | 201,263 |
| Accrual for employee entitlements | **400,603** | 281,051 | **333,430** | 251,984 |
| | **8,422,356** | 8,488,919 | **5,443,524** | 5,441,163 |

The fair value of trade and other payables approximates their carrying value. No interest is paid on payables.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 10) RELATED PARTY PAYABLES AND RECEIVABLES

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Due to: | | | | |
| *Subsidiaries* | | | | |
| ProCare Psychological Services Limited | **-** | - | **263,791** | 168,629 |
| | **-** | - | **263,791** | 168,629 |
| Owing by: | | | | |
| *Subsidiaries* | | | | |
| ProCare Health (LP) Limited | **2,435** | - | **1,752,839** | 2,744,654 |
| Clinical Assessments Limited | **(2,435)** | - | **4,333** | 4,333 |
| ProCare Networks Limited | **-** | - | **1,468,426** | 885,589 |
| *Equity accounted investees* | | | | |
| Homecare Medical (NZ) Limited Partnership | **(16,582)** | - | **-** | - |
| Homecare Medical (General Partner) Limited | **-** | 11,572 | **-** | 11,572 |
| | **(16,582)** | 11,572 | **3,225,598** | 3,646,148 |

The amounts outstanding are unsecured, interest free, repayable on demand and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current year for bad or doubtful debts in respect of the amounts owed to or by related parties. Refer to note 19 related parties.

## 11) DEFERRED REVENUE

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Settlement saving funding | **354,950** | 1,294,163 | **354,950** | 1,294,163 |
| Interest income from settlement saving funding | **-** | 24,717 | **-** | 24,717 |
| Other programme funding | **10,271,182** | 10,410,498 | **1,749,074** | 896,596 |
| Initiatives funding | **37,940** | 37,940 | **37,940** | 37,940 |
| | **10,664,072** | 11,767,318 | **2,141,964** | 2,253,416 |
| Non-current | **-** | - | **-** | - |
| Current | **10,664,072** | 11,767,318 | **2,141,964** | 2,253,416 |

The above revenue is deferred to reflect either the contractual obligations associated with the contracts or the constructive obligations arising from commitments by the Board to spend these funds and the interest accrued on them, on specific projects. They have been classified as current or term depending on the terms of the contracts, or if no time frame exists based on managements estimate of when the funds will be spent. The funds associated with this income are restricted for use in accordance with the obligations.





# Notes to the Financial Statements

for the year ended 30 June 2018

## 13) PROPERTY, PLANT AND EQUIPMENT

| **Group and Parent** | **Leasehold improvements** **$** | **Furniture and equipment** **$** | **Computer hardware** **$** | **Total** **$** |
|---|---|---|---|---|
| **2017** | | | | |
| **Cost** | | | | |
| At 1 July 2016 | 638,721 | 423,128 | 718,952 | 1,780,801 |
| Additions | - | 42,237 | 124,540 | 166,777 |
| Disposals | - | (27,456) | (24,787) | (52,243) |
| At 30 June 2017 | 638,721 | 437,909 | 818,705 | 1,895,335 |
| **Accumulated depreciation** | | | | |
| At 1 July 2016 | 607,288 | 391,907 | 569,610 | 1,568,805 |
| Depreciation for the year | 10,948 | 17,899 | 118,181 | 147,028 |
| Disposals | - | (27,201) | (24,787) | (51,988) |
| At 30 June 2017 | 618,236 | 382,605 | 663,004 | 1,663,845 |
| **Carrying amount at 30 June 2017** | **20,485** | **55,304** | **155,701** | **231,490** |
| **Carrying amount at 1 July 2016** | **31,433** | **31,221** | **149,342** | **211,996** |

| **Group and Parent** | **Leasehold improvements** **$** | **Furniture and equipment** **$** | **Computer hardware** **$** | **Total** **$** |
|---|---|---|---|---|
| **2018** | | | | |
| **Cost** | | | | |
| At 1 July 2017 | 638,721 | 437,909 | 818,705 | 1,895,335 |
| Additions | 615,497 | 43,039 | 227,123 | 885,659 |
| Disposals | - | (451) | (326,268) | (326,719) |
| At 30 June 2018 | 1,254,218 | 480,497 | 719,560 | 2,454,275 |
| **Accumulated depreciation** | | | | |
| At 1 July 2017 | 618,236 | 382,605 | 663,004 | 1,663,845 |
| Depreciation for the year | 43,204 | 23,856 | 141,660 | 208,720 |
| Disposals | - | - | (326,268) | (326,268) |
| At 30 June 2018 | 661,440 | 406,461 | 478,396 | 1,546,297 |
| **Carrying amount at 30 June 2018** | **592,778** | **74,036** | **241,164** | **907,978** |

# Notes to the Financial Statements

for the year ended 30 June 2018

## 13) COMPUTER SOFTWARE

| Group and Parent | 2018 $ | 2017 $ |
|---|---|---|
| **Cost** | | |
| At 1 July | **2,677,943** | 2,135,603 |
| Additions | | |
| - Acquisitions – internally developed | **241,741** | 333,940 |
| - Other acquisition | **251,772** | 208,400 |
| Disposals | **-** | - |
| At 30 June | **3,171,456** | 2,677,943 |
| | | |
| **Accumulated Amortisation** | | |
| At 1 July | **1,472,249** | 1,170,468 |
| Amortisation for the year | **404,515** | 301,781 |
| Disposals | **-** | - |
| At 30 June | **1,876,764** | 1,472,249 |
| | | |
| **Carrying amount at 30 June** | **1,294,692** | **1,205,694** |

## 14) INVESTMENT IN SUBSIDIARIES

The following entities meet the definition of a subsidiary as described in the specific accounting policy "Principles of Consolidation" and accordingly are fully consolidated.

| | | | Parent | |
|---|---|---|---|---|
| | 2018 $ | 2017 $ | 2018 $ | 2017 $ |
| **Subsidiaries** | | | | |
| ProCare Networks Limited | **100%** | 100% | **-** | - |
| ProCare Health (LP) Limited | **100%** | 100% | **100,000** | 100,000 |
| ProCare Psychological Services Limited | **100%** | 100% | **534,303** | 534,303 |
| Clinical Assessments Limited | **67%** | 67% | **14,100** | 14,100 |
| | | | **648,403** | 648,403 |

The above subsidiaries have a 30 June year-end.





