



ProCare

ANNUAL REPORT 2020

ProCare 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.

PROCARE PHO – PROCARE HEALTH (PHO) LTD

ProCare represents more than 170 practices across the greater Auckland region, with over 800,000 enrolled patients which includes the largest Pacific and South Asian populations enrolled in general practice in New Zealand and the largest Māori population in Tāmaki Makaurau. 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. We deliver 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.

PROCARE NETWORK PARTNERSHIPS LTD

ProCare Network Partnerships aims to drive innovation through social enterprises such as Fresh Minds as well as Homecare Medical, jointly owned by ProCare and Pegasus PHO.

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.

Our Vision

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

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

Our Purpose

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

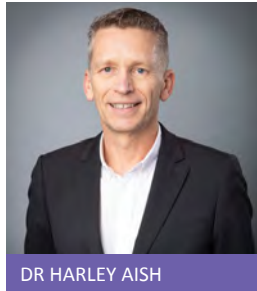
ProCare is a network of healthcare professionals dedicated to helping New Zealanders make good choices for their wellbeing.



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ProCare Network Limited CHAIR'S REPORT



DR HARLEY AISH

Kia ora koutou katoa

On behalf of the ProCare Network board, it is a privilege to once again present this year's annual report, and to look back on the collective achievements of our network and the organisation as a whole. It is fair to say the past year has been one of enormous change, some of it planned and some of it unexpected, as was the case with the worldwide COVID-19 pandemic.

CO-OPERATIVE STRUCTURE ONE YEAR ON

Our first change was the launch of our new structure on 1 July 2019, which created two entities: ProCare Health (PHO) Limited and the co-operative ProCare Network Limited. This marks a new era for ProCare and draws on the collective strength of New Zealand's largest network of independent general practices. The co-operative will deliver innovation and services to improve the sustainability and quality of member general practices. I believe our co-operative gives members more control over their future, an opportunity to build thriving practices, and better continuity of care for patients.

SUPPORTING INDEPENDENT GENERAL PRACTICE

Our support of independent general practice is delivered through a range of co-operative services. More than two thirds of our members used our specialist recruitment and human resource service as part of Employment Plus during the first year of operation. Through Employment Plus more than 5,500 locum hours provided clinical cover in our member general practices.



It is fair to say the past year has been one of enormous change, some of it planned and some of it unexpected...

There has always been a strong feeling amongst our members that independent general practice is an important part of Auckland's healthcare sector. In response, we launched 'Exchange by ProCare', a service which provides expert advice and assistance to those seeking to enter general practice ownership and existing clinician owners looking to sell their practice. In addition, ProCare intends to buy certain general practices to facilitate transition of ownership to younger owner-operator clinicians.

For example, if a suitable buyer cannot be found and purchasing the general practice satisfies other strategic criteria.

It was with these objectives in mind that ProCare purchased Kaipara Medical Centre in November 2019. Our intention is to return Kaipara Medical Centre, and any future practices purchased, to clinician or community ownership.

GENERAL PRACTICE LEADS COVID RESPONSE

As we entered 2020 change was forced upon us by COVID-19. General practices across ProCare have shown huge adaptability in the face of this new virus. Our members have helped minimise the spread of infection by conducting 70% of consultations via telephone or video call at alert level 4, performing rigorous triage before patients attended clinics, running dedicated influenza immunisation clinics, and creating separate patient flow for respiratory infection swabbing.

The early success New Zealand had with keeping COVID-19 from spreading in our communities is largely thanks to general practice. This success, however, has caused financial strain within general practice by the loss of patient co-payments during lockdown. On top of this, our members were faced with additional costs to implement virtual care. There has also been a mental health burden amongst our members, dealing with the financial stressors, as well as working in an environment where we might catch COVID-19 ourselves.

PROCARE ADVOCACY

ProCare advocated strongly for our members throughout this time and supported national organisations such as General Practice New Zealand to obtain additional funding from the Government to assist general practices. And it has been the voice of ProCare that has challenged Auckland DHBs to pay fairly for COVID-19 swabbing done in general practice.

PROCARE SUPPORT

We were thankful that our co-operative structure enabled us to provide a support payment for member practices from the co-operative reserves. ProCare stepped in to cover inadequate logistic support from DHBs, by providing personal protection equipment to practices, COVID-19 swabs, as well as sourcing web cameras for practices who needed them, and Perspex shields for reception areas. ProCare also supported practices who were unable to open, due to COVID infection. ProCare's daily email

newsletter during level 3 and 4 was hugely valued by members, in the deluge of sometimes conflicting advice from national and regional organisations. I am immensely proud of the network's response to this pandemic, which put general practices and ProCare at the forefront of the sector-wide effort.

