



ProCare

ANNUAL REPORT

2019

Excellence delivered with humanity.



Who we are

ProCare is New Zealand's largest and most diverse network of healthcare professionals and general practices, with a local and personal approach to delivering world leading health services.

THE PROCARE GROUP

ProCare Primary Health Organisation - ProCare Health (PHO) Ltd

ProCare represents 179 practices across the greater Auckland region, with more than 800,000 enrolled patients including the largest Māori population enrolled in general practice in Tāmaki Makaurau and the largest Pacific population in New Zealand. As an organisation we are committed to understanding and meeting the health needs of our patients, their whānau, and collectively as communities and populations.

The ProCare co-operative - ProCare Network Ltd

As a co-operative we draw on the collective strength of New Zealand's largest network of independent general practices, delivering innovation and services that ensure the sustainability of primary care.

We trace our history back to the groups of GPs that formed ProCare in the 1990s. From those early days of establishing quality programmes and negotiating contracts we have grown into a formal co-operative of healthcare professionals, the first in New Zealand. This legacy continues to drive our passion to advance care and deliver better outcomes. Together, we aim to innovate in the rapidly evolving healthcare environment to help our population live healthier lives.

The ProCare Foundation

The ProCare Charitable Foundation was established by the shareholders of ProCare who gifted over 90% of their shares to the Foundation in 2013. The purpose of the Foundation is to help promote the health and wellbeing of disadvantaged communities, deliver health-related activities that improve a community's wellbeing, or reduce health inequalities and alleviate poverty and deprivation in the Auckland region.



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 their whānau.



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.



ProCare

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ProCare Network Limited chair's report

Kia ora koutou katoa

“It is once again a privilege to deliver this year’s annual report on behalf of the ProCare Network board and to reflect on the collective achievements of our network and the organisation as a whole.”

An organisation for the future – ensuring the sustainability of general practice

The New Zealand health sector is in the midst of a period of significant change. Advances in technology, population growth, increasing complexity of health needs, the changing expectations of patients, and evolving health inequities are some of the drivers that encourage us to continuously review the services and programmes we provide practices within our network.

Preparing our organisation for this period of change led to the creation of our new strategy ‘**Excellence delivered with humanity.**’ It was during our consultation on the strategy that members asked ProCare to help provide easier entry into practice ownership, support succession planning for retiring GPs, and how to address pressures on independent general practice.

Subsequently, ProCare carried out a comprehensive consultation programme with members for input on a proposed new co-operative model that aligns with this strategy and vision. We were delighted at our AGM in November 2018 when members voted in support of our proposal to change.

The move to change our structure to separate entities – ProCare Health (PHO) Ltd and a co-operative ProCare Network Limited – is designed to give practice owners and clinicians more control over their futures, allow for better continuity of care for patients, and help build thriving practices.

The co-operative allows us to draw on the collective strength of New Zealand’s largest network of independent general practices, to deliver innovation and services that ensure the sustainability of primary care.

New partnerships to enhance primary care

We continue to forge important partnerships to innovate and deliver services to our enrolled population for better health outcomes. Our partnership with ACC continues with the high-tech imaging programme now rolled out across the ProCare network as well as other PHOs around the country. This programme offers musculo-skeletal training and accreditation for GPs and an improved pathway for patients with greatly reduced wait times whilst also providing a new revenue stream for general practice.

Our partnership with the Ministry for Social Development (MSD) has resulted in the successful Well Plan pilot in three ProCare practices. Well Plan is a partnership between health practitioners, Work and Income case managers and patients on a job seeker health and disability benefit (JS-HCD). The programme provides individualised support to enhance wellbeing and economic independence with promising results to date.

Following the comprehensive practice management system (PMS) review, conducted by a steering group of

network members, the board agreed in December 2018 that the technology solution put forward by Valencia, known as indici, be the ProCare Network preferred PMS. We are excited by the opportunity of having this new technology at our fingertips and anticipate its successful roll out over the next couple of years.

Looking ahead

We are excited by the opportunities ahead and welcome the Health and Disability System Review recommendations, for which we put forward a comprehensive submission on behalf of our members. There is great work happening in general practice and as the backbone of our health system we certainly hope any signalled changes to its structure prioritise primary care and provide an increase in funding, so desperately needed, so it can continue to focus on wellness and in turn ease pressure on our secondary services.

Acknowledgment

Thank you to my fellow board members for their dedication to ensuring we remain true to our strategic objectives and provide exemplary governance. In March this year we welcomed Mike Schubert to the board replacing independent director James Sclater who retired in June. We thank James for his nine years service to the ProCare Health Ltd board and for his strong financial governance.

Thank you to our CEO, Steve Boomert, the executive leadership team, management and the ProCare team, your skill and professionalism provided to members and the organisation as a whole is greatly appreciated.

It’s an exciting time to be part of ProCare and we thank you for sharing this journey with us. ■



DR HARLEY AISH,
GP and chair of ProCare Network Limited

Our practices our people

A YEAR IN THE LIFE OF GENERAL PRACTICE

179 practices | 884,665 enrolled patients



18.4%
of estimated NZ population
[4,794,553]

56% of estimated Auckland DHB's population

23% of patients are Māori or Pacific

28% of patients are considered high needs

949 GPs | 689 nurses

154 practice managers | 27 health care assistants

5 Health improvement practitioners (HIPs) | 5 Health coaches

ProCare PHO chair's report

Mālo e lelei

“Living well is the right of every New Zealander. This is the purpose of our organisation, and we are ever mindful of the impact we have in helping those who need it the most, get the help they need.”

Health equity a top priority

ProCare has the privilege of having a large enrolled Māori and Pacific population. With this comes the responsibility of ensuring that our Māori and Pacific people have equal access to health and wellbeing services. We know there is always work to do in this area and in late 2018 we were very pleased to welcome to ProCare Lance Norman as our head of equity and Māori health outcomes. His work to date has resulted in new relationships with Pacific groups, iwi, Māori and Pacific health providers and a seat at the table of the expert advisory group at the Ministry of Health to review the Māori health action plan. These developments are exciting and will go a long way to ensuring the primary health sector truly represents the health needs of the Māori and Pacific people enrolled in our practices.

I would like to thank our ProCare Māori (ProMa) and ProCare Pacific (ProPa) advisory committees who continue to do great work. Their advice and experience ensures we are focusing our efforts in the right places.

Health targets

Achieving national health targets is always a priority and we acknowledge the hard work of those at the front line who juggle heavy workloads while

managing to reach or exceed these benchmarks.

This year, the outbreak of measles which hit Auckland and specifically our Pacific populations hard, brought into stark relief the vital importance of ensuring our communities receive their immunisations. We know that there are some who choose not to vaccinate for misinformed reasons, but it is more often the environmental factors surrounding our high needs people that create the barriers to receiving the preventative health advice and support they need.

This year I have been humbled to see the dedication and commitment our practices have put in every day over sustained periods of time to immunise those who are most vulnerable to infection and taking steps to bring their whānau into general practice. I know our practices are already operating under ever-increasing workloads and thank all of our practice staff for their commitment to patient health and wellbeing.

Beyond measles, we have performed well in some areas of our national targets this year, with some work to go in achieving others. It was extremely heartening to see the target for Pacific 8 month immunisations exceeded - 96% (target 95%) and 92% (target 90%) for Māori smoking brief advice. This is very exciting and a great motivator.

A health strategy to guide the way

Having released the comprehensive ProCare population health needs analysis in 2018, known as 'Our Picture of Health', our clinical team, led by Dr Sue Wells, has been dedicated to developing a ProCare population health strategy and we are delighted this is now complete with implementation planning underway. The strategy, which was developed with consultation from our members, Pacific and Māori groups and other community stakeholders follows a life stage approach.

Primary mental health

The government released its mental health and addictions inquiry report,

He Ara Oranga, in May 2019. We were delighted to see a commitment to funding programmes which increase access to mental health and addictions support in general practice; such as the innovative Te Tumu Waiora programme, which ProCare worked closely with sector colleagues to develop and successfully pilot in five practices across the network. General practices have long term trusted relationships with many patients and frequent interactions, which makes it a logical place to expand capability and access to support for mental health and addiction issues.

The future of primary care

We have welcomed the Ministry of Health's Health and Disability System Review. Our comprehensive submission was the result of collaboration and consultation at hui, focus groups, member feedback and rigorously supported by data and evidence for impact across diverse populations both Māori and non-Māori. We believe that a strong primary health care system working in collaboration and partnership with other social sectors is key to addressing health equity issues. A strong health care system needs to involve and be supported by local communities in the planning and delivery of service to make sure people are at the centre.

We intend to focus on addressing Pacific and Māori needs. Our approach will be holistic and we will continue to address and advocate on matters that affect our communities such as rheumatic fever and on social challenges such as housing and accessing employment.

Whilst there are many challenges facing population health, primary care has a leading role to play so people can achieve greater wellbeing for themselves and whānau. As I sign off I would like to thank my director colleagues for their support and dedication to population health. Thanks also goes to our CEO Steve Boomert and the wider ProCare team for the great work they do every day. ■

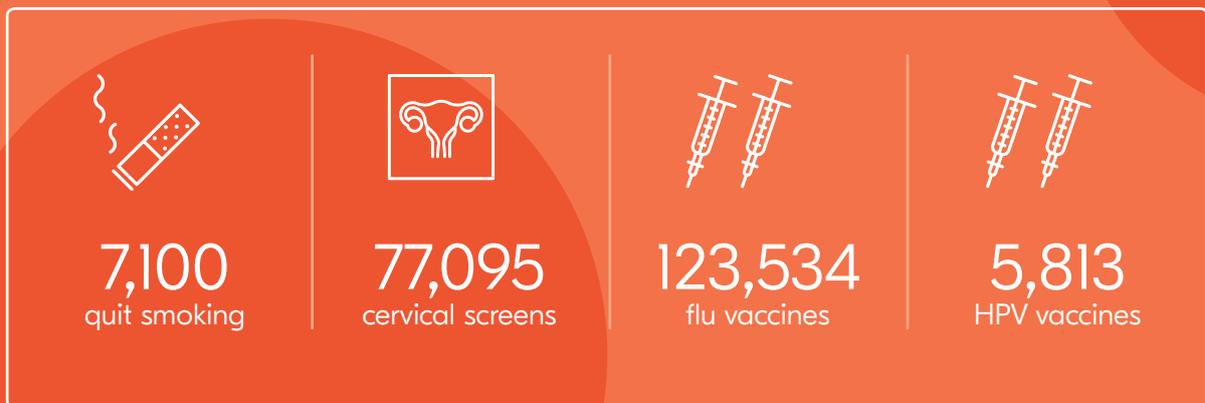


TEVITA FUNAKI,
Chair of ProCare Health (PHO)

A snapshot of activity July 2018 - June 2019

Working together to support the health of 884,665 Aucklanders to enable them to live well.

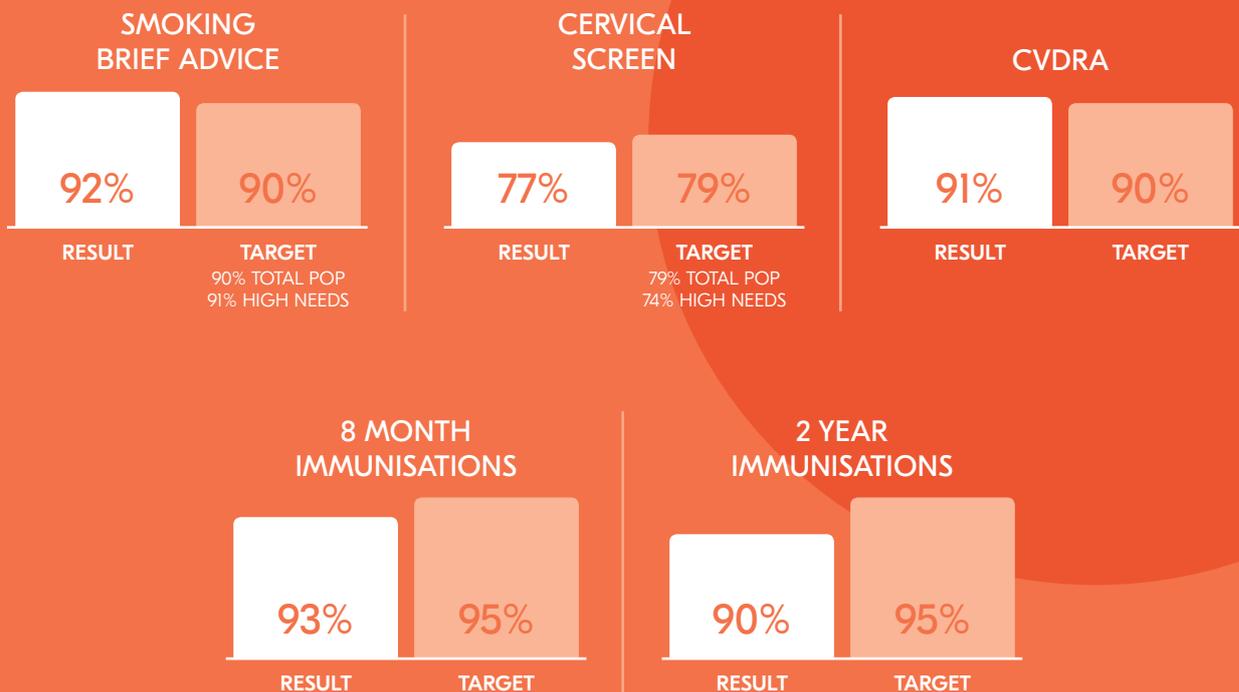
A YEAR IN THE LIFE OF GENERAL PRACTICE



PROTECTING OUR POPULATION

Results as at 30 June 2019

(% = coverage of relevant enrolled population)



ProCare CEO report

Tēnā koutou,

“As I reflect on the past year it is with satisfaction at the work we have done collectively, both as a network and internally at ProCare, to passionately support population health and to nurture and forge new partnerships which have resulted in innovations that have the potential to significantly enhance the wellbeing of all New Zealanders.”