Notes to the Financial Statements

for the year ended 30 June 2018

## 15) INVESTMENT IN EQUITY ACCOUNTED INVESTEES

All entities are incorporated and domiciled in New Zealand.

**Homecare Medical (General Partner) Limited**

In February 2014, ProCare Health Limited and Pegasus Health (Charitable) Limited established Homecare Medical (General Partner) Limited which became the general partner in Homecare Medical (NZ) Limited Partnership.

**Homecare Medical (NZ) Limited Partnership**

On 19 February 2014, ProCare Health (LP) Limited entered into a Limited Partnership agreement with Pegasus Health (LP) Limited. The new Partnership acquired 100% of the business and associated assets of ProCare Health (LP) Limited as noted in note 19. The acquisition was effective from 2 May 2014.

| Investment in/ (committed funding to Homecare Medical (NZ) Limited Partnership | 2018 | 2017 |
|---|---|---|
| Committed Funding to Limited Partnership | **-** | - |
| Investment in Limited Partnership | **1,828,841** | 2,359,327 |
| Committed Funding and Investment in Limited Partnership | **1,828,841** | 1,801,120 |
| | | |
| Opening Balance | **2,359,327** | (89,996) |
| Capital repayment | **(1,000,000)** | - |
| Share of profit / (loss) of equity accounted investees | **469,514** | 558,207 |
| | **1,828,841** | 2,359,327 |

As Homecare Medical (NZ) Limited Partnership (HMLP) is a limited partnership it is not responsible for income tax. The results reported above are exclusive of income tax which is accounted for by the limited partners (ProCare Health (LP) Limited and Pegasus Health (LP) Limited).

The Group holds 50% of the capital of HMLP. This investment has been accounted for as an Associate.

The National Telehealth Services contract, together with its existing business, is expected to ensure that HMLP is sufficiently profitable in the future to enable it to repay the Group's additional funding and existing receivables.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 15) INVESTMENT IN EQUITY ACCOUNTED INVESTEES (continued)

Summary financial information for the equity accounted investee, not adjusted for the percentage ownership held by the Group for the period ending 30 June 2018:

| | Homecare Medical (NZ) Limited Partnership | |
|---|---|---|
| | **2018** | 2017 |
| | **$** | $ |
| Current assets | | |
| Cash & cash equivalents | **5,251,211** | 5,742,560 |
| Other current assets | **11,328,985** | 9,899,053 |
| Non current assets | **4,117,775** | 4,651,235 |
| Total assets | **20,697,971** | 20,292,848 |
| | | |
| Current liabilities | | |
| Financial Liabilities | **9,119,659** | 6,320,489 |
| Other current liabilities | **7,047,041** | 8,106,956 |
| Non current liabilities | | |
| Financial Liabilities | **-** | 127,500 |
| Total liabilities | **16,166,700** | 14,554,945 |
| | | |
| Net assets | **4,531,271** | 5,737,903 |
| Group's share of net assets | **2,265,636** | 2,868,952 |

| | Homecare Medical (NZ) Limited Partnership | |
|---|---|---|
| | **2018** | 2017 |
| | **$** | $ |
| Revenues | **39,628,323** | 36,187,415 |
| Interest Income | **92,710** | 192,351 |
| Expenses | | |
| Interest Expense | **95,545** | 15,876 |
| Depreciation | **350,989** | 390,439 |
| Other Expenses | **38,335,471** | 34,857,038 |
| Income Tax | **-** | - |
| Profit/(Loss) | **939,028** | 1,116,413 |
| | | |
| Group's share of profit/(loss) | **469,514** | 558,207 |





Notes to the Financial Statements

for the year ended 30 June 2018

## 15) INVESTMENT IN EQUITY ACCOUNTED INVESTEES (continued)

**BPAC New Zealand Limited and New Zealand Medicines Formulary Limited Partnership**

The Company is not in a position to obtain financial benefits from its investment in BPAC New Zealand Limited. As BPAC New Zealand Limited is a registered charity that is not able to make any distributions to its shareholders, all assets must be utilised in achieving its charitable purpose. Accordingly the financial performance of BPAC New Zealand Limited has not been equity accounted.

New Zealand Medicines Formulary Limited Partnership was formed in 2011 from seed capital provided from BPAC NZ on behalf of its shareholders. The partnership has yet to commence business. Any returns from the partnership will first go to repay the initial advance from BPAC NZ Limited.