HEALTH AND DISABILITY SYSTEM REVIEW SIGNALS CHANGE AHEAD

The Health and Disability System Review report, released in June 2020, signals the potential transformation of the healthcare landscape in Aotearoa. Our submission on behalf of our network advocated for a provider funder split, as we believe there is a need to prioritise funding for general practice. We will therefore work closely with stakeholders to ensure general practice is supported and enhanced by any structural changes to the health system. Our change to a co-operative means we are well-placed to weather any changes ahead.

ACKNOWLEDGMENTS

I wish to thank my fellow board members for their continued commitment to providing clear governance and to ensuring we achieve our strategic objectives. We welcomed Alister Lawrence to the board in December 2019 to replace Hanne Janes. We thank Hanne for providing over three years of leadership.

This will be the last year that June McCabe is a director in the ProCare Group. We are very grateful to the leadership and experience she has brought to the co-operative, PHO, and advisory committees for the last nine years.

Special thanks to Steve Boomert, ProCare CEO, who has announced he will step down from his role at the end of the year. ProCare is in excellent health and we are exceptionally proud of all that Steve has accomplished at the helm over the past seven years.

Thanks also to ProCare's executive leadership team, management and the whole ProCare whānau – we are grateful for your hard work to support the ProCare network.

2020 has taught us that anything is possible. We are therefore excited by the future and thank you for being part of it.

DR HARLEY AISH

GP and Chair of ProCare Network Limited

Our Practices Our People

A YEAR IN THE LIFE OF GENERAL PRACTICE

175

PRACTICES

846,876

ENROLLED PATIENTS

771

GPs

39

HEALTH CARE ASSISTANTS

630

NURSES

5

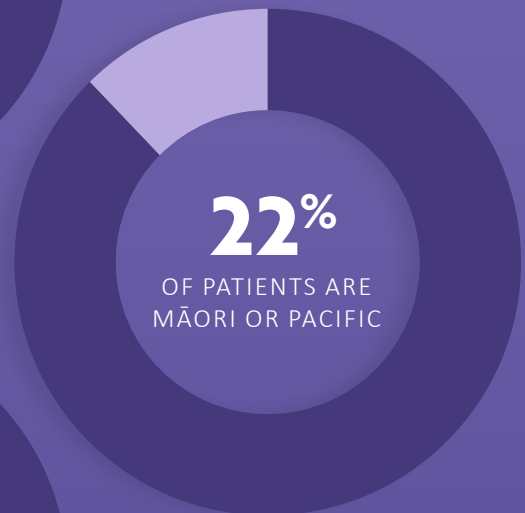
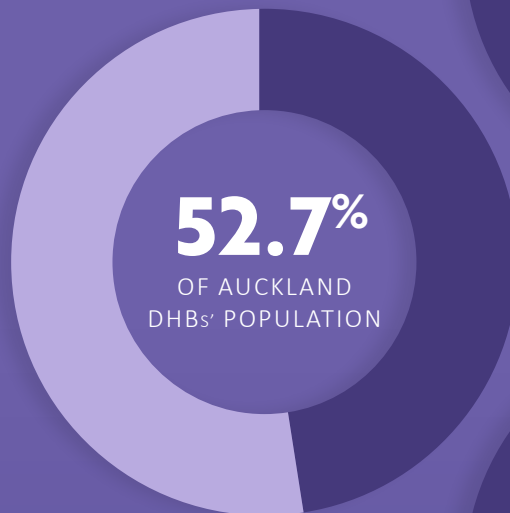
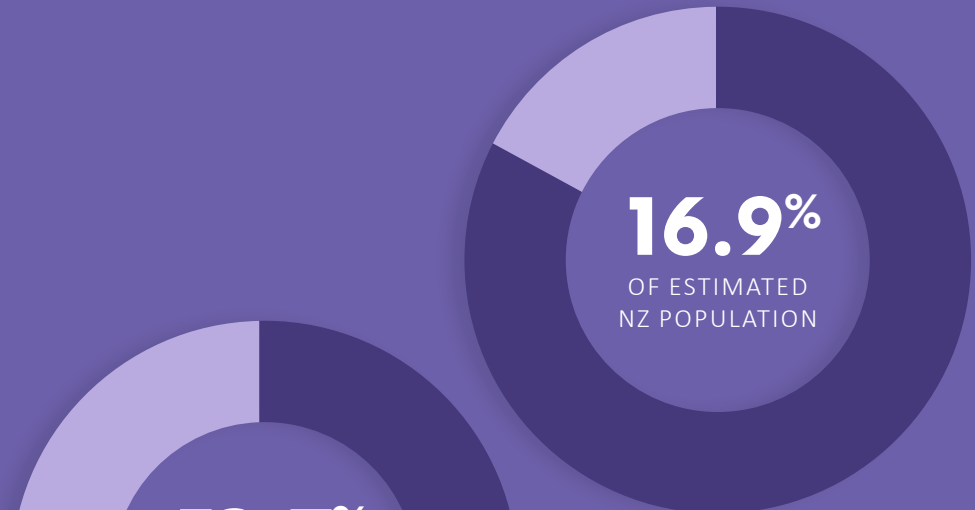
HEALTH IMPROVEMENT PRACTITIONERS (HIPs)

172

PRACTICE MANAGERS

7

HEALTH COACHES





ProCare Health CHAIR'S REPORT

Mālō e lelei

Every New Zealander having the right to live well is the vision of our organisation, and we continue to be mindful of the impact we have in helping people get the care and support they need.