Supporting our practices

The past year has been a busy one for ProCare following the positive vote from members to move to a co-operative structure, drawing on the collective strength of New Zealand's largest network of independent general practices. Considerable planning and re-organisation preceded the change, which took effect 1 July 2019.

In line with this move we have responded to calls from our membership to provide a range of services, tools and programmes which enable practices to balance the challenges of delivering quality healthcare to patients and communities along with the running of a thriving and successful business. These services offer practices practical business support while freeing up time to focus on their primary function - the health and wellbeing of patients.

Advocating for general practice

Advocating on behalf of our membership remains of paramount importance, even more so during a time when the health system is

increasingly under pressure with limited resource and also in the spotlight in terms of the potential for structural reform as part of the Government's Health & Disability System Review.

Via our owners' forums we gathered feedback from members which helped enormously in preparation of our submission to the Health & Disability Review. In addition we met with the Chair of the review panel, Heather Simpson, to discuss opportunities for primary care to play a more significant role in establishing a well functioning and more equitable health system. We believe ProCare has a key role to play in advocating for models of care and a population health strategy that are flexible to patient needs.

NES implementation

We appreciate efforts made by our network in implementing NES (National Enrolment Service) which went live on 1 April, and the adoption of the CSC (Community Services Card) and Under 14 subsidies introduced by the Government in December 2018. Although uptake of CSC and Under 14 subsidies was very high across the country (96% of all CSC holders are enrolled in a practice offering the subsidised CSC visits), it was less than the Ministry of Health budgeted. Through PSAAP we advocated that the unspent money ought to be divided equally between funding for general practice to contribute to some of the costs of implementation and to support an equity project for Māori populations.

Building strong relationships

Over the past 12 months we have continued building and maintaining relationships working collaboratively with sector colleagues, valuing these relationships in the wider health landscape.

A visit to Mangere Health Centre in November last year by Hon David Clark and Hon Jenny Salesa to meet programme leads working with the Te Tumu Waiora pilot received overwhelmingly positive feedback. This was followed by a visit from Prime

Minister Jacinda Ardern and Ashley Bloomfield, Director General Ministry of Health, to Mangere Health Centre in March, to meet with programme leads, practice staff and a patient who had used the service. This visit provided an invaluable opportunity to explain the benefits of Te Tumu Waiora to a very engaged Prime Minister and Director General.

It was as a result of collaboration with our colleagues in DHBs, other PHOs and NGOs as well as the facilitation of the above visits that we believe contributed to the commitment of \$455m in the Government's 2019 Wellbeing Budget for a front line mental health and addictions programme to ensure that all New Zealanders have access to the support they need. We are excited about the opportunity this presents for the future of mental health support in New Zealand and the positive impact to general practice.

In February, ProCare representatives attended one of the consultation events held by ACC. We commented on the benefits of contracting for populations rather than with provider groups, and raised several opportunities for ACC that we believe would benefit the majority of our stakeholders including patients, evidence-based providers, and ACC. We intend to continue to work with ACC to develop more opportunities.

As part of the Auckland Primary Care Leadership Group, we valued the opportunity to present to the CMDHB Board on Planned Proactive Care (PPC) transition on behalf of all PHOs. Our presentation may have had some impact given rather than a complete cancellation of the programme, it has been established in a reduced format with a specific high-needs focus. This goes without saying that funding to provide programmes remains tight and this presents challenges when trying to achieve positive health outcomes for our enrolled population.

We continue to work collaboratively with the Ministry for Social Development in designing and



STEVE BOOMERT,
CEO, ProCare

implementing a programme to support the approximately 11,000 people currently receiving a jobseeker-health condition and disability benefit (JS-HCD). Known as Well Plan, the programme is now in pilot stage in several ProCare practices and showing positive outcomes.

Looking to the future

These are exciting and also challenging times in primary care. While we welcome healthy discussions about any proposed changes to the existing general practice ownership model in this country, we strongly believe that the value provided by GPs under the current models should also not be disregarded.

Yes, there are inequities in our current system that need to be addressed, such as equitable access for all patients, and this is the focus of the work of our equity and Māori health outcomes team led by Lance Norman. We have been in active discussions with DHBs, Government and health partners across the board to find a way to effectively address inequities.

We echo the New Zealand Medical Association's view that any new model must provide confidence to current and future GPs that it will enable the best primary healthcare available, and that it will be funded satisfactorily, and maintained over time.

From a ProCare perspective, this is why we have moved to a structure which will ultimately give practice owners and clinicians more control over their own futures, allow for better continuity of care for patients, and help build thriving practices.

Lastly, I would like to thank the whole ProCare whānau for always turning up with passion and dedication, your support is greatly appreciated. ■

Services to support practices

CORE SERVICES AVAILABLE TO ALL MEMBERS OF THE PROCARE CO-OPERATIVE

- + Owners' forums
- + Financial benchmarking
- + General business advisory service
- + Fees review
- + Members website access with clinical reporting
- + Sourcing new funding streams, which broaden the role of general practice, through collaboration with the broader health and social sectors such as MSD and ACC
- + Competitive purchasing for medical and associated business costs
- + Professional development, succession planning and business brokerage

NEW SERVICES SO PROCARE PRACTICES CAN FOCUS ON CLINICAL CARE

- + Full recruitment service
- + Employee benefits packages for practice staff
- + Professional practice management services
- + Employment Plus, full HR management

EMPLOYMENT PLUS SERVICE - taking the hard work out of managing a practice team

- + HR advisory phone support
- + Concise, effective 360 degree performance reviews, allowing anonymous constructive feedback
- + Detailed psychometric and aptitude testing for potential or existing employees
- + Bespoke employment and leadership related training in a wide variety of areas
- + Employment and contractor compliance service — including an audit on compliance for historic legislative or structural issues, which can be rectified, removing risk and exposure for the practice
- + Effective training options for staff covering thousands of different topics

Fresh Minds chair report

“Over the past year we have had the opportunity of supporting the mental health needs of over 6,000 clients, 87% of these referred from practices within the ProCare network. This is work close to my heart and I am proud of our team for the important work they do.”

De-stigmatising mental health support

After listening to feedback from patients, who told us psychology services need to be more accessible and use everyday language, we introduced Fresh Minds in March 2019 – the new name for ProCare psychological services. We also created a new website which provides a window into the service for those seeking support, enabling people to see photos and profiles of therapists before their appointment, helping remove anxiety around seeking support.

Responding to consumer need

Fresh Minds also responded to a call from patients, GPs and practice staff who said there needed to be more accessible and affordable options for those seeking support. To meet this demand we launched Fresh Minds Learnings, which includes online interactive webinars, group workshops and free online resources for self-management. Realising that people also need flexibility in the way they access their support clients can now also conduct follow up appointments by phone or online via skype.

Meeting the needs of more people

The demand for talking based therapies increases each year and over the past 12 months we have made improvements to the way we do things to better meet this need, ensure people are seen sooner and that they get the best outcomes. The implementation of a new model of care has significantly improved wait times, down from six weeks (time to first available appointment) in December 2018 to just three working days in June 2019.

The new model also introduces group workshops, access to online self-management education and connection to social support.

Supporting people in the community

Our school based services continue to grow and in the past year we have worked with 11 decile 1-3 and selected decile 4 schools as well as a couple of special character schools, providing support and supervision for school based registered nurses as well as a psychology service in school GP clinics.

Innovation in primary mental health

Fresh Minds has been instrumental in supporting the Te Tumu Waiora pilot since it began in 2017. Providing clinical leadership and training the team has helped scale the pilot to four other regions and established the national collaborative. Engagement with Ministry and Government officials over the past year resulted in the commitment of \$455m (over five years) for a front

line mental health and addictions support programme in general practice, announced as the centre piece of the Government's 2019 Wellbeing Budget.

We welcome the Ministry of Health RFP, to be released in September 2019, and look forward to preparing a regional response with our DHB, PHO and NGO colleagues.

He tāngata, he tāngata, he tāngata

Of course we are a people based service and so I take this opportunity to commend the Fresh Minds team on their excellent work. They have proved resilient during a year of change and have risen to the challenge of a new model of care and always demonstrate dedication to providing the best care possible for their clients.

Following the March 15 mosque attacks in Christchurch a number of Fresh Minds psychologists put their hand up to support the Homecare Medical team, coming in after hours to counsel those ringing in on the 1737 phone lines, traumatised by the shocking events which unfolded that day. We thank those that went above and beyond to provide support to those in need.

Thank you also to the Fresh Minds management team, led by Johnny O'Connell, who continue to ensure the Fresh Minds service supports the mind, mood and wellbeing of the ProCare general practice population, and who always strive to deliver excellence with humanity. ■



STEVE BOOMERT,
Chair, Fresh Minds

A year in review

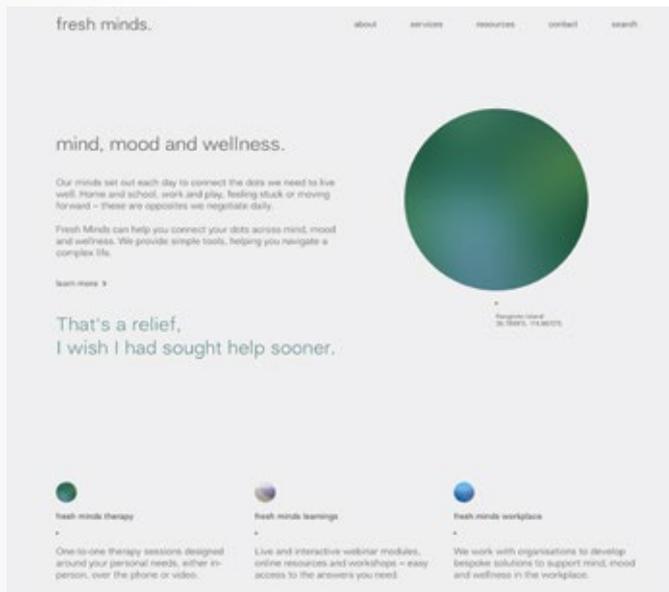
fresh minds.

6,086 clients seen at Fresh Minds July 18 - June 19

5,329 referrals from ProCare member practices

65.7 NPS client satisfaction score (>50 excellent)

New website



“My therapist was amazing and extremely good in helping me get out of the cycle of depression.” Fresh Minds client

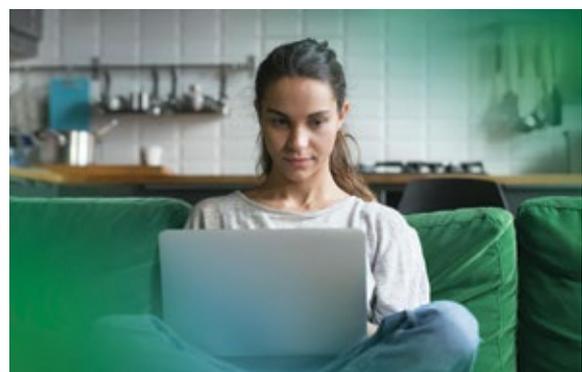
Meeting the needs of more people

- One-to-one therapy
- Group workshops
- Live and interactive webinars
- Connection to social supports

Reduced wait times

- 1 working day in Ellerslie
- 3 working days in Manukau

Wait times down from 6 weeks in Dec 2018



Read more about Fresh Minds via www.freshminds.co.nz

Clinical Assessments

Clinical Assessments Ltd (CAL) shareholding is owned two thirds by ProCare Network 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 of POAC 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 clinical director Dr Helen Liley.

Our clinical governance group, with representation from all the DHB Emergency Department (ED) clinicians 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. The website blog page has guidance around clinical conundrums e.g. pelvic pain investigations and links to pathways.

Practice and PHO utilisation of POAC and outcomes such as 'managed

in the community', or subsequent hospitalisation is recorded. The target is that about 85% of POAC interventions will successfully and safely avoid the patient needing to go to hospital and at year-end the total across the three DHBs is 89%.

Overall, the total referrals received has been fairly stable against the same period in the previous year across the region. The initiative to accept referrals enabling early discharge from ward and ED has increased.

The total number of Auckland Metro POAC between 1 July 2017 and 30 June 2018 was 29,059.

POAC also has an increasing role in coordinating services or funding of primary care initiatives such as the expansion of Zoledronic acid and Ferrinject infusions and the use of Fosfomycin. At the governance level we continue to make representation for access to all 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 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 and ferrinjects. POAC maintains an ongoing link with the St Johns hub, which diverts patients calling an ambulance to be appropriately managed by their GP or nominated after hours provider.

The region's DHBs have rolled over the contract on similar terms to previous years and the BDO auditors, being supportive of the accounting processes, have issued an unqualified audit position.

POAC is highly regarded by general practice teams and continues to assist us in helping patients avoid hospitalisation and more effectively manage their care in the community. ■



NEIL HEFFORD,
Chair, Clinical Assessments Limited



Homecare Medical extends reach and support for primary care

Over the last 12 months Homecare Medical has continued to work with health partners and the sector to virtually support people to stay well and connect seamlessly with care.