The Company held 16.67% of the share capital of BPAC New Zealand Limited.

| | | | Group | | Parent | |
|---|---|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 | **2018** | 2017 |
| | | | **$** | $ | **$** | $ |
| BPAC New Zealand Limited | **16.67%** | 16.67% | **118** | 118 | **118** | 118 |
| | | | **118** | 118 | **118** | 118 |

# Notes to the Financial Statements

for the year ended 30 June 2018

## 16) TAXATION

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| **16.1 Income tax** | | | | |
| Income tax represented by: | | | | |
| Income tax expense from continuing operations | **145,766** | 338,001 | **(77,170)** | 145,638 |
| | **145,766** | 338,001 | **(77,170)** | 145,638 |
| Current tax | **265,082** | 166,702 | **27,558** | (25,693) |
| Deferred tax asset | **(119,316)** | 171,299 | **(104,728)** | 171,331 |
| | **145,766** | 338,001 | **(77,170)** | 145,638 |
| Net profit before taxation | **167,485** | 1,021,821 | **69,936** | 294,543 |
| Prima facie income tax at 28% | **46,896** | 286,110 | **19,582** | 82,472 |
| Tax effect of permanent differences | **40,115** | 29,185 | **101,422** | 40,086 |
| Prior year tax adjustment | **58,755** | 22,706 | **(198,174)** | 23,080 |
| Income tax expense | **145,766** | 338,001 | **(77,170)** | 145,638 |
| **16.2 Deferred tax asset and liabilities** | | | | |
| Balance at beginning of year | **322,448** | 493,747 | **309,596** | 480,927 |
| Current year temporary differences | **119,316** | (171,299) | **104,728** | (171,331) |
| Balance at end of year | **441,764** | 322,448 | **414,324** | 309,596 |
| *Balance at year end attributable to*: | | | | |
| Employee entitlements | **241,456** | 161,578 | **214,151** | 149,113 |
| Trade receivables | **503** | 1,412 | **368** | 1,025 |
| Accruals | **45,288** | - | **45,288** | - |
| Deferred revenue | **-** | 6,921 | **-** | 6,921 |
| Provisions | **11,443** | 10,568 | **11,443** | 10,568 |
| Property, plant & equipment | **143,075** | 141,969 | **143,075** | 141,969 |
| | **441,764** | 322,448 | **414,324** | 309,596 |





Notes to the Financial Statements

for the year ended 30 June 2018

## 16) TAXATION (continued)

### 16.3 Imputation Credit Account (ICA)

The Company is part of a consolidated imputation credit tax group and accordingly imputation credits are only presented at a Group level.

Movements for the year were:

| | Group | |
|---|---|---|
| | **2018** | 2017 |
| | **$** | $ |
| Opening balance | **1,093,438** | 771,288 |
| Add: | | |
| Income tax paid | **88,000** | 384,000 |
| Resident Withholding Tax paid | **45,622** | 39,410 |
| Other credits | **-** | - |
| Less: | | |
| Refund received | **-** | (2,038) |
| Credit attached to dividends (paid) | **(99,319)** | (99,222) |
| Closing balance (at year end) | **1,127,741** | 1,093,438 |

The closing credits represent the maximum amount of tax credits available to be attached to future dividends payable by the Company are subject to shareholder continuity rules.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 17) REDEEMABLE PREFERENCE SHARES

In 2012, the Company issued 25 fully paid redeemable preference shares ("RPS") for every one ordinary share on issue, and subsequently resolved to immediately redeem 13 RPS for a consideration of $500 per share. The remaining RPS will pay a coupon rate set at the Board's discretion and is to be set at a premium over the five year swap rate at 30 June of the year of review. The last review set the coupon rate at 7.1% per annum non-cumulative, effective from 1 July 2017 (previously 7.5%).

The holders of non-voting taxable RPS have the right to the return of the amount paid up on the RPS $500 and any accrued but unpaid (coupon) dividend in priority to the ordinary shares.

The RPS are redeemable at the discretion of the Board.

| Redeemable Preference Shares | Number of shares | $ |
|---|---|---|
| **Opening balance as at 1 July 2016** | 4,524 | 2,262,000 |
| Share repurchased | (72) | (36,000) |
| Issue of shares | - | - |
| **Closing balance as at 30 June 2017** | **4,452** | **2,226,000** |
| | | |
| **Opening balance as at 1 July 2017** | 4,452 | 2,226,000 |
| Share repurchased | (96) | (48,000) |
| Issue of shares | - | - |
| **Closing balance as at 30 June 2018** | **4,356** | **2,178,000** |

| | Group and Parent | |
|---|---|---|
| | **2018** | 2017 |
| **Redeemable Preference Shares** | **$** | $ |
| Proceeds from the bonus issue of Redeemable Preference Shares (4,524 shares at $500) | **2,226,000** | 2,262,000 |
| Buy back during the year | **(48,000)** | (36,000) |
| **Net proceeds** | **2,178,000** | 2,226,000 |
| **Carrying amount of liability at 30 June** | **2,178,000** | 2,226,000 |
| | | |
| Current | **42,000** | 42,000 |
| Non-current | **2,136,000** | 2,184,000 |
| | **2,178,000** | 2,226,000 |

The liability represents the net present value of the coupon payable over the expected term until redemption, which has been estimated at 10 years.





# Notes to the Financial Statements

for the year ended 30 June 2018

## 18) SHARE CAPITAL

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| **Paid in capital** | | | | |
| 645 (2017: 616) Ordinary A shares | **408,731** | 394,981 | **408,731** | 394,981 |
| 4,548 Ordinary B shares | **2,274,000** | 2,274,000 | **2,274,000** | 2,274,000 |
| | **2,682,731** | 2,668,981 | **2,682,731** | 2,668,981 |

| Movement in Ordinary A Shares | Number of shares | $ |
|---|---|---|
| **Opening balance as at 1 July 2016** | **443** | 301,231 |
| Share repurchased | **(11)** | (5,500) |
| Issue of shares | **184** | 99,250 |
| **Closing balance as at 30 June 2017** | **616** | 394,981 |
| | | |
| **Opening balance as at 1 July 2017** | **616** | 394,981 |
| Share repurchased | **(17)** | (8,500) |
| Issue of shares | **46** | 22,250 |
| **Closing balance as at 30 June 2018** | **645** | 408,731 |

All shares on issue are fully paid. All ordinary shares rank equally. Each fully paid ordinary A share has one vote. Each ordinary share has identical dividend rights.