HEALTH EQUITY A PRIORITY IN THE YEAR OF THE PANDEMIC

With Auckland being the largest Pacific city in the world, ProCare proudly represents the largest enrolled Pacific population of any PHO in New Zealand. We also care for the largest Māori and Asian enrolled population in Tāmaki Makaurau. Achieving equal access to health and wellbeing services for these populations is our mahi.

This year, we have accelerated our equity focus targeting priority populations. We have the strategic direction and community embedded workforce to really make a difference for our populations, including a focus on 'whānau voice' which puts patients at the centre of all we do.

THE COVID RESPONSE

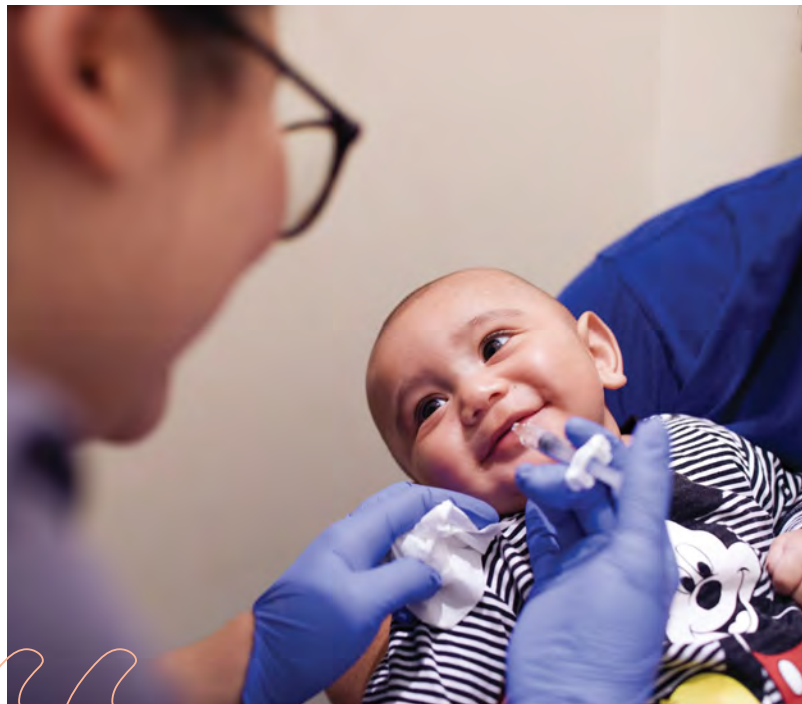
No one could have imagined that New Zealand would be affected by the measles outbreak in 2019, quickly followed by the global coronavirus pandemic in early February 2020, which led to an historic nationwide 'lockdown' in an effort to eliminate the virus. We were concerned how this may affect our Māori and Pacific communities due to existing health inequities but efforts to prevent COVID-19 spreading rapidly were met head on by primary care at the forefront of the health response.

General practice teams, supported by ProCare, implemented a completely new way of working overnight, offering virtual consultations, and re-organising triage to keep those with flu-like symptoms separate. I am exceptionally proud of how practices adjusted to the complexities of this significant change to protect our population. There was an enormous effort to rapidly set up dedicated swabbing practices, a mobile swabbing van and a community based assessment clinic (CBAC), as part of a collaborative effort between Pukekohe Family Healthcare, the ProCare team and DHBs.

We provided translated resources for practices and patients to ensure vital health messages were communicated, and developed comprehensive COVID-19 guidelines for whānau. Our smoking cessation service.



TEVITA FUNAKI



Achieving equal access to health and wellbeing services for the Pacific, Māori and Asian population is our mahi.

Ready Steady Quit, and psychology service, Fresh Minds, were innovative in their response using social media to engage with people.

The PHO was pleased to be in a position to provide a special one-off support payment in April 2020 for independent practices to look after their population in innovative ways during COVID-19. This funding aided practices to reach out to their most vulnerable patients such as the elderly, people with long-term conditions, and those with barriers to access.

ProCare demonstrated how essential it is to have an organisation dedicated to supporting general practice when