ASSESSING, ADVISING AND CONNECTING PATIENTS TO CARE AFTER HOURS

Our after-hours clinical team supports primary care partners by providing remote clinical assessment or health information, and directing patients to the right place for information and care after hours.

Homecare Medical supporting the ProCare network

265,895 after-hours calls for ProCare practices

7,534 calls handled by the after-hours team

258,352 assisted with IVR messaging and options

58% of calls over 65 years of age

Mondays are the busiest day for calls

8-9am busiest hour

INTRODUCING PUĀWAITANGA - TO BLOSSOM, TO FLOURISH, TO BREAKTHROUGH

Co-designed by Homecare Medical, Puāwaitanga is a phone and web-based service providing mental health and addiction support for people with mild to moderate symptoms of stress, depression, anxiety, and related issues. It is an alternative to face to face counselling, for those who have time, transport, or access challenges. After a successful pilot (eTalk with Canterbury DHB), Puāwaitanga referring organisations now also include the Ministry of Social Development, Auckland University of Technology, and The University of Auckland. Puāwaitanga operates on a package of care model where clients receive as many counselling sessions as they need over a 12-month period.

An independent evaluation by AUT found Puāwaitanga has great outcomes for clients. The flexibility of choosing a counsellor, having an individual plan and being able to schedule sessions around their lives is empowering for clients.

Psychological first response to Christchurch mosque attacks

- 13,000 counselling sessions provided in first three weeks following the attack

The 1737 need to talk? service has been utilised as a 'psychological first response' throughout the crisis response, ensuring all New Zealanders have unlimited access to virtual support and counselling, whenever and however they need it. In the days following the attacks, the service was strengthened by an additional 120 counsellors, psychiatrists and psychologists who worked to respond to the immediate needs of individuals and communities.

Note; figures have been rounded to nearest 100

NATIONAL SCREENING SERVICES COORDINATION EXPANDED TO INCLUDE CERVICAL SCREENING

In April 2019 Homecare Medical took on the coordination of the National Cervical Screening Programme and now coordinates managing the national register, correspondence with women, and liaising with the regional centres, smear takers, laboratories, specialists and DHBs about the people they serve.

Homecare Medical supports the wider Ministry of Health strategy for national screening coordination services and has been managing the National Bowel Screening Programme coordination since late 2017.

SOME NATIONAL TELEHEALTH SERVICE NUMBERS - IN THE LAST 12 MONTHS (ENDING 30 JUNE 2019):

- 1 in 8 people in NZ sought help from our service
- Over 821,000 contacts were made - 195,000 more contacts than forecast in the annual plan.
- Despite increased demand, 76% of contacts were responded to within agreed service levels.

MORE AT A KEY SERVICE LEVEL:

- The 1737 need to talk? service received over 86,400 contacts and supported more than 49,000 people in distress; annual growth of 51%
- 43,000 text exchanges
- The Alcohol and Other Drugs team received 19,000 contacts supporting 16,600 people with addiction within their family
- The Gambling team received nearly 4,200 contacts supporting 3,300 people dealing with the effects of problem gambling
- More than 86,000 people accessed The Journal
- 51,000 calls to Quitline; supporting 12,000 people to become smoke free, 3,500 remain smoke free after four weeks.
- The Poisons team helped 22,000 people, with 71% of contacts requiring no further medical treatment or self-care information
- The Emergency Triage nurses triaged nearly 54,000 incidents, redirecting 40% of contacts to non-emergency services, which helps keep our hospitals and ambulances available for emergencies
- The Emergency Mental Health Response team triaged more than 7,200 contacts from Police and Ambulance to support more than 5,000 people in social and psychological distress.



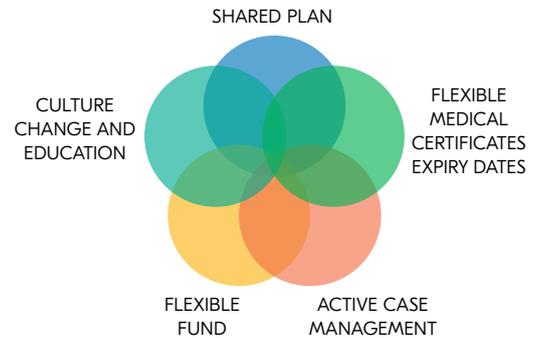


Innovation in general practice

Well Plan

ProCare partnered with the Ministry for Social Development (MSD) to transform the care and experience for people with a health condition or disability that impacts their ability to find employment. The collective vision was to enhance people's independence, health, wellbeing and employment prospects through a truly integrated and personalised model of care.

The vision is to enable health practitioners and Work and Income case managers to work together where they have mutual clients, facilitate a client owned 'wellbeing and employment plan' which provides access to the right support at the right time to improve wellbeing and economic independence.



KEY ELEMENTS OF WELL PLAN

PILOT in:

3 ProCare practices and **6** Work and Income service centres - JULY 2018

126 patients on JS-HCD referred | **65** enrolled

14 people now employed, others volunteering

Approximately **11,000** people enrolled with ProCare are on the JS-HCD

SUPPORT FOR PRACTICE STAFF

11 CLINICIAN'S TRAINED IN THE OUTCOMES STAR™

ONLINE LEARNING MODULE PROVIDED

“Great insights come out of the Well-being Star – we find out things we did not know about patients we have seen for seen for years.” *Clinician*

“Well Plan has been the light at the end of the tunnel for me.” *Patient*

“I think it should be a default for everyone really, I wouldn't have thought about getting an eye test, until this programme was offered it wouldn't have been in my realm of possibilities. Getting help with my sight has given me more confidence to start looking for a job.” *Patient*

Referral to high tech imaging continues to grow

The ACC high tech imaging is a stand out partnership service for ACC and ProCare and continues to thrive and expand. A highlight of service expansion is the fact that as more practices and GPs have begun referring, the appropriateness of referral has remained consistently high – 86% of scans deemed appropriate. Patients continue to get much faster access to diagnostics with the average person saving 16 days.

ProCare continues to explore opportunities with ACC and other partners to build on the current pathways and platform to increase scope and scale into the future.



129 PRACTICES ACCREDITED

88 PRACTICES ACCREDITED IN PAST 12 MONTHS

150 GPs RE-ACCREDITED THIS YEAR



86% of scans deemed appropriate



Research supports quality GP MRI referral

An 18 month primary care retrospective research study, led by Dr Stephen Kara and Alexandra Smart, provides evidence that supports quality GP referral for MRI when managing patients with musculoskeletal injury. The paper titled ‘Guidelines, training and quality assurance: influence on general practitioner MRI referral quality’ was published in the Journal of Primary Health Care, Issue 11, Vol.3.



To read the paper visit the Journal of Primary Care 11(3) *Journal of Primary Health Care* 11(3) 235-242 <https://doi.org/10.1071/HC19034> Published: 30 September 2019

Dr Stephen Kara (left) at a GP musculoskeletal injury assessment education evening for HTI referral

“The ACC MRI Service has truly sped up the process of referral to specialists. For example, a patient had an acutely locked knee and was discharged from a 24-hour clinic with a plan to ‘see your GP in a couple of weeks if not better’. Fortunately, the patient’s husband was prudent enough to bring her in to see us after the weekend. I was able to assess the injury and refer to MRI the very next day and the report showed a bucket handle tear. The orthopaedic surgeon could see her very quickly rather than leaving her on the waiting list which could have taken up to a month.

“Another benefit of the service is the annual training provided. This is a great opportunity to refresh our skills examining the musculoskeletal system and to share ideas with other GP’s.” Dr Thye Leow



Innovation in general practice

Te Tumu Waiora

Since December 2017 ProCare has piloted an innovative new model of care in general practice which supports patients with any thoughts, feelings or actions that may be affecting their health. The programme known as Te Tumu Waiora introduces two new roles into the general practice team, a health improvement practitioner and a health coach.

The model is based on international evidence and local co-design, and provides rapid, targeted brief intervention to people who are experiencing mental distress, connecting them quickly to the social and specialist supports they need, accessed through general practice.

PILOT PRACTICES:

- Mangere Health Centre
- Peninsula Medical Centre
- Health New Lynn
- University of Auckland Student Health Services
- Turuki Health Care Panmure



Alysha Simonsen, HIP, University of Auckland Student Health Services



Renee Henry, Health Coach, walking group, Mangere Health Centre

Te Tumu Waiora

to head towards wellness



Prime Minister Hon Jacinda Ardern visits the team at Mangere Health Centre to learn about Te Tumu Waiora, March 2019.

“We will ensure every person in New Zealand will be able to access the support they need, when they need it, by rolling out a whole new workforce of trained mental health workers in doctors’ clinics, iwi health providers and other health services across the country.

“It is for all of us and it will be a game changer.” Prime Minister’s Budget Speech May 2019



Our Population health strategy

Step 1: Understanding population health needs

In 2018, ProCare published 'Our Picture of Health' the first comprehensive health needs analysis undertaken by a PHO whose enrolled patients span three regional DHB catchments.

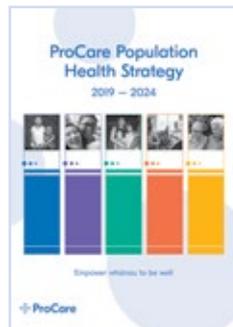
Our Picture of Health provided information on the health of our enrolled population and established a baseline for taking action and improving the health of our communities. To view the full report visit www.procare.co.nz

Step 2: Introducing our first population health strategy

ProCare's Population health strategy will guide clinical direction between now and 2024. The strategy, titled 'Empowering our whānau to live well', has been informed by the comprehensive health needs assessment of the more than 800,000 patients enrolled across the ProCare network.

The strategy follows a life stage approach and is broken into five health goals which were chosen by our community, Māori, Pacific and clinical governance groups, and the ProCare network of general practices after a series of workshop and hui.

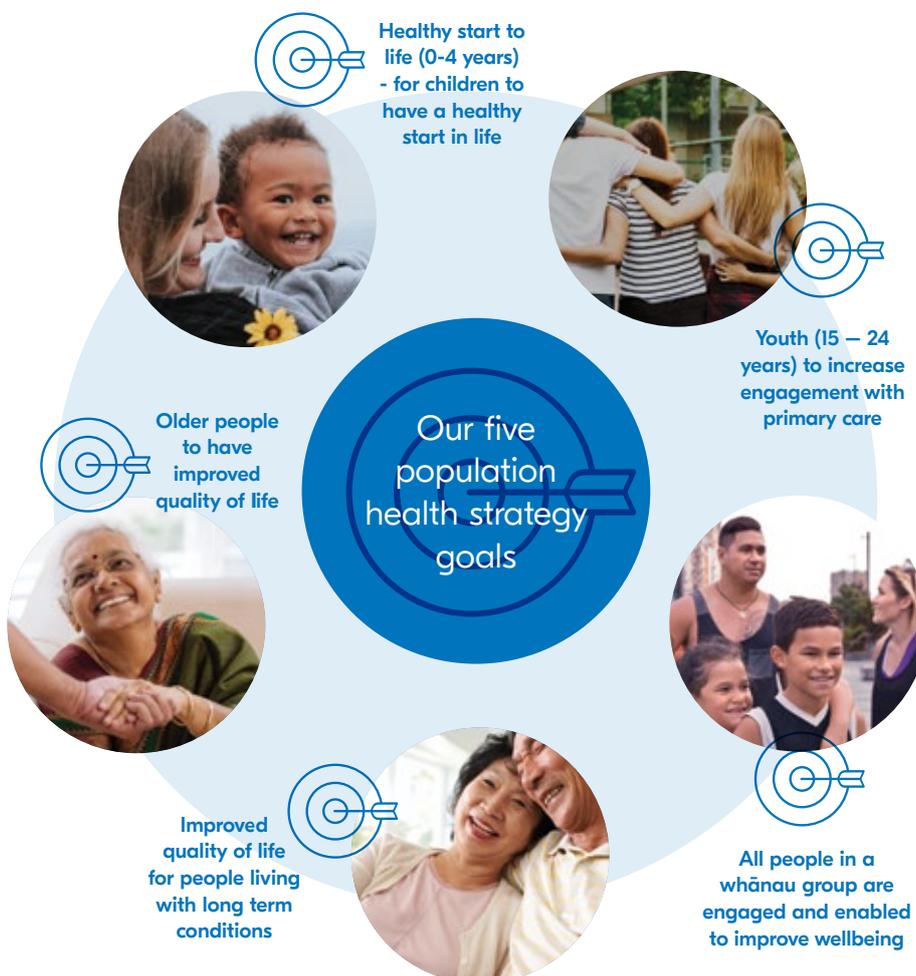
The strategy has been led by Dr Sue Wells, Associate Professor Health Innovation and Quality Improvement at the University of Auckland and Associate Clinical Director at ProCare, along with ProCare's clinical director Dr Allan Moffitt.



Read more about the ProCare population Health Strategy at www.procare.co.nz

“Our ProCare population health strategy outlines practical steps we can take as health practitioners that would make the biggest difference for our population in terms of morbidity and mortality. It is done with an equity lens to focus on where we can make the biggest difference to reduce health inequalities and close the gap in outcomes for our Māori and Pacific people in particular.”

Dr Allan Moffitt, ProCare Clinical Director.