Included in ordinary shares are 17 (2017: 11) treasury shares that have been acquired by the Company at a range of prices but most recently $500.

In October 2014 the Directors also resolved that 12 non-voting ordinary "B" shares be issued as fully paid, for every one of the 379 ordinary A share on issue, to the ProCare Charitable Foundation on the understanding that it obtains charitable status under the Charities Act 2005. The effect of this transaction is a reduction in the Company and Group's retained reserves of $2,274,000 and a corresponding increase in non-voting ordinary "B" share capital. There was no effect on cash.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 19) RELATED PARTIES

For the purposes of this note, related parties include any of the following:
- Key management personnel or a close member of their family
- Directors and entities they control or have significant influence over
- Subsidiaries and associates

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| **19.1 Transactions with key management personnel** | **$** | $ | **$** | $ |
| Short-term employment benefits | **1,554,369** | 1,436,046 | **1,554,369** | 1,436,046 |
| Directors fees | **605,166** | 616,167 | **490,000** | 499,167 |

| **19.2 Transactions between related entities** | **2018** | 2017 |
|---|---|---|
| | **$** | $ |
| **Subsidiaries** | | |
| *ProCare Health (LP) Limited* | | |
| Tax loss offset with ProCare Health Limited | **8,188** | 81,443 |
| *Clinical Assessments Limited* | | |
| Cost recoveries and management fees paid to ProCare Health Limited | **50,000** | 50,000 |
| *ProCare Psychological Services Limited* | | |
| Cost recoveries and management fees paid to ProCare Health Limited | **853,866** | 705,217 |
| Government funding via ProCare Health Limited | **3,231,580** | 2,716,259 |
| Government funding via ProCare Networks Limited | **155,833** | 187,519 |
| Dividend paid to ProCare Health Limited | **650,000** | - |
| *ProCare Networks Limited* | | |
| Cost recoveries and management fees paid to ProCare Health Limited | **27,991,706** | 29,551,970 |
| Clinical costs paid to ProCare Psychological Services Limited | **155,833** | 187,519 |

The Company performs tax administration in respect of GST and Income tax for its wholly owned subsidiaries. Amounts due are paid to the Company, who in turns pays the Inland Revenue Department on behalf of the subsidiary.

| | **2018** | 2017 |
|---|---|---|
| **Equity accounted investees** | **$** | $ |
| *Homecare Medical (General Partner) Limited* | | |
| Management fees (including rent) paid to ProCare Health Limited | **-** | 319,861 |
| *Homecare Medical (NZ) Limited Partnership* | | |
| Cost recoveries (including rent) paid to ProCare Health Limited | **347,471** | 310,066 |
| Capital contribution by ProCare Health (LP) Limited | **(1,000,000)** | - |
| **Other entities** | | |
| *Procare Charitable Foundation* | | |
| Payment of dividend | **227,400** | 227,400 |





# Notes to the Financial Statements

for the year ended 30 June 2018

## 19) RELATED PARTIES (continued)

| **19.2 Transactions between related entities (continued)** | **2018** | 2017 |
|---|---|---|
| | **$** | $ |
| **Outstanding balances at 30 June relating to these transactions were:** | | |
| **Parent** | | |
| *ProCare Health Limited* | | |
| Owed to related parties | **263,791** | 168,629 |
| Owed by related parties | **3,225,598** | 3,646,145 |
| **Subsidiaries** | | |
| *ProCare Health (LP) Limited* | | |
| Owed to related parties | **1,752,839** | 2,744,651 |
| Owed by related parties | **(19,017)** | - |
| *Clinical Assessments Limited* | | |
| Owed to related parties | **4,333** | 4,333 |
| *ProCare Psychological Services Limited* | | |
| Owed by related parties | **263,791** | 185,676 |
| *ProCare Networks Limited* | | |
| Owed to related parties | **1,468,426** | 902,637 |

The amounts outstanding are unsecured and payable on normal trade terms as with all creditors.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 19) RELATED PARTIES (continued)

### 19.3 Other transactions with directors

During the year the Group made payments to GP's in relation to first level services, programme claims and PHO performance management. Some of these GP's are Directors in the Company and its subsidiaries. In the case of payments for first level services, the payments are made on behalf of the District Health Boards and are based on registers of enrolled patients submitted by the doctors to the District Health Boards. The payments to GP's for programme claims are made to all GP's at the same rate within their PHO area regardless of their status as a Director or Non-Director. The payments for performance management are based on algorithms that reflect the contribution of GP's and/or practices to PHO performance management targets. The algorithms are applied consistently in calculating and making of payments to GP's or GP's practices regardless of whether the GP is a Director or not.

The amounts outstanding are unsecured and payable on normal trade terms as with all GP's.

| | Group | |
|---|---|---|
| | **2018** | 2017 |
| | **$** | $ |
| **Transactions between the Group and Directors in their capacity as shareholders in ProCare Health Limited** | | |
| First level services | **1,955,712** | 2,216,705 |
| Programme claims | **72,579** | 272,568 |
| Performance management* | **136,467** | 180,065 |
| Interest on redeemable preference shares | **1,292** | 2,585 |
| | **2,166,050** | 2,671,923 |

* the payment for performance management is made to the Directors' Practices, instead of each individual GP

| | Group | |
|---|---|---|
| | **2018** | 2017 |
| | **$** | $ |
| **Balances arising from transactions with Directors in their capacity as shareholders in ProCare Health Limited** | | |
| Receivables | **8,428** | 4,539 |
| Payables | **38,222** | 43,216 |

During the year, the Company didn't pay any legal services to H Janes, director of ProCare Health Limited (2017: $8,960).





# Notes to the Financial Statements

for the year ended 30 June 2018

## 20) OPERATING LEASES

**Leases as lessee**

Future minimum rentals payable under non-cancellable operating leases are as follows:

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Less than one year | **818,704** | 787,827 | **818,704** | 787,827 |
| One to five years | **2,055,592** | 2,023,562 | **2,055,592** | 2,023,562 |
| Five years and above | **985,760** | 985,760 | **985,760** | 985,760 |
| | **3,860,056** | 3,797,149 | **3,860,056** | 3,797,149 |

During the year an amount of $547,612 was recognised as an expense in profit or loss in respect of operating leases (2017: $466,380).

The Company leases a number of premises under operating leases. The leases typically run for three to eight years, with rights of renewal for a further two to six years.

**Leases as lessor**

The Company sublets the premises on Stanley Street to the Homecare Medical (NZ) Limited Partnership. The lease expires in June 2026.

During the year, $156,141 was recognised as revenue in profit or loss in respect of operating leases (2017: $143,505).

**Operating lease payments expected as an operating lessor**

The value of future minimum operating lease payments receivable:

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Less than one year | **156,141** | 143,505 | **156,141** | 143,505 |
| One to five years | **780,705** | 287,010 | **780,705** | 287,010 |
| Five years and above | **156,141** | - | **156,141** | - |
| | **1,092,987** | 430,515 | **1,092,987** | 430,515 |

## 21) CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or other capital expenditure not provided for at reporting date (2017: $nil).

# Notes to the Financial Statements

for the year ended 30 June 2018

## 22) FINANCIAL INSTRUMENTS

**Interest rate risk**

At reporting date, the Group has the following financial assets exposed to New Zealand variable interest rate risk :

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Bank - Cash and cash equivalents | **13,697,671** | 12,882,014 | **4,162,400** | 4,030,234 |
| Short term deposits with maturities 4-12 months - Investments | **400,000** | 5,000,000 | **-** | 2,000,000 |
| | **14,097,671** | 17,882,014 | **4,162,400** | 6,030,234 |

2.32% was the average interest rate earned on cash deposits and short term deposits (2017: 2.95%).

The Group has no significant debt exposure.

It is estimated a 100 basis point decrease in interest rates would result in an increase/(decrease) in the Group's interest earned in a year by approximately $140,977/ ($140,977) on the Group's investment portfolio exposed to floating rates at balance date (2017: 100 basis point increase/(decrease) of $178,821/ ($178,821)).

A portion of interest income is included in deferred interest revenue and therefore the above amounts would not impact fully on the profit before tax and equity.

Based on historical movements and volatilities and management's knowledge and experience, management believes that the above movements are 'reasonably possible' over a 12 month period: A shift of between 1%-2% in market interest rates. The impact on the profit or loss of a 1% movement is presented above.

**Credit risk**

To the extent that the Group has a receivable from another party, there is a credit risk in the event of non-performance of the counterparty. Financial instruments which potentially subject the Group to credit risk are listed below :

The Group manages its exposure to credit risk by performing credit evaluations on all customers requiring credit. Internal reporting surrounding the aging of its trade receivables occurs. The Group does not take guarantees, security interest as collateral or charge penalty interest on receivables past due.





# Notes to the Financial Statements

for the year ended 30 June 2018

## 22) FINANCIAL INSTRUMENTS (continued)

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| Maximum exposures to credit risk at reporting date are: | **$** | $ | **$** | $ |
| Cash and cash equivalents | **13,697,671** | 12,882,014 | **4,162,400** | 4,030,234 |
| Investments - short term deposits | **400,000** | 5,000,000 | **-** | 2,000,000 |
| Trade receivables | **6,914,568** | 4,682,513 | **2,945,085** | 1,772,719 |
| Intercompany receivables | **-** | 11,572 | **3,225,598** | 3,646,145 |
| Deferred settlement | **-** | 127,500 | **-** | - |
| | **21,012,239** | 22,703,599 | **10,333,083** | 11,449,098 |

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| The ageing of trade receivables at reporting date that were not impaired was as follows: | **$** | $ | **$** | $ |
| Neither past due nor impaired | **6,284,368** | 4,587,347 | **2,689,147** | 1,747,582 |
| 1-90 days past due | **235,965** | 71,194 | **64,361** | 18,546 |
| Over 90 days past due | **392,435** | 18,929 | **190,264** | 2,930 |
| | **6,912,769** | 4,677,470 | **2,943,772** | 1,769,058 |
| Trade receivables not past due and not impaired | **6,284,368** | 4,587,347 | **2,689,147** | 1,747,582 |
| Trade receivables past due but not impaired | **628,401** | 90,123 | **254,625** | 21,476 |
| Trade receivables impaired individually | **1,799** | 5,043 | **1,313** | 3,661 |
| | **6,914,568** | 4,682,513 | **2,945,085** | 1,772,719 |

Refer to note 7 for the reconciliation of the movement in the impairment allowance.

**Concentrations of credit risk**

Cash and short term deposits are held with two separate trading banks which all have acceptable credit ratings.

The New Zealand Government departments and District Health Boards are regarded as a single customer. They comprise a significant amount of total revenue, being 99% (2017: 99%) for the Group and are considered an acceptable credit risk given their government backing. There are no other large concentrations of risk identified by the Directors.