Supporting our nursing workforce

673 NURSES IN THE PROCARE NETWORK



11 nurse practitioners

42 nurses with mental health credentials

5 PEER LED NURSING EDUCATION GROUPS LAUNCHED

71 NURSES FUNDED in WDHB for complete the NZSSD online diabetes course



19 NURSES attend Ears Made Easy course



POST GRADUATE education support

FUNDING FOR **10** NURSES to attend the NZMA General Practice Conference



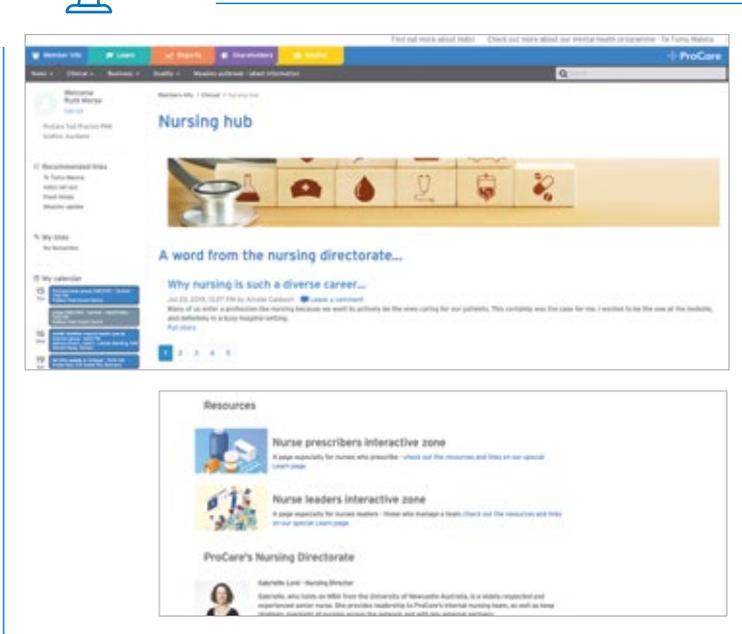
SUPPORT with Health Workforce NZ funding



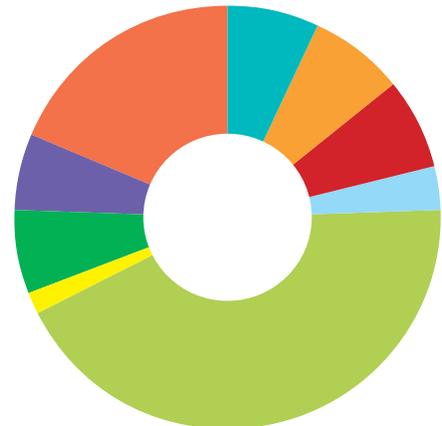
PRESCRIBING governance framework



NEW DEDICATED NURSING HUB ON PROCARE MEMBERS' WEBSITE



Ethnicity of ProCare Nurses



- Asian
- European
- Indian
- Māori
- NZ European
- Other
- Pacific
- South East Asian
- Undisclosed



ProCare nursing team



Ready Steady Quit

5,559
REFERRALS

54%
ENROLLED (3029)



80%
CONVERSION
RATE (BEST PRACTICE)

52%
CO VALIDATED
QUIT RATE

Ready Steady Quit
CONTRACT RENEWED
2019-2021



- 12 WEEK **MATERNITY INCENTIVE PROGRAMME**
- PARTNERSHIP WITH COMPREHENSIVE CARE'S **ASIAN SMOKEFREE COMMUNITIES** PROVIDING QUIT SUPPORT IN MANDARIN, CANTONESE AND KOREAN
- **READY STEADY WAHINE** LAUNCHES WITH FUN EVENT FOR WAHINE
- **QUIT SMOKING CHAMPIONS IN PACIFIC CHURCHES**

MATERNITY INCENTIVE PROGRAMME MAKING A REAL DIFFERENCE

Over the past year Ready Steady Quit applied special focus to supporting pregnant women keen to start their smokefree journey.

“Being part of the Hapu Mama programme gave me motivation and this helped me keep on track. Having a Māori smoke free coach, Pep, come into my home made this journey much easier and comfortable for me. Having her share a bit of her story meant there was no judgement.

“I’ve learnt so much about my body and its response to nicotine and having a plan has been key to my successful quit. My husband is so proud of me and has now asked for help to quit too.” Kara

134
ENROLLED

80%
ENROLMENT INCREASE

120% INCREASE CO VALIDATED
SMOKE FREE 4 WEEKS POST QUIT DATE





Supporting our Māori and Pacific population

“Ehara taku toa i te toa takitahi, engari, he toa takitini.”

“Success is not the work of one, but the work of many.”

As well as supporting practices to care for individual patients, ProCare has a strong focus on improving outcomes for people through health promotion activities to reach vulnerable groups and help individuals and whānau avoid health risks such as rheumatic fever, diabetes and heart disease.



Winning group at the AIGA weight loss challenge

14 CHURCHES
MANAGED BY THE PROCARE
EQUITY TEAM UNDER THE
HVAZ PROGRAMME IN ADHB

HEALTHY VILLAGE ACTION ZONE:

- HEALTH PROMOTION AND EDUCATION
- CONNECTING MEMBERS WITH GPs
- NUTRITION, FITNESS AND WEIGHT LOSS
- 782 PACIFIC PEOPLE ENROLLED ON READY STEADY QUIT

THE AIGA WEIGHT LOSS CHALLENGE



5-15kg

average weight loss per person

221kg

total weight lost by 42 members
of winning church in 2018 AIGA
Challenge



The ProCare 'Off-the-Couch' truck in action



ProCare welcomes new head of equity

In October 2018 ProCare welcomed Lance Norman as head of equity and Māori health outcomes, a new role dedicated to addressing inequities and advancing Māori health gains within ProCare’s enrolled population. The role is responsible for leading ProCare’s equity and advocacy response as part of its population health strategy, further developing the PHO’s relationships with its community of enrolled Māori patients, and building strategic partnerships with local iwi and community groups.



LANCE NORMAN,
ProCare’s head of equity and
Māori health outcomes

“Strategically addressing and reducing the inequities in our health system where it relates to our Māori and Pacific populations is key in ensuring a sustainable, equitable and healthy future for these most at-risk groups in our population.” Lance Norman

Māori and Pacific medical students shine

ProCare, in partnership with the University of Auckland, was pleased to award the top Māori and Pacific year five medical students, GP pathway for 2018 to Nathaniel Carter and Opetaiā Aati.



“General practice is a rewarding career founded on whakawhanaungatanga. It presents an important opportunity to advocate for the equitable health outcomes of Māori and Pacific people both at and beyond the interpersonal level.”

Nathaniel Carter, top Māori medical student



“The most appealing aspect of general practice is the opportunity to provide long-term care for patients and their families. I have found that the physicians who have the greatest satisfaction from their work are the ones who have invested the most into building strong relationships with their patients. This is a career that I aspire to have as a doctor.”

Opetaiā Aati, top Pacific medical student

91,478 MĀORI PEOPLE
ENROLLED UNDER PROCARE

THAT'S 56% OF MĀORI
ENROLLED IN AUCKLAND REGION

699 MĀORI ENROLLED WITH
READY STEADY QUIT

SMOKING BRIEF ADVICE
FOR MĀORI (TARGET 90%)

92% ACHIEVED



115,754 PACIFIC PEOPLE
ENROLLED UNDER PROCARE

THAT'S 49% OF PACIFIC
PEOPLE ENROLLED IN AUCKLAND
REGION

25% OF PROCARE PRACTICES HAVE 500-2,000 PACIFIC PATIENTS

7% HAVE 2,000-PLUS PACIFIC PATIENTS

SMOKING BRIEF ADVICE FOR PACIFIC (TARGET 90%)

92% ACHIEVED

8 MONTH IMMUNISATIONS FOR PACIFIC (NATIONAL TARGET 95%)

96% ACHIEVED



Supporting community wellbeing and reducing health inequalities

It is a privilege on behalf of my fellow trustees to report on the impact of funding allocated to charities whose initiatives aim to improve the health outcomes for disadvantaged communities across Auckland. In 2018 we allocated just over \$200,000 to seven charities – from a possible 75 outstanding applicants.

“It’s heartening to see the impact these charities have in communities all over Auckland; reducing health inequalities, alleviating poverty and supporting the wellbeing of those seeking their support.”

JUNE MCCABE,
Chair, ProCare Charitable Foundation

MEASURING IMPACT



Cure kids will use funding to research ways to improve respiratory health in Māori and Pacific infants who have nearly four times the rate of admission to hospital with severe chest infection in the first year of life, compared with children of all other ethnicities.



“Our aim is to know which children will benefit most from targeted care so we can prevent them from getting sick in the first place. It is about being clever with data in order to achieve better health for children with effective and efficient use of health resources.”

Dr Christine McIntosh, Cure Kids researcher

THE STARSHIP FOUNDATION

The Starship Foundation used funding to establish a youth health transition project to support young people with chronic and acute conditions or disability when they move from paediatric services to adult-centred health care. Starship’s youth Health Transition team worked with young people to find out what they need to successfully and seamlessly move to the adult health system and to feel comfortable and engaged in their care.

“We have been working with a number of services to look at how we can minimise the risk of young people ‘dropping out’ when they transition to adult-centred health care. A major focus of our work is on developing transition programmes, which aim to inform and support young people and their whānau so they have a clear plan in place and are comfortable seeking the care they need when they need it.

“The funding from the ProCare Charitable Foundation has enabled Starship services to do more work to empower young people to be active participants in their own healthcare.”

Rosalie Hornung, Auckland DHB Youth Health Improvement Project Lead.

Outcomes

- 110 youth champions across 58 services
- 12 clinical services reviewing their youth transition model



Paediatric cardiac transition event



Dr Tim Hornung, Youth Champion for Paediatric Cardiac Service using a visual educational tool with a young person in clinic

NATIONAL HEART FOUNDATION OF NEW ZEALAND

The National Heart Foundation used funding to support nutrition programmes in South Auckland early learning centres (ELCs). As well as supplementing a nutrition advisor to work with the ELCs, they purchased 900 re-usable, ecofriendly sandwich wraps and educational interactive magnets to help reduce packaged snack foods and increase the awareness around healthy food.

“Sincere thanks to the ProCare Foundation for these valuable funds which have enabled us to provide practical support to educate and encourage healthy eating for South Auckland early childhood education centres.” Renee Seales, Heart Foundation

Outcomes

- 18 South Auckland ELCs (including three high needs centres) enrolled in the Healthy Heart Award programme
- 8 centres achieved Health Heart Award certification
- 900 re-useable food wraps and 900 magnets given to families
- 8 ELC cooks attend healthy nutrition workshop
- Edible gardening and low cost lunch options workshop provided for ELC staff

GRIEF SUPPORT AND EDUCATION CHARITABLE TRUST

The Grief Support and Education Charitable Trust used their grant to provide subsidised or free grief counselling services to people living in Auckland.

“We are incredibly grateful for the support of the ProCare Foundation. At times of grief, loss or trauma it is common for people to be financially as well as emotionally vulnerable and unable to pay for the help they desperately need. By providing subsidised or free counselling we have been able to help people when they need it most. We know that for every person helped, there are generally five other family or community members who benefit, resulting in a healthier community. Without this support, people are considered to be at significant risk of isolation, depression and more severe mental health and social issues.”

Trudie Voss, general manager, The Grief Centre

Outcomes

- 230 free or subsidised counselling sessions (Dec 18 – May 19)

CYSTIC FIBROSIS ASSOCIATION OF NEW ZEALAND

Cystic Fibrosis Association of New Zealand used their Foundation support to fund their northern family support fieldworker who supports 140 people and their families affected by cystic fibrosis (CF) in the Auckland region. The northern family support fieldworker provides face-to-face support, organises access to essential medical equipment and services, and provides a link between the hospital multi-disciplinary team and the community.

Outcomes

- 140 families in Auckland affected by Cystic Fibrosis

CARERS NEW ZEALAND



Young carers, up to the age of 24, who support loved ones who are elderly, ill, or have disabilities, are a hidden and largely unsupported population of carers. Funding from the ProCare Charitable Foundation enabled Carers New Zealand to contract a youth specialist to visit schools, medical practices, youth networks, and sporting organisations, distribute resources and encourage young carers to join the Carers New Zealand network for wellbeing support and advice.

Outcomes

- 170 registered young carers in Auckland; most 17 or under
- New age appropriate social get-togethers for young carers
- 2,000 young careers resource books handed out
- New e-newsletter launched
- Working with schools to help identify young carers and provide support

“We are grateful to the ProCare Foundation for helping us to improve recognition and support for young carers in Auckland, and for making possible partnerships to support them with schools, student volunteer army, and community networks. The student volunteer army partnership is allowing us to deeply engage with the education sector about young carers and is a major outcome of the young carers wellbeing programme.” Laurie Hilsgen, CEO, Carers NZ

FAMILY SUCCESS MATTERS

Family Success Matter established a new children's services coordinator role thanks to ProCare Foundation funding. The new role provides support for at risk whānau via co-ordination of health professionals, agencies and wider whānau to produce one co-ordinated plan ensuring mothers and their children are adequately supported at every stage of their development as they progress towards a safer and more prosperous future.

Outcomes

- 230 'at high risk' solo mothers and children supported
- 20 whānau hui held

ABOUT THE PROCARE FOUNDATION

The ProCare Charitable Foundation was established by the shareholders of ProCare who gifted over 90% of their shares to the Foundation in 2013. The purpose of the Foundation is to help promote the health and wellbeing of disadvantaged communities, deliver health-related activities that improve a community's wellbeing, or reduce health inequalities and alleviate poverty and deprivation in the Auckland region. For more information about the Foundation visit www.procare.co.nz

ProCare Quality Awards

The 2018 ProCare Quality Awards acknowledged the hard work and success of practices teams across the network.

JUDGED AWARDS



ACC Supreme Award

WINNER: RANGITOTO MEDICAL CENTRE

JUDGES' COMMENTS:

The supreme title goes to a practice whose overall performance really stands out. Rangitoto Medical Centre is a small practice and has a 62% high needs population yet has stood tall in the highest percentile of achievement and management, in practices of any size. They were the clear winners in five award categories.

Quality Improvement Award

WINNER: TURUKI HEALTH CARE CENTRE

JUDGES' COMMENTS:

This win was based on the combined quality of all five nominations from Turuki Health Care Centre. The practice is to be commended for the breadth of initiatives and the range of different people involved and we were impressed with the innovation, co-design and the focus on equity and patient engagement.

WINNER: OTARA FAMILY & CHRISTIAN HEALTH CENTRE

JUDGES' COMMENTS:

Otara Family and Christian Health Centre is to be commended for their increasing practice capacity initiative which clearly demonstrates how quality improvement has made a substantial change across the practice in a high needs area, which improved access for patients.

PERFORMANCE AWARDS

- + CVD Management Award - Total Population
WINNER: Papatoetoe South Medical Centre
- + CVD Management Award - High Needs
WINNER: Herne Bay Medical Centre
- + Largest HbA1c Reduction in Diabetes Management - Total Population
WINNER: Te Atatu South Medical Centre
- + Highest Achievement in Diabetes Management - High Needs
WINNER: Rangitoto Medical Centre
- + Cervical Screening Equity Award
WINNER: Turuki Health Centre
- + Best Cervical Screening Performance - High Needs Practice
WINNER: Rangitoto Medical Centre
- + Our Picture of Health Indicator Award
 - SMALL PRACTICE WINNER:
Rangitoto Medical Centre
(and overall highest performer)
 - MEDIUM PRACTICE WINNER:
Papatoetoe South Medical Centre
 - LARGE PRACTICE WINNER:
Mairangi Medical Centre
- + Ataria Marsden Māori Equity Award
WINNER: Royal Heights Medical Centre
- + Dr Sam Fuimaono Pacific Equity Award
WINNER: Herne Bay Medical Centre
- + Patient Experience Award
WINNER: Ranfurly Medical Centre



Papatoetoe South Medical Centre

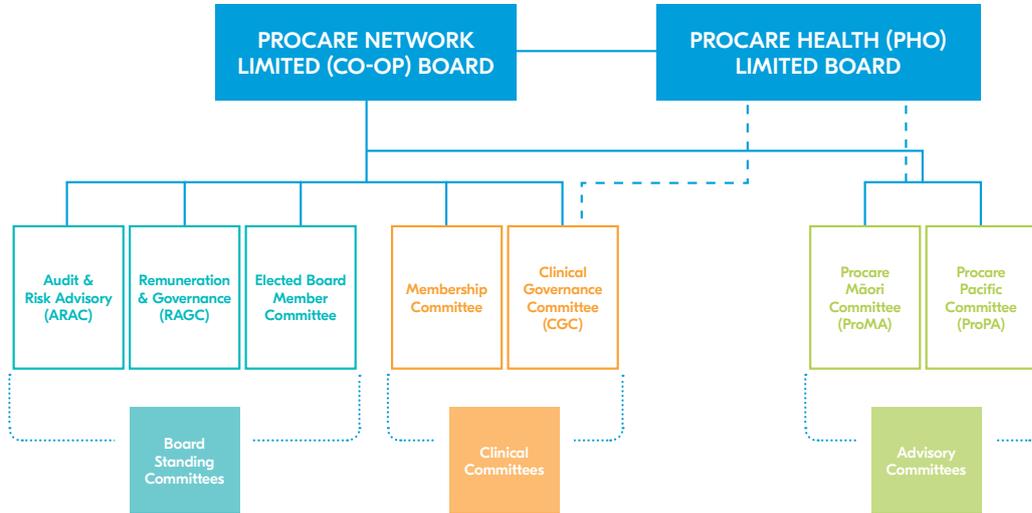


Ranfurly Medical Centre

Governance

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 2018 and 30 June 2019, the boards and committees were as follows:



During this period the Audit & Risk Assurance Committee, Remuneration & Governance Committee advised the ProCare Network Limited Board (formerly known as ProCare Health Limited Board).

The Clinical Quality Committee, ProCare Māori Advisory Committee and ProCare Pacific Advisory Committee advised and supported the Boards of ProCare Network Limited and ProCare Health (PHO) Limited Board (formerly known as ProCare Networks Limited).

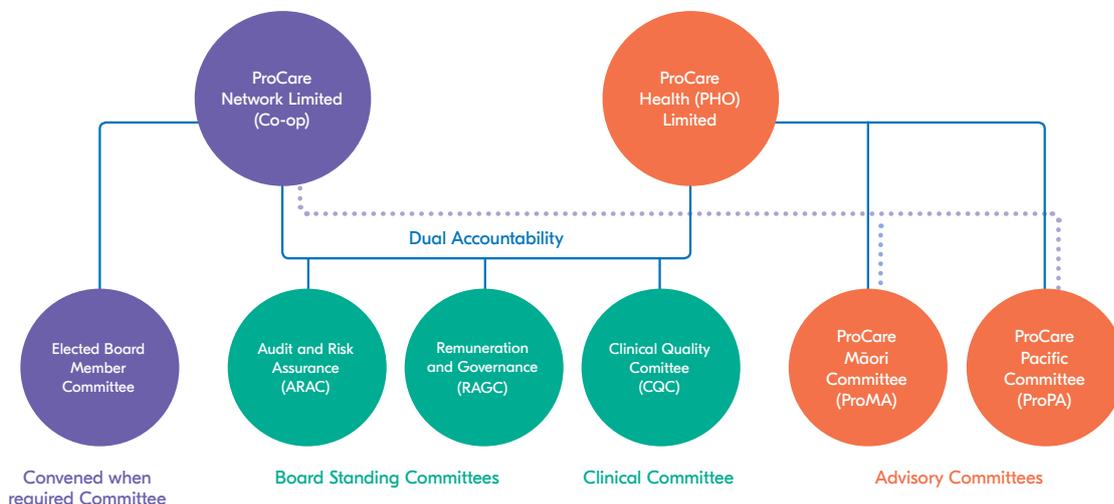
Post 1 July 2019, ProCare's structure has changed.

ProCare Network Limited is now a co-operative. The Co-operative provides services to general practices in the

network. Shareholders in the co-operative hold shares aligned to their individual general practice in accordance with the Constitution and the share standard adopted by the Board.

ProCare Health (PHO) Limited (The Company) has full charitable status. The Company has been established as a primary health organisation and operates exclusively for the charitable purposes set out in the charitable objects. The objects of the Company are to promote and enhance the health and wellbeing of all individuals, families, and communities within New Zealand. Accordingly, all income of the charity will be applied to carrying out and fulfilling those charitable purposes, and are not intended for any other purpose.

Post 1 July 2019 ProCare's committees and boards are as follows:



Governance (continued)

Audit & Risk Assurance Committee

The Audit & Risk Assurance Committee assists the ProCare Network Ltd (Co-op) and ProCare Health (PHO) Ltd Boards respectively 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 Boards on each 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 Mike Schubert (Chair - appointed as member 7 May 2019 and Chair 1 July 2019), Hanne Janes, Dr Harley Aish, June McCabe, Tevita Funaki (appointed 2 July 2019), James Sclater (former Chair - resigned 5 June 2019).

Remuneration & Governance Committee

The Remuneration & Governance Committee assists the ProCare Network Ltd (Co-op) and ProCare Health (PHO) Ltd Boards respectively in the establishment of remuneration policies and practices for each company, and in discharging the Boards' responsibilities related to remuneration and governance; and monitors the Chief Executive Officer's performance.

RAGC Members June McCabe (Chair), Hanne Janes, Dr Harley Aish, Mike Schubert (appointed 7 May 2019), James Sclater (resigned 5 June 2019).

Clinical Quality Committee

The Clinical Quality Committee advises the ProCare Network Ltd (Co-op) and ProCare Health (PHO) Ltd and Fresh Minds Ltd Boards respectively. 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. CQC is supported by ProCare's Clinical Directorate for implementing its work programme and managing clinical risks.

CQC Members Dr Jim Kriechbaum (Chair), Dr Dean MacKay, Doone Winnard, Jessie Crawford, Dr Kim Bannister, Michelle Cray, Dr Neil Hefford, Dr Wikitoria Gillespie, Dr Willem Landman (appointed 24 October 2018), Dr Minnie Strickland, (resigned 28 November 2019), Rachel Masden (resigned 26 June 2019).

ProCare Māori Advisory Committee

ProCare's Māori Advisory Committee (ProMA) advises and supports ProCare Health (PHO) Ltd, 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 Taima Campbell (Acting Chair), Dr Francesco Lentini, John Marsden, Dr Wikitoria Gillespie, Patience Te Ao, Chair (resigned 22 May 2019).

ProCare Pacific Advisory Committee

ProCare's Pacific Advisory Committee (ProPA) advises and supports ProCare Health (PHO) Ltd, 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 Tevita Funaki (Acting Chair), Judy Matai'a, Stephen Stehlin, Ben Taufua, Dr Sam Fuimaono, Chair (resigned 25 September 2018).

Other boards

ProCare Health (PHO) Limited is responsible for ensuring that the PHO 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. The PHO currently holds a PHO agreement with Auckland District Health Board, Counties Manukau District Health Board and Waitemata District Health Board. **Board of Directors** Tevita Funaki (Chair), Dr Jodie O'Sullivan, John Marsden, June McCabe, Lesley Going, Dr Neil Hefford, Renee Newman, Taima Campbell, Dr Sam Fuimaono (resigned 25 September 2018).

Clinical Assessments Limited (CAL) Board of Directors: Dr Neil Hefford (Chair), John Betteridge, Paul Roseman.

ProCare Fresh Minds Limited (PFM) is governed by a Management Board of Directors: Steve Boomert (Chair), Allan Moffitt, Tony Wai.

Homecare Medical Limited (HML) Board of Directors: Roger Sowry (Chair), Debbie Packer, Hillary Currie, James Sclater, Lee Eglinton, Steve Boomert, Vince Barry.

**BOARD AND
STAFF NUMBERS**

9 BOARD MEMBERS
Procare Network Limited

8 BOARD MEMBERS
Procare Health (PHO)

7 MEMBERS
Executive Leadership team



For full bios of board members please visit the ProCare website www.procare.co.nz

PROCARE HEALTH (PHO) BOARD



Dr Jodie O'Sullivan



Dr Neil Hefford



John Marsden



June McCabe



Dr Sam Fuimaono
Retired Sept 2018



Lesley Going



Taima Campbell



Renee Newman



Tevita Funaki

PROCARE NETWORK LIMITED BOARD



Dr Harley Aish



Dr Neil Hefford



Dr Stephanie Taylor



Dr Craig King



Dr Francesco
Lentini



Hanne Janes



James Sclater
Retired Jun 2019



Jan White



June McCabe



Mike Schubert
Joined Mar 2019

128 ProCare Group
FULL TIME EMPLOYEES

43 ProCare Group
PART TIME EMPLOYEES

12 ProCare Group
CONTRACTORS



ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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Directory

DIRECTORS:

ProCare Network Limited

Dr H E Aish
 Dr C L King
 Dr N J H Hefford
 J N McCabe
 J M Sclater (resigned 5 June 2019)
 Dr J F V White
 H Janes
 Dr F Lentini
 Dr S L Taylor
 M Schubert (appointed 8 March 2019)

ProCare Health (PHO) Limited

T F Funaki (Chair)
 Dr S Fuimaono (resigned 25 September 2018)
 L A Going
 Dr N J H Hefford
 J Marsden
 J N McCabe
 R J E Newman
 T Campbell
 Dr J J O'Sullivan

ProCare Fresh Minds Limited

S J Boomert (Chair)
 Dr A Moffitt
 T A Wai

ProCare Health (LP) Limited

S J Boomert (Chair)
 T A Wai

ProCare Network Partnerships Limited

S J Boomert (appointed 24 June 2019)
 T A Wai (appointed 24 June 2019)

Clinical Assessments Limited

Dr N J H Hefford (Chair)
 Dr J H Betteridge
 P D Roseman

GROUP CHIEF EXECUTIVE:

S J Boomert

SUBSIDIARIES:

	%
ProCare Health (PHO) Limited	100
ProCare Fresh Minds Limited	100
ProCare Health (LP) Limited	100
ProCare Network Partnerships 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 2019

The Directors present their annual report including the consolidated financial statements of the Group for the year ended 30 June 2019.

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 Network Limited provides management and clinical services to its subsidiary, ProCare Health (PHO) 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 associate.
- Clinical Assessments Limited facilitates the delivery of specific health service initiatives in the wider Auckland region;
- ProCare Fresh Minds Limited provides clinical psychological and psychiatric services in the wider Auckland region; and
- ProCare Network Partnerships Limited is a holding company (incorporated on 24 June 2019).

Results

	Group	
	2019	2018
	\$	\$
Profit after tax for the year	237,575	21,719
Non-controlling interest in profit of subsidiary	3,973	850
Dividends paid to Ordinary A shareholders	-	28,047
Dividends paid to Ordinary B shareholders	-	227,400
Opening retained earnings	1,718,604	1,953,182
Co-operative - Transition to NZ IFRS 15	255,564	
Equity accounted associates - transition to NZ IFRS 15	892,686	-
Closing retained earnings	3,100,456	1,718,604

Dividends

No dividends were paid during this financial year.

Redeemable Preference Shares

Interest on Redeemable Preference Shares was paid in November 2018 at a coupon rate of 7.1% and is recognised as an interest expense for accounting purposes.