**Credit facilities**

The Group does not have an overdraft facility.

The ProCare Health Limited receivable primarily relates to ProCare Networks Limited for fee payables under a Primary Health Organisation's service agreement, which are due from the District Health Boards.

**Deferred settlement**

The receivable relates to fair value of deferred payment of the consideration receivable from Homecare Medical (NZ) Limited Partnership. (See note 8).

# Notes to the Financial Statements

for the year ended 30 June 2018

## 22) FINANCIAL INSTRUMENTS (continued)

**Liquidity risk**

All contractual financial liabilities stated in note 5 except redeemable preference shares are due to mature in less than six months time. There are no financial guarantees provided by the Group other than as disclosed below.

Liquidity represents the Group's ability to meet its contractual obligations.

The Group evaluates its liquidity requirements on an ongoing basis.

The Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities.

The table below analyses the Group's financial liabilities into relevant maturity bands, based on the remaining period from reporting date to the contractual maturity date. The cash flow amounts disclosed in the table represent undiscounted cash flows liable for payment by the Group.

| Group | Notes | Carrying amount | Total contractual cash flows | On demand | 6 months - 1 year | 1 - 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **As at 30 June 2018** | | | | | | | |
| Trade and other payables | 9 | 7,046,916 | 7,046,916 | 7,046,916 | - | - | - |
| Intercompany payable | 10 | 16,582 | 16,582 | 16,582 | - | - | - |
| Redeemable preference shares[1] | 17 | 2,178,000 | 2,289,340 | 2,289,340 | - | - | - |
| | | **9,241,498** | **9,352,838** | **9,352,838** | **-** | **-** | **-** |
| **As at 30 June 2017** | | | | | | | |
| Trade and other payables | 9 | 7,254,153 | 7,254,153 | 7,254,153 | - | - | - |
| Redeemable preference shares[1] | 17 | 2,178,000 | 2,298,844 | 2,298,844 | - | - | - |
| | | **9,432,153** | **9,552,997** | **9,552,997** | **-** | **-** | **-** |

| Parent | Notes | Carrying amount | Total contractual cash flows | On demand | 6 months - 1 year | 1 - 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **As at 30 June 2018** | | | | | | | |
| Trade and other payables | 9 | 4,223,127 | 4,223,127 | 4,223,127 | - | - | - |
| Intercompany payables | 10 | 263,791 | 263,791 | 263,791 | | | - |
| Redeemable preference shares[1] | 17 | 2,178,000 | 2,289,340 | 2,289,340 | - | - | - |
| | | **6,664,918** | **6,776,258** | **6,776,258** | **-** | **-** | **-** |
| **As at 30 June 2017** | | | | | | | |
| Trade and other payables | 9 | 5,320,319 | 5,320,319 | 4,286,469 | - | - | - |
| Intercompany payables | 10 | 168,629 | 168,629 | 168,629 | | | - |
| Redeemable preference shares[1] | 17 | 2,178,000 | 2,298,844 | 2,298,844 | - | - | - |
| | | **7,666,948** | **7,787,792** | **6,753,942** | **-** | **-** | **-** |

(1) The Company is committed to pay $111,340 per annum until such time as the shares are redeemed. The liability for the face value of the shares only arises when a shareholder leaves the Group accordingly the liability to settle this amount on demand.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.





Notes to the Financial Statements

for the year ended 30 June 2018

## 22) FINANCIAL INSTRUMENTS (continued)

**Fair values**

The following financial assets and liabilities being cash, investments - short term deposits, deferred settlement receivable and trade balances are of a short term nature, accordingly the carrying amount is a reasonable approximation of their fair values. The interest rate on redeemable preference shares is set once every five years by the board. The fair value of this financial instrument will depend upon the relationship of the current market interest rates to the coupon rate set by the board (refer to Note 17).

**Other risk**

A significant amount of funding comes from the New Zealand Government departments and District Health Boards. The Group has contracts with these entities that sets pricing and some programmes have capped claim drawdowns. As noted above, there is a concentration of reliance on the New Zealand Government departments and District Health Boards. When contracts are due for renewal, there is always a risk that pricing may be adjusted or contracts will not be renewed with entities within the Group.

**Capital risk management**

The Group does not rely on any external debt and does not have any externally imposed capital requirements. The Group's capital includes share capital and retained earnings. The Group's capital management objectives are to safeguard the Group's ability to continue as going concern and to deliver its services to its members and the public.

There were no changes in the Group's approach to capital management.

**Bank guarantee**

ProCare Health Limited has signed a lease with Manukau City Centre Limited for premises in Westfield Manukau mall. The lease is for seven years effective from 30 June 2011. The condition of the lease is an ANZ bank guarantee in favour of Manukau City Centre Limited of $40,000.

**Bank security agreement**

The Company has executed a General Security Agreement providing a first ranking charge over its present and after property in favour of its bankers in consideration of receiving a clean credit payroll facility of $550,000.

# Notes to the Financial Statements

for the year ended 30 June 2018

## 23) NET CASH FLOW FROM OPERATING ACTVITIES

| | Group | | Parent | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **$** | $ | **$** | $ |
| Profit for the year | **21,719** | 683,820 | **147,106** | 148,905 |
| **Non-cash items** | | | | |
| Depreciation and amortisation | **613,235** | 448,809 | **613,235** | 448,809 |
| Amortisation of lease incentive | **16,216** | 16,216 | **16,216** | 16,216 |
| Loss/(Gain) on sale of property, plant and equipment | **-** | (37) | **-** | (37) |
| Bad and impairment allowance accounts | **(3,244)** | 97 | **(2,348)** | (337) |
| Deferred income tax | **(119,316)** | 171,299 | **(104,728)** | 171,331 |
| Movement in deferred interest income | **(24,717)** | (424,008) | **-** | (424,007) |
| Share of (profits)/ losses of equity accounted investees | **(469,514)** | (558,207) | **-** | - |
| Disposal of investment in associate | **127,500** | 218,403 | **-** | - |
| | **140,160** | (127,428) | **522,375** | 211,975 |
| **Movements in working capital** | | | | |
| Increase in prepayments | **(292,776)** | (29,227) | **(293,460)** | (41,193) |
| (Increase)/decrease in trade receivables | **(1,142,400)** | 649,024 | **(1,188,582)** | 191,357 |
| Decrease in inter company receivable | **28,154** | 17,178 | **515,712** | 1,537,997 |
| Increase /(decrease) in taxation payable | **117,609** | (434,746) | **7,696** | (454,957) |
| Increase in trade payable | **(913,874)** | 1,784,347 | **234,545** | 710,254 |
| Increase/(decrease) in deferred revenue | **(1,094,745)** | (1,886,927) | **(111,452)** | 187,464 |
| Increase/(decrease) in GST | **262,572** | (374,256) | **198,828** | (93,443) |
| | **(3,035,460)** | (274,607) | **(636,713)** | 2,037,479 |
| **Net cash from operating activities** | **(2,873,581)** | 281,785 | **32,768** | 2,398,359 |

## 24) DIVIDENDS

On 3 October 2017, the Board resolved to pay fully imputed dividends of $50 per "A" and "B" share (2017: $50 per share).

## 25) SUBSEQUENT EVENTS

There were no events subsequent to reporting date that would affect the financial statements (2017: $nil).





# Independent Auditor's Report

for the year ended 30 June 2018

BDO Auckland

**INDEPENDENT AUDITOR'S REPORT**
**TO THE SHAREHOLDERS OF PROCARE HEALTH LIMITED**

**Opinion**

We have audited the separate and consolidated financial statements of ProCare Health Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the separate and consolidated statement of financial position as at 30 June 2018, and the separate and consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and Group as at 30 June 2018, and the Company's and Group's financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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 is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out taxation compliance and other advisory services for the Group. The firm has no other relationship with, or interests in, the Company or any of its subsidiaries.

**Other Information**

The directors are responsible for the other information. The other information comprises the Chair, the Chief Executive and the Directors' Reports, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Directors' Responsibilities for the Separate and Consolidated Financial Statements**

The directors are responsible on behalf of the Company and Group for the preparation and fair presentation of the separate and consolidated financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the directors are responsible on behalf of the Company and Group for assessing the Company's and Group'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 the directors either intend to liquidate the Company and Group or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report

## for the year ended 30 June 2018

BDO Auckland

**Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole 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) 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, they could reasonably be expected to influence the decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Wayne Monteith.

BDO Auckland

**BDO Auckland**
**Auckland**
**New Zealand**
**31 October 2018**





# Directors' Interests

## for the year ended 30 June 2018

The following are general disclosures of interest given by Directors of the Group pursuant to section 140(2) of the Companies Act 1993 as at 30 June 2018.

| | |
|---|---|
| **Dr H E Aish** | |
| ProCare Health Limited | Director/ Chair & Shareholder |
| Otara Family & Christian Health Centre Limited | Director & Shareholder |
| Medical Assurance Society New Zealand Limited | Director |
| Howick Baptist Healthcare | Director |
| **J N McCabe** | |
| ProCare Networks Limited | Director |
| ProCare Health Limited | Director |
| ProCare Charitable Foundation | Chairman |
| Avanti Finance Limited | Director |
| Galatos Finance Limited | Director |
| Sustainable Prosperity NZ Limited | Director |
| Northland District Health Board | Director |
| Taitokerau Northland Economic Advisory Group/Law Commision | |
| Maori Liaison Committee | Member |
| JB Were (NZ) Pty Ltd | Contractor |
| Te Waka Pupuri Putea Limited | Director |
| Te Waka Pupuri Putea Trust | Trustee |
| Te Whainga Putea Limited | Director |
| Taitokerau Fibre Network Limited | Executive Director |
| Ngapuhi, Te Rarawa, Te Aupouri, Ngati Kahu, Ngati Kaharau | Director |
| **J M Sclater** | |
| ProCare Health Limited | Director |
| Homecare Medical (General Partner) Limited | Director |
| Jamiga Investments Limited | Director & Shareholder |
| Callender Farms Limited | Director |
| Retail Dimension Limited | Director |
| Damar Industries Limited | Director |
| Reloaders Supplies Limited | Director |
| STM Group NZ Limited | Director |
| RD Group Holdings Limited | Director |
| Team Talk Ltd | Independent Director |
| Salus Aviation Limited | Director |
| **Dr N J H Hefford** | |
| ProCare Health Limited | Director & Shareholder |
| ProCare Networks Limited | Director |
| Clinical Assessments Limited | Director/ Chair |
| ProCare Clinical Governance Committee | Chair |
| Grey Lynn Family Medical Limited | Director/ GP |
| Konnect Clinical Advisory Group | Member |

# Directors' Interests

## for the year ended 30 June 2018

**Dr J F V White**

| | |
|---|---|
| ProCare Health Limited | Director & Shareholder |
| Mt Eden Medical Associates | Director |
| Konnect Clinical Advisor Group | Member |
| NZMA General Practice Council | Chair |
| BPAC NZ Limited | Director |