Auditors

BDO Auckland continue in office as auditors.

Directors' report (continued)

FOR THE YEAR ENDED 30 JUNE 2019

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	2019		
	\$ Directors Fees	\$ Committee Fees	\$ Other
ProCare Network Limited			
Dr H E Aish (Chair)	90,000	-	-
Dr C L King	45,000	-	1,200
Dr N J H Hefford	45,000	-	-
J N McCabe	45,000	15,000	-
J M Sclater (resigned 5 June 2019)	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	45,000	-	-
M Schubert (appointed 8 March 2019)	11,250	1,667	-
	461,250	41,667	1,200

	2019 \$ Directors Fees
ProCare Health (PHO) Limited	
T F Funaki (Chair)	22,000
Dr S Fuimaono (resigned 25 September 2018)	1,833
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
T Campbell	11,000
Dr J J O'Sullivan	11,000
	100,833

Directors' report (continued)

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$ Directors Fees
ProCare Fresh Minds Limited	
S J Boomert (Chair)	-
Dr A Moffitt	-
T A Wai	-
	-

	2019 \$ Directors Fees
Clinical Assessments Limited	
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 Network Limited	2,000
	9,000

	2019 \$ Directors Fees
ProCare Network Partnerships Limited	
S J Boomert (Chair) (appointed 24 June 2019)	-
T A Wai (appointed 24 June 2019)	-
	-

	2019 \$ Directors Fees
ProCare Health (LP) Limited	
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 18.3 of the financial statements.

Directors' report (continued)

FOR THE YEAR ENDED 30 JUNE 2019

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	2019 Number
\$410,001-\$420,000	1
\$270,001-\$280,000	1
\$260,001-\$270,000	1
\$220,001-\$230,000	1
\$210,001-\$220,000	1
\$200,001-\$210,000	1
\$180,001-\$190,000	2
\$170,001-\$180,000	2
\$150,001-\$160,000	2
\$140,001-\$150,000	2
\$120,001-\$130,000	4
\$110,001-\$120,000	2
\$100,001-\$110,000	7

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 \$1,561 (2018: \$1,041) to various charities during the year.

Directors' report (continued)

FOR THE YEAR ENDED 30 JUNE 2019

Director share ownership

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

As at 30 June 2019, directors had a relevant interest (as defined in the Securities Markets Act 1988) in ProCare Network Limited shares as follows:

Name	Relevant interest in ProCare Network Limited Shares	
	30 June 2019	
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 J J O'Sullivan		1

Some directors also received the Redeemable Preference Shares (RPS) as part of the capital restructure. Refer to note 16 on the RPS issue.

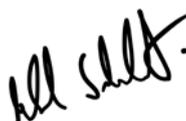
Use of company information

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
1 October 2019



Mike Schubert
Director
1 October 2019

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue	3	213,038,711	194,514,398
Total income		213,038,711	194,514,398
Expenses			
Clinical costs	4	188,253,356	168,821,803
Administrative expenses	4	25,697,893	26,253,694
Total expenses		213,951,249	195,075,497
Operating (loss)		(912,538)	(561,099)
Finance income		319,784	370,716
Less: Finance costs	4	107,455	111,646
Net finance income		212,329	259,070
(Loss) before share of profit of equity accounted associate		(700,209)	(302,029)
Share of profit of equity accounted associates	14	1,179,460	469,514
Profit before tax		479,251	167,485
Income tax expense	15	241,676	145,766
Profit for the year		237,575	21,719
Other comprehensive income		-	-
Total comprehensive income for the year		237,575	21,719
Profit and total comprehensive income attributable to:			
Owners of the company		233,602	20,869
Non-controlling interests		3,973	850
Profit for the year		237,575	21,719

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated statement of financial position

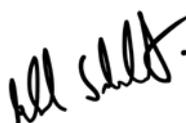
AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	5,340,769	13,697,671
Investments - short term deposits	6	9,250,000	400,000
Trade and other receivables	7	5,040,971	7,271,880
Income tax receivable		-	36,727
		19,631,740	21,406,278
Non-current assets			
Property, plant and equipment	11	805,935	907,978
Computer software	12	1,302,721	1,294,692
Deferred tax assets	15	-	441,764
Investment in equity accounted associates	14	3,248,261	1,828,959
		5,356,917	4,473,393
TOTAL ASSETS		24,988,657	25,879,671
LIABILITIES			
Current liabilities			
Trade and other payables	8	7,253,845	8,573,844
Deferred revenue	10	9,694,789	10,664,072
Income tax payable		34,059	-
Payables to equity accounted associates	9	39,573	16,582
Redeemable preference shares	16	42,000	42,000
		17,064,266	19,296,498
Long-term liabilities			
Deferred tax liability	15	30,393	-
Redeemable preference shares	16	2,064,000	2,136,000
ProCare Charitable Foundation Loan	18	2,274,000	-
		4,368,393	2,136,000
TOTAL LIABILITIES		21,432,659	21,432,498
NET ASSETS		3,555,998	4,447,173
REPRESENTED BY:			
EQUITY			
Share capital	17	405,731	2,682,731
Retained earnings		3,100,456	1,718,604
Equity attributable to parent		3,506,187	4,401,335
Non-Controlling Interests		49,811	45,838
TOTAL EQUITY		3,555,998	4,447,173

For and on behalf of the board



Harley Aish
Director
1 October 2019



Mike Schubert
Director
1 October 2019

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2019

Attributable to owners of the Company					
	Share capital	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2018 - as originally stated	2,682,731	1,718,604	4,401,335	45,838	4,447,173
Transition adjustment - NZ IFRS 15		255,564	255,564		255,564
<i>Equity Accounted Associates</i>					
Transition adjustment - NZ IFRS 15	14,15	-	-	-	-
Revenue from Contracts with Customers (tax affected)	-	892,686	892,686	-	892,686
Balance at 1 July 2018 - restated	2,682,731	2,866,854	5,549,585	45,838	5,595,423
Total comprehensive income for the period					
Profit for the period	-	233,602	233,602	3,973	237,575
Total comprehensive income	-	233,602	233,602	3,973	237,575
Transactions with owners in their capacity as owners					
"A" shares repurchased	17	(17,500)	(17,500)	-	(17,500)
Issue of ordinary "A" shares	17	14,500	14,500	-	14,500
Share buy back	17	(2,274,000)	(2,274,000)	-	(2,274,000)
Balance at 30 June 2019	405,731	3,100,456	3,506,187	49,811	3,555,998

Attributable to owners of the Company					
	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	23	-	(255,447)	-	(255,447)
"A" shares repurchased	17	(8,500)	(8,500)	-	(8,500)
Issue of ordinary "A" shares	17	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

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Cash flows from/ (to) operating activities			
Cash provided from:			
Receipts from customers and funders		214,222,334	190,256,388
Interest income received		279,364	330,387
		214,501,698	190,586,775
Cash applied to:			
Payments to suppliers and providers		(201,525,549)	(179,980,273)
Payments to and on behalf of employees		(12,907,915)	(13,342,464)
Income tax paid		209,675	(147,473)
Interest paid		-	(120,844)
		(214,223,789)	(193,591,054)
Net cash from/ (to) operating activities	22	277,909	(3,004,279)
Cash flows from/ (to) investing activities			
Cash provided from:			
Proceeds from short term deposits	6	-	4,600,000
Distributions by equity accounted associates	14	1,000,000	1,000,000
Cash applied to:			
Purchase of property, plant & equipment and software		(602,447)	(1,378,721)
Investment in short term deposits	6	(8,850,000)	-
Net cash from/ (to) investing activities		(8,452,447)	4,221,279
Cash flows from/ (to) financing activities			
Cash provided from:			
Issue of ordinary "A" shares	17	14,500	22,250
Cash applied to:			
Share repurchase	17	(89,500)	(56,500)
Dividends paid to Ordinary A shareholders	23	-	(28,047)
Dividends paid to Ordinary B shareholders	23	-	(227,400)
Interest paid on redeemable preference shares	4.3	(107,364)	(111,646)
		(196,864)	(423,593)
Net cash to financing activities		(182,364)	(401,343)
Net (decrease)/increase in cash and cash equivalents		(8,356,902)	815,657
Cash and cash equivalents at beginning of the year		13,697,671	12,882,014
Cash and cash equivalents at the end of the year	6	5,340,769	13,697,671

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Statement of significant accounting policies

FOR THE YEAR ENDED 30 JUNE 2019

1) CORPORATE INFORMATION

The consolidated financial statements presented are for the reporting entity ProCare Network Limited ("the Company" or "the Parent"). The Group comprising ProCare Network Limited (the parent company and the ultimate holding company), ProCare Health (LP) Limited, Clinical Assessments Limited, ProCare Fresh Minds Limited, ProCare Health (PHO) Limited and ProCare Network Partnerships Limited, (the subsidiaries), and the Group's interest in equity accounted associates.

The financial statements for the Group for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors on 1 October 2019.

The financial statements are for the year ended 30 June 2019.

The subsidiary companies within the Group 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

The Group provides clinical services according to the PHO agreement out of its entity ProCare Health (PHO) Limited which is a Primary Health Organisation (PHO), and its trading entities. It also provides clinical and management services out of ProCare Network Limited. The Group'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 is a holding company for the Group's 50% investment in its associate Homecare Medical (NZ) Limited Partnership which 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.

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

ProCare Fresh Minds Limited provides clinical psychological and psychiatric services in the wider Auckland region.

ProCare Network Partnerships Limited is a holding company (incorporated on 24 June 2019).

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis.

2.2 Use of estimates and judgements

The preparation of consolidated 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 10 - Deferred revenue.
- Recognition of deferred taxation in accordance with the taxation policy in 2.3. See note 15.

2.3 Specific accounting policies

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements with the exceptions of the changes noted below.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2018:

NZ IFRS 9 Financial Instruments

The accounting policies were changed to comply with NZ IFRS 9. NZ IFRS 9 replaces the provisions of NZ IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; and impairment of financial assets. NZ IFRS 9 also significantly amends other standards dealing with financial instruments such as NZ IFRS 7 Financial Instruments: Disclosures. There has been no measurement changes on the adoption of NZ IFRS 9, however, changes to the classification of financial assets have been made as disclosed in Note 5. The standard has been applied prospectively.

NZ IFRS 15 Revenue from Contracts with Customers

The adoption of NZ IFRS 15 resulted in changes in

Statement of significant accounting policies (continued)

FOR THE YEAR ENDED 30 JUNE 2019

accounting policies. The transition to this standard impacted the Group's reported revenue by \$354,951 reclassified as Retained Earnings brought forward (net of tax the adjustment is \$255,594). It also impacted the equity accounted results of the Group's associate (see Note 14).

Revenue recognition

NZ IFRS 15 Revenue from Contracts with Customers

The Group has chosen the transition option that does not require it to restate comparatives on adoption of NZ IFRS 15 and, therefore, adjustments are not reflected in the prior year financial statements.

The Group's revenue recognition policy is detailed below:

Service Revenue

For service agreements in which the contract obligation is to provide a "stand ready" service, these services must deal with changes in volume. Revenue is therefore recognised over time as specific performance obligations are satisfied. In service agreements where a discrete element exists, revenue is recognised either by meeting milestones or based on volume of activity.

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 performance obligations are met. This includes initiatives funding.

SLMF Revenue

System Level Measures Framework income is recognised in the year it relates to, 60% of the total revenue relates to Capacity & Capability ("Stand Ready") and 40% relates to National Health Targets to be achieved. Payments are made - 25% in July and 50% in September. The remaining 25% is paid in the following September, based on performance measured against the targets.

Project/Fee For Service Revenue

Project related revenue is recognised over time as the standalone performance obligations in the contract have been satisfied.

Deferred Revenue

Funds received from customers are deferred until the Group has satisfied the performance obligations. The balance is shown as deferred revenue and is classified as current as the Group expects to satisfy the performance obligations in the next financial year.

Other Revenue

Revenue from other services is recognised over time in the accounting period(s) in which the services are rendered, performance obligations are achieved.

Interest Income

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

Dividend Income

Dividend income is recognised in the profit or loss on the date the Group'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 2019 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.

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 associate, 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. Distributions received from associate reduce the equity accounted investment.

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 associate is recognised as goodwill, which is included within the carrying amount of the

Statement of significant accounting policies (continued)

FOR THE YEAR ENDED 30 JUNE 2019

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.

Development expenditure that is directly attributable to the design and testing of identifiable and unique software products controlled by the Group 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 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 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 Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

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

Non-derivative financial instruments

Non-derivative financial instruments carried on the Statement of Financial Position includes cash and cash equivalents, trade and other receivables and trade and other payables. A financial instrument is recognised if the Group becomes a party to the contractual provision of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flow expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligation specified in the contract expires or are discharged or cancelled.

Subsequent measurement of financial instruments that are debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Group classifies its debt instruments is amortised cost because they are held for collection of the contractual cash flows and those cash flows represent solely payments of principal and interest. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets measured at amortised cost includes cash and cash equivalents, short term deposits and trade receivables and related party receivables.

Financial liabilities at amortised cost includes trade payables and related party payables.

Trade and other receivables

Trade and other receivables are stated at amortised cost using the effective interest method less loss allowance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss

Statement of significant accounting policies (continued)

FOR THE YEAR ENDED 30 JUNE 2019

allowance for all trade receivables and accrued income. 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 Group prior to the end of the financial year that are unpaid and arise when the 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 lessee 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.

Non-financial assets

The carrying amounts of the Group'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 Group recognises 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

Statement of significant accounting policies (continued)

FOR THE YEAR ENDED 30 JUNE 2019

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 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.

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 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 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 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

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 Group's financial periods beginning on or after 1 January 2019 or later periods that are applicable to the Group, but which the Group has not adopted earlier.

	Standard/ Interpretation	Effective date (Periods beginning on or after)
NZ IFRS 16	Leases	1 January 2019

The Group is yet to assess the full impact of the new standards. The implementation of NZ IFRS 16 Leases will require the Group to capitalise its lease obligations (these principally relate to the leasing of premises) and recognise an equivalent liability.

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

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2019

3) REVENUE

	2019	2018
	\$	\$
3.1 Revenue		
Ministry of Health		
Ready Steady Quit programme	1,732,956	1,583,841
District Health Boards		
First Level Services	151,024,085	131,888,890
Care Plus	12,434,177	12,178,479
Services to Improve Access	10,242,155	10,452,220
Health Promotion	2,351,666	2,276,400
System Level Measures Framework	4,471,699	4,404,935
Management Fees	5,602,912	5,168,777
Programmes	23,417,541	23,366,772
Ministry of Social Development	420,135	3,294
Accident Compensation Corporation	624,478	577,745
Other	716,907	2,613,045
	213,038,711	194,514,398

In accordance with the NZ IFRS 15 standard, the Group has reviewed the performance obligations required within its contracts and recognises revenue over time based on the following categories:

	Stand Ready	Provision of Service	Activity basis	Milestone	Total
IFRS 15 Analysis	154,377,859	40,583,654	15,820,670	2,256,527	213,038,711

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

4) EXPENSES

	2019	2018
	\$	\$
4.1 Expenses		
Clinical costs	188,253,356	168,821,803
Administrative expenses - refer to 4.2 below	25,697,893	26,253,694
	213,951,249	195,075,497

	2019	2018
	\$	\$
4.2 Administrative expenses		
Fees paid to auditors - BDO		
Audit of financial statements	110,000	95,000
Taxation services	16,680	13,440
Accounting advice	10,063	4,975
Depreciation	262,117	208,720
Amortisation	434,344	404,515
Directors remuneration	611,950	605,212
Employee remuneration	13,334,133	13,504,410
Property expenses	1,004,133	936,765
Staff cost (training, recruitment, temp/contract staff) 1)	1,693,423	1,774,317
Other expenses	8,221,051	8,706,340
	25,697,893	26,253,694

1) Includes Kiwisaver defined contribution for the Group of \$239,835 (2018: \$242,926).

	2019	2018
	\$	\$
4.3 Finance costs		
Interest paid	91	-
Interest accrued on redeemable preference shares	107,364	111,646
	107,455	111,646

Interest expense is from financial liabilities measured at amortised cost.

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

5) FINANCIAL INSTRUMENTS BY CATEGORY

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

	2019	2018
	\$	\$
Financial Assets at amortised cost (2018: Loans and receivables)		
Cash and cash equivalents	5,339,869	13,697,671
Investments - short term deposits	9,250,000	400,000
Trade and other receivables	4,757,025	6,912,769
	19,346,894	21,010,440
Financial liabilities at amortised cost		
Trade and other payables	5,470,251	7,158,256
Payables to equity accounted associates	39,573	16,582
Redeemable preference shares	2,106,000	2,178,000
ProCare Charitable Foundation Loan	2,274,000	-
	9,889,824	9,352,838

6) CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	2019	2018
	\$	\$
Cash at bank available on demand	5,339,869	13,696,871
Cash on hand	900	800
	5,340,769	13,697,671
Short term deposits with maturities 4-12 months	9,250,000	400,000
	9,250,000	400,000

Bank balances and cash held by the Group is on a short term basis with an original maturity of three months or less. The carrying amounts of these assets approximate their fair value. Short term deposits are held with both ANZ and Westpac at interest rates 2.85% - 3.15%.

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

7) TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Trade receivables	3,553,815	5,681,617
Accrued Income	1,203,210	1,232,951
Impairment allowance	-	(1,799)
	4,757,025	6,912,769
Prepayments	283,946	359,111
	5,040,971	7,271,880
Movements in the specific impairment allowance		
Balance at start of year	(1,799)	(5,043)
(Additional allowance)/ balance written back	1,799	3,244
Balance at end of year	-	(1,799)

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.

8) TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Trade creditors	2,757,317	4,772,264
Health service claims	1,334,012	1,294,178
Other accruals	1,378,922	1,091,814
	5,470,251	7,158,256
GST payable	95,696	151,488
Other taxes (PAYE)	-	2,420
Accrual for holiday pay	1,381,724	700,577
Accrual for bonuses	217,481	160,500
Accrual for employee entitlements	88,693	400,603
	7,253,845	8,573,844

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

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

9) PAYABLES TO EQUITY ACCOUNTED ASSOCIATES

	2019	2018
	\$	\$
Owing by:		
<i>Equity accounted associates</i>		
Homecare Medical (NZ) Limited Partnership	(39,573)	(16,582)
	(39,573)	(16,582)

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 18 related parties.

10) DEFERRED REVENUE

	2019	2018
	\$	\$
Settlement saving funding	-	354,950
Other programme funding	9,694,789	10,271,182
Initiatives funding	-	37,940
	9,694,789	10,664,072
Non-current	-	-
Current	9,694,789	10,664,072
	9,694,789	10,664,072

Funds received from customers are deferred until the Group has satisfied the performance obligations. The balance is shown as deferred revenue and is classified as current as the Group expects to satisfy the performance obligations in the next financial year.

The reduction in the amount of deferred revenue reflects the timing of funding and delivery of various initiatives and programmes run by the Group. In 2018 a significant amount related to funds received from the Ministry of Health on a stop smoking programme, these funds have been spent in the 2019 financial year.

Funds relating to prior years are to be used for current year service delivery, or may be subject to recovery of funding by the DHBs.

Deferred revenue of \$10,664,072 carried forward from 2018 was recognised as revenue in the current financial year.

No funds have been received for services not currently being provided.

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

II) PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and equipment	Computer hardware	Total
	\$	\$	\$	\$
2019				
Cost				
At 1 July 2018	1,254,218	480,497	719,560	2,454,275
Additions	23,040	11,616	127,867	162,523
Disposals	(18,290)	(106,873)	(53,293)	(178,456)
At 30 June 2019	1,258,969	385,240	794,134	2,438,343
Accumulated depreciation				
At 1 July 2018	661,440	406,461	478,396	1,546,297
Depreciation for the year	86,810	36,224	139,083	262,118
Disposals	(18,290)	(105,425)	(52,292)	(176,007)
At 30 June 2019	729,961	337,260	565,187	1,632,408
Carrying amount at 30 June 2019	529,007	47,980	228,948	805,935

	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 (continued)

FOR THE YEAR ENDED 30 JUNE 2019

12) COMPUTER SOFTWARE

	2019	2018
	\$	\$
Cost		
At 1 July	3,171,456	2,677,943
Additions		
- Acquisitions – internally developed	268,281	241,741
- Other acquisitions	174,102	251,772
Write off of obsolete assets with \$0 NBV	(815,720)	-
At 30 June	2,798,119	3,171,456
Accumulated Amortisation		
At 1 July	1,876,764	1,472,249
Amortisation for the year	434,344	404,515
Write off of obsolete assets with \$0 NBV	(815,709)	-
At 30 June	1,495,398	1,876,764
Carrying amount at 30 June	1,302,721	1,294,692

13) 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.

	2019	2018	2019	2018
			\$	\$
Subsidiaries				
ProCare Health (PHO) Limited	100%	100%	-	-
ProCare Health (LP) Limited	100%	100%	-	100,000
ProCare Fresh Minds Limited	100%	100%	-	534,303
Clinical Assessments Limited	67%	67%	14,100	14,100
ProCare Network Partnerships Limited	100%	0%	3,751,000	-
			3,765,100	648,403

The above subsidiaries have a 30 June year-end.

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

14) INVESTMENT IN EQUITY ACCOUNTED ASSOCIATES

All entities are incorporated and domiciled in New Zealand.

	2019	2018
	\$	\$
Homecare Medical (NZ) Limited Partnership	3,248,143	1,828,841
BPAC New Zealand Limited	118	118
Investment in Equity Accounted Associates	3,248,261	1,828,959

Homecare Medical (General Partner) Limited

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

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. The acquisition was effective from 2 May 2014.

	2019	2018
	\$	\$
Investment in/ (committed funding) to HMLP		
Investment in Limited Partnership	3,248,143	1,828,841
	3,248,143	1,828,841
Opening Balance	1,828,841	2,359,327
Prior year adjustment - NZ IFRS 15	1,239,842	-
Capital repayment	(1,000,000)	(1,000,000)
Share of profit of equity accounted associates	1,179,460	469,514
	3,248,143	1,828,841

HMLP has chosen the transition option that does not require it to restate comparatives on adoption of NZ IFRS 15 and, therefore, adjustments are not reflected in the prior year financial statements. Rather, these changes have been processed at the date of application (i.e. 30 June 2019) and recognised in the opening equity balances.

The following table show the adjustments recognised in ProCare Health (LP) Limited (50% share) for each line item of the financial statements affected.

	30 June 2018 As originally presented	NZ IFRS 15	1 July 2018 As restated
Non-Current Assets			
Accrued revenue (contract asset)	-	1,239,842	1,239,842
Equity			
Retained earnings	1,828,841	1,239,842	3,068,683

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

The nature of the adjustments resulting from the adoption of NZ IFRS 15 Revenue from Contracts with Customers are described below:

NZ IFRS 15 has replaced NZ IAS 18 Revenue (NZ IAS 18). It has impacted HMLP's revenue recognition specifically in relation to the NTS Intellectual Property, Service Fee and the Approved Innovation Project revenues.

Under NZ IAS 18 the revenue recognition of the service element reflected the cash flows in the contract.

Under NZ IFRS 15 the total revenue has been flat phased, to recognise the stand ready obligations over the life of the contract.

As 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.

Summary financial information for the equity accounted associate, not adjusted for the percentage ownership held by the Group for the period ending 30 June 2019:

Homecare Medical (NZ) Limited Partnership		
	2019	2018
	\$	\$
Current assets		
Cash & cash equivalents	6,224,587	5,251,211
Other current assets	16,615,768	11,328,985
Non current assets	2,773,174	4,117,775
Total assets	25,613,529	20,697,971
Current liabilities		
Financial Liabilities	8,309,688	9,119,659
Other current liabilities	9,978,775	7,047,041
Total liabilities	18,288,463	16,166,700
Net assets	7,325,066	4,531,271
Group's share of net assets	3,662,533	2,265,636

Homecare Medical (NZ) Limited Partnership		
	2019	2018
	\$	\$
Revenues	43,938,258	39,628,323
Interest Income	165,314	92,710
Expenses		
Interest Expense	-	95,545
Depreciation	350,283	350,989
Other Expenses	41,394,369	38,335,471
Income Tax	-	-
Profit	2,358,920	939,028
Group's share of profit	1,179,460	469,514

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

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.

	2019	2018	2019	2018
			\$	\$
BPAC New Zealand Limited	16.67%	16.67%	118	118
			118	118

15) TAXATION

	2019	2018
	\$	\$
15.1 Income tax		
Income tax represented by:		
Income tax expense from continuing operations	241,676	145,766
	241,676	145,766
Current tax	116,675	265,082
Deferred tax asset	125,001	(119,316)
	241,676	145,766
Net profit before taxation	479,251	167,485
Prima facie income tax at 28%	134,190	46,896
Tax effect of permanent differences	107,486	40,115
Prior year tax adjustment	-	58,755
Income tax expense	241,676	145,766

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
15.2 Deferred tax asset and liabilities		
Balance at beginning of year	441,764	322,448
Amounts recognised directly in equity (Note 14)	(347,156)	-
Current year temporary differences	(125,001)	119,316
Balance at end of year	(30,393)	441,764

	2019	2018
	\$	\$
Balance at year end attributable to:		
Employee entitlements	158,164	241,456
Trade receivables	-	503
Accruals	-	45,288
Provisions	-	11,443
Property, plant & equipment	129,633	143,075
Profit of equity accounted associates	(318,190)	-
	(30,393)	441,764

15.3 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:

	2019	2018
	\$	\$
Opening balance	1,127,741	1,093,438
Add:		
Income tax paid	118,000	88,000
Resident Withholding Tax paid	30,939	45,622
Other credits	284	-
Less:		
Refund received	-	-
Credit attached to dividends (paid)	(89,148)	(99,319)
Other debits	(926,731)	-
Closing balance (at year end)	261,085	1,127,741

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

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

16) 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 2017	4,452	2,226,000
Share repurchased	(96)	(48,000)
Closing balance as at 30 June 2018	4,356	2,178,000
Opening balance as at 1 July 2018	4,356	2,178,000
Share repurchased	(144)	(72,000)
Closing balance as at 30 June 2019	4,212	2,106,000

Redeemable Preference Shares	2019 \$	2018 \$
Proceeds from the bonus issue of Redeemable Preference Shares (4,356 shares at \$500)	2,178,000	2,226,000
Buy back during the year	(72,000)	(48,000)
Net proceeds	2,106,000	2,178,000
Carrying amount of liability at 30 June	2,106,000	2,178,000
Current	42,000	42,000
Non-current	2,064,000	2,136,000
	2,106,000	2,178,000

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 (continued)

FOR THE YEAR ENDED 30 JUNE 2019

17) SHARE CAPITAL

	2019	2018
	\$	\$
Paid in capital		
639 (2018: 645) Ordinary A shares	405,731	408,731
0 (2018: 4548) Ordinary B shares	-	2,274,000
	405,731	2,682,731

Movement in Ordinary A Shares	Number of shares	\$
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
Opening balance as at 1 July 2018	645	408,731
Share repurchased	(35)	(17,500)
Issue of shares	29	14,500
Closing balance as at 30 June 2019	639	405,731

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 35 (2018: 17) buy back shares that have been acquired by the Company at \$500.