**Dr C L King**

| | |
|---|---|
| ProCare Health Limited | Director & Shareholder |
| Health New Lynn Limited | Director/ Chair |
| NLHCC Limited | Director/ Chair |
| Westcare Medical Limited | Shareholder |

**H Janes**

| | |
|---|---|
| ProCare Health Limited | Director |
| Selenium Corporation Limited | Director & Shareholder |
| ProCare Charitable Foundation | Director |
| Healthcare Sector | Barrister |
| NIB NZ Limited | Director |
| NIB NZ Holdings Limited | Director |

**T F Funaki**

| | |
|---|---|
| ProCare Networks Limited | Director/ Chair |
| ProCare Pacific Advisory Committee (ProPa) | Member |
| West Fono Health Trust | Chief Executive |
| St Mary's School, Avondale Board of Trustees | Chair |
| Waitakere Task Force on Family Violence | Member |
| Waitemata Police District Pacific Advisory Board | Member |
| MSD Community Response Forum West Auckland | Member |
| Auckland Council Pacific Peoples Advisory Panel | Member |
| Oceania Career Academy | Director/ Chair |
| Advisory Board Police Commissioner | Member |
| Pacific Advisory Board Unitec Council | Member |
| NZ Health Promotion Forum | Trustee/ Treasurer |
| Waves Governance Group | Member |
| Waitakere Health Families Governance Group | Member |

**Dr S Fuimaono**

| | |
|---|---|
| ProCare Health Limited | Shareholder |
| ProCare Networks Limited | Director |
| ProCare Pacific Advisory Committee (ProPa) | Chair |
| Takanini Care Limited | Shareholder |
| One Health | Shareholder |



PROCARE HEALTH LIMITED AND SUBSIDIARIES

Directors' Interests

for the year ended 30 June 2018

**R J E Newman**

| | |
|---|---|
| ProCare Networks Limited | Director |
| Milford Family Medical Centre | Employee |
| National Influenza Specialist Group | Member |
| New Zealand Nurses Organisation | Financial Member |
| New Zealand Practice Manager's Organisation | Financial Member |
| NZ College of Primary Health Care Nurses | Financial Member |
| Laser Nail Clinic | Shareholder |

**L A Going**

| | |
|---|---|
| ProCare Networks Limited | Director |
| Peninsula Medical Centre Limited | Managing Director/ Shareholder |
| Ongoing Enterprises Limited | Manager/ Shareholder |
| Practice Managers & Administrators of New Zealand | Financial Member |
| South Pacific Clinical Trials Limited | Director & Shareholder |

**J A Marsden**

| | |
|---|---|
| ProCare Networks Limited | Director |
| ProMa Advisory Committee | Member |
| Te Puna Hauora o te Raki Paewhenua | General Manager |
| TWONA - Te Puna Whanau Ora Network Alliance | Director |
| Hapai te Hauora o Tapui Trust | Director |
| Te Runanga o Ngati Whatua | Trustee |
| Equip Ltd (Mental Health Provider) | Kaumatua (Maori elder) |
| Connect Ltd (Mental Health Provider) | Kaumatua (Maori elder) |
| Raeburn House (Community Support Provider) | Kaumatua (Maori elder) |
| Northcote College | Kaumatua (Maori elder) |
| Nga Tikanga Pono Kohanga reo | Kaumatua (Maori elder) |
| Caughey Preston, Aged Persons Care | Kaumatua (Maori elder) |

**S J Boomert**

| | |
|---|---|
| ProCare Health Limited | CEO |
| ProCare Psychological Services Limited | Director/ Chair |
| ProCare Health (LP) Limited | Director |
| Homecare Medical (General Partner) Limited | Director |

**Dr J H Betteridge**

| | |
|---|---|
| Clinical Assessments Limited | Director |
| John Betteridge Medical Limited | Director & Shareholder |
| General Practice New Zealand | Councillor |
| East Health Trust PHO | Trustee |
| East Health Services Limited | Director & Shareholder |
| East Care Properties Limited | Shareholder |
| East Care Limited | Shareholder |
| East Health Management Limited | Director & Shareholder |

# Directors' Interests

## for the year ended 30 June 2018

| | |
|---|---|
| **P D Roseman** | |
| ProCare Health Limited | Employee |
| Clinical Assessments Limited | Director |
| **T A Wai** | |
| ProCare Health Limited | CFO, Head of Corporate Services & Company Secretary |
| ProCare Psychological Services Limited | Director |
| ProCare Health (LP) Limited | Director |
| **Dr A Moffitt** | |
| ProCare Psychological Services Limited | Director |
| ProCare Clinical Governance Committee | Member |
| **Dr F Lentini** | |
| ProCare Health Limited | Director & Shareholder |
| Mairangi Medical Centre | Director |
| NW Auckland Region | RNZCGP Lead Medical Educator |
| ProMa Advisory Committee | Member |
| New Zealand Medical Council | Educational Supervisor |
| **S Taylor** | |
| ProCare Health Limited | Director & Shareholder |
| Taylor Medical Limited | Director |
| St Heliers Medical | Partner |
| **T Campbell** | |
| ProCare Networks Limited | Director |
| Hauraki Health Consulting Ltd | Owner/ Director |
| Te korowai Hauora o Hauraki | Partner |
| Health Practitioners Disciplinary Tribunal | Nursing Member |
| ProMa Advisory Committee | Member |
| **J O'Sullivan** | |
| ProCare Networks Limited | Director |
| Mt Eden 575 Doctors | Director |

ProCARE

**PROCARE HEALTH LIMITED**

ProCare Networks Limited
ProCare Psychological Services Limited
ProCare Health (LP) Limited
Clinical Assessments Limited

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