On 30 June 2019, the 4,548 Ordinary B shares held by ProCare Charitable Foundation were bought back by ProCare Network Limited for \$2,274,000.

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

18) 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

18.1 Transactions with key management personnel

Short-term employment benefits

Directors fees

	2019	2018
	\$	\$
	1,738,155	1,554,369
	611,950	605,166

18.2 Transactions between related entities

Equity accounted associates

Homecare Medical (NZ) Limited Partnership

Cost recoveries (including rent) paid to ProCare Network Limited

Capital distribution to ProCare Health (LP) Limited

	2019	2018
	\$	\$
	319,564	347,471
	(1,000,000)	(1,000,000)

Other entities

Procare Charitable Foundation

Share buy back by ProCare Network Limited

Payment of dividend

Loan to ProCare Network Partnerships Limited

	2,274,000	-
	-	227,400
	(2,274,000)	-

On 30 June 2019, the 4,548 Ordinary B shares held by ProCare Charitable Foundation were bought back by ProCare Network Limited for \$2,274,000.

ProCare Charitable Foundation has agreed that this debt was assigned to ProCare Network Partnerships Limited ("PNPL"). The debt is repayable in whole or in part at any time, at the discretion of PNPL and must be repaid 60 months from date of assignment. At its discretion, PNPL can repay the loan in part or in full, along with any accrued interest, at any time during the period of the loan. It can also elect to settle the outstanding principal amount of the debt in whole or in part to ordinary shares in PNPL at a conversion rate based on the current and future profitability of PNPL at a set multiple. The debt is unsecured and attracts interest at a rate of 7.1% per annum payable annually on 1 July each year.

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

18.3 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.

	2019	2018
	\$	\$
Transactions between the Group and Directors in their capacity as shareholders in ProCare Network Limited		
First level services	1,978,370	1,955,712
Programme claims	38,966	72,579
System Level Measures Framework*	153,658	136,467
Interest on redeemable preference shares	1,292	1,292
	2,172,286	2,166,050

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

	2019	2018
	\$	\$
Balances arising from transactions with Directors in their capacity as shareholders in ProCare Network Limited		
Receivables	2,033	8,428
Payables	14,833	38,222

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

19) OPERATING LEASES

Leases as lessee

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

	2019	2018
	\$	\$
Less than one year	966,396	818,704
One to five years	1,478,353	2,055,592
Five years and above	450,805	985,760
	2,895,554	3,860,056

During the year an amount of \$648,265 was recognised as an expense in profit or loss in respect of operating leases (2018: \$547,612).

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

During the year, \$161,404 was recognised as revenue in profit or loss in respect of operating leases (2018: \$156,141).

Operating lease payments expected as an operating lessor

The value of future minimum operating lease payments receivable:

	2019	2018
	\$	\$
Less than one year	161,404	156,141
One to five years	807,850	780,705
Five years and above	-	156,141
	969,254	1,092,987

20) CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or other capital expenditure not provided for at reporting date (2018: \$nil).

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

21) FINANCIAL INSTRUMENTS

Interest rate risk

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

	2019	2018
	\$	\$
Bank - Cash and cash equivalents	5,340,769	13,697,671
Investments - short term deposits with maturities 4-12 months	9,250,000	400,000
	14,590,769	14,097,671

2.23% was the average interest rate earned on cash deposits and short term deposits (2018: 2.32%).

The Group has no significant debt exposure.

It is estimated a 10 basis point decrease in interest rates would result in a decrease in the Group's interest earned in a year by approximately \$14,591 on the Group's investment portfolio exposed to floating rates at balance date (2018: 100 basis point decrease of \$140,977).

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.

Maximum exposures to credit risk at reporting date are:

	2019	2018
	\$	\$
Cash and cash equivalents	5,340,769	13,697,671
Investments - short term deposits	9,250,000	400,000
Trade receivables	4,757,025	6,914,568
	19,347,794	21,012,239

The ageing of trade receivables at reporting date that were not impaired was as follows:

	2019	2018
	\$	\$
Neither past due nor impaired	4,068,551	6,284,368
1-90 days past due	505,631	235,965
Over 90 days past due	182,843	392,435
	4,757,025	6,912,769
Allowance for impairment	-	1,799
	4,757,025	6,914,568
Trade receivables not past due and not impaired	4,068,551	6,284,368
Trade receivables past due but not impaired	688,474	628,401
Trade receivables impaired individually	-	1,799
	4,757,025	6,914,568

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

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

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% (2018: 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.

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		Carrying amount	Total contractual cash flows	On demand	6 months - 1 year	1 - 5 years	More than 5 years
	Notes						
As at 30 June 2019							
Trade and other payables	8	5,362,887	5,362,887	5,362,887	-	-	-
Intercompany payables to equity accounted associate	9	39,573	39,573	39,573	-	-	-
Redeemable preference shares ¹	16	2,106,000	2,213,364	2,213,364	-	-	-
ProCare Charitable Foundation Loan	18	2,274,000	3,080,133	-	-	3,080,133	-
		9,782,460	10,695,957	7,615,824	-	3,080,133	-
As at 30 June 2018							
Trade and other payables	8	7,046,916	7,046,916	7,046,916	-	-	-
Intercompany payables to equity accounted associate	9	16,582	16,582	16,582	-	-	-
Redeemable preference shares ¹	16	2,178,000	2,289,340	2,289,340	-	-	-
		9,241,498	9,352,838	9,352,838	-	-	-

(1) The Group is committed to pay \$107,364 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 is on demand.

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

Fair values

The following financial assets and liabilities being cash, investments - short term deposits 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 (next review 30 June 2022). 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 16).

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.

Notes to the financial statements (continued)

FOR THE YEAR ENDED 30 JUNE 2019

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 security agreement

The Group 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.

Changes in liabilities arising from financing activities

The Group's principal liabilities arising from financing activities are its redeemable preference shares see note 16 and the debt arising from the buyback of the Ordinary B shares from ProCare Charitable Foundation see note 18.

22) NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	\$	\$
Profit for the year	237,575	21,719
Non-cash items		
Depreciation and amortisation	696,461	613,235
Amortisation of lease incentive	16,216	16,216
Bad and impairment allowance accounts	(1,799)	(3,244)
Deferred income tax	125,001	(119,316)
Movement in deferred interest income/(expense)	-	(155,415)
Share of profits of equity accounted associates	(1,179,460)	(469,514)
NZ IFRS 15 Transition Adjustment	255,564	
Disposal of investment in associate	-	127,500
	(88,017)	9,462
Movements in working capital		
(Increase)/decrease in prepayments	75,165	(292,776)
(Increase)/decrease in trade receivables	2,157,543	(1,142,400)
Decrease in inter company receivable	22,991	28,154
Increase/(decrease) in taxation payable	70,786	117,609
Increase in trade payables	(1,156,843)	(913,874)
(Decrease) in deferred revenue	(985,499)	(1,094,745)
Increase/(decrease) in GST	(55,792)	262,572
	128,351	(3,035,460)
Net cash from/ (to) operating activities	277,909	(3,004,279)

23) DIVIDENDS

On 2 October 2018, the Board resolved no dividend was payable during that financial year (2018: \$50 per share, \$255,447).

24) SUBSEQUENT EVENTS

On the 1st July 2019, ProCare Health (PHO) Limited became a charity (CC56786) as registered with the Charities Register of New Zealand.

ProCare Network Limited became a Co-operative as registered under Co-operative Companies Act 1996.

With this change in structure, there is a new Managed Services agreement between the entities and some of ProCare Network Limited's activities were transferred to the PHO from 1 July 2019 (2018: \$nil).

Independent auditor’s report

AS AT 30 JUNE 2019



BDO AUCKLAND

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF PROCARE NETWORK LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ProCare Network Limited (“the Company”) and its subsidiaries (together, “the Group”), which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and International Financial Reporting Standards.

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 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 qualified opinion.

Our firm carries out other services for the Group in the areas of taxation compliance and advisory services, and other advisory services. The provision of these other services has not impaired our independence as auditor of the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter - revenue recognition

The Group adopted NZ IFRS 15 *Revenue from Contracts with Customers* (“NZ IFRS 15”) from 1 July 2018. Under NZ IFRS 15 an entity must recognise revenue with respect to the performance obligations it has identified within its contracts with customers.

The Group has determined it meets performance obligations in its customer contracts over time in respect of primary healthcare services.

How the matter was addressed in our audit

Our audit procedures included updating our understanding of the policies, practices, systems, processes and controls for recording and calculating revenue and/or the associated deferred revenue balances;

We assessed the Group’s basis for the identification of performance obligations and compared the performance obligations identified, on a sample basis, to the underlying contractual agreements;

Independent auditor's report (continued)

AS AT 30 JUNE 2019



BDO AUCKLAND

Key audit matter - revenue recognition

We consider revenue to be a key area of focus for our audit due to:

- the significant value and complex nature of the contracts; and
- the judgement in determining the appropriate period over which to recognise and/or defer revenue.

How the matter was addressed in our audit

We used our technical accounting specialists to review the conclusions reached by management;

We considered the adequacy of the disclosures in the consolidated financial statements.

Based on the above procedures there were no matters to report.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Directors' Interests, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

Independent auditor's report (continued)

AS AT 30 JUNE 2019



BDO AUCKLAND

- 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 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 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

BDO Auckland

BDO Auckland
Auckland
New Zealand
16 October 2019

Directors' interests

FOR THE YEAR ENDED 30 JUNE 2019

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 2019.

Dr H E Aish

ProCare Network Limited	Director/Chair & Shareholder
Otara Family & Christian Health Centre	Director & Shareholder
MAS	Director & Chair
Howick Baptist Healthcare	Director

J N McCabe

ProCare Health (PHO) Limited	Director
ProCare Network Limited	Director
ProCare Charitable Foundation	Chair
Avanti Finance Limited	Director
Galatos Finance Limited	Director
JBWere (NZ) Pty Ltd	Contractor
Law Commission Maori Liaison Committee	Member
Northland District Health Board	Director
ProCare Health (PHO) Limited	Director
ProCare Charitable Foundation	Chairman
Sustainable Prosperity NZ Limited	Director
Taitokerau Fibre Networks Limited	Executive Director
Taitokerau Investment Fund General Partner	Director
Te Taitokerau Northland Economic Advisory Board	Member
Te Waka Pupuri Putea Limited	Chairman
Te Waka Pupuri Putea Trust	Chairman
Tupu A Nuku Limited (Forestry)	Director
Ngapuhi, Te Rarawa, Te Aupouri, Ngati Kahu, Ngati Kaharau	Iwi Affiliations

M Schubert

ProCare Network Limited	Director
Procare Charitable Trust	Director
Silver Fern Farms Limited	Director
Silver Fern Farm Holdings Limited (Subsidiary)	Director
Silver Fern Farms JV Limited (Subsidiary)	Director
Mimomax Wireless Limited	Chairman
Financial Markets Authority - Auditor Oversight Committee	Chairman

Dr N J H Hefford

ProCare Network Limited	Director & Shareholder
ProCare Health (PHO) Limited	Director
Clinical Assessments Ltd	Chair/Director
Grey Lynn Family Medical Limited	Director/GP

ProCare Clinical Quality Committee	Member
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Dr J F V White

ProCare Network Limited	Director & Shareholder
Mt Eden Medical Associates	Director
NZMA General Practice Council	Chair
BPAC	Director
PHARMAC GPLF (Joint Medicine Access Equity Working Group for Primary Care)	Member
GPLF	Member
NZMA	Board Member

Dr C L King

ProCare Network Limited	Director & Shareholder
NLHCC Ltd	Director/Chair
Westcare Medical Limited	Shareholder
Totara Clinical Research Ltd	Director

H Janes

ProCare Network Limited	Director
Healthcare Sector	Barrister
Selenium Corporation Ltd	Director & Shareholder
NIB NZ Limited	Director
NIB NZ Holdings Limited	Director
ProCare Charitable Foundation	Director

T F Funaki

ProCare Health (PHO) Limited	Director/ Chair
ProPa (ProCare Pacific Advisory)	Member
West Fono Health Trust	CEO
MSD Pacific Steering Group	Chair
Pacific Business Trust	Member
Pacific Business Trust	Chair
Waitakere Task Force on Family Violence	Member
Waitemata Police District Pacific Advisory Board	Member
Unitec Fono Faufautua Committee	Chair
Oceania Career Academy	Chair
NZ Police Commissioner	
National Pacific Board	Member
WAVES Governance Group	Trustee
Family Action	Trustee

R J E Newman

ProCare Health (PHO) Limited	Director
Milford Family Medical Centre	Employee
New Zealand Nurses Organisation	Financial Member

Our Values

WHAT WE STAND FOR

Our C.A.R.E. System of Values. Care is our name and at the heart of our business. It's also how we express our core values.



..... **Collaboration,**
in our approach to building
sustainable partnerships.



..... **Accountable,**
consistent and transparent.



..... **Respectful,**
empathetic and fair in
everything we do.



..... **Excellence,**
in our commitment to quality.

THE PROCARE GROUP

ProCare Health (PHO) Limited
ProCare Network Limited
The ProCare Foundation
Clinical Assessments Limited
Fresh Minds Limited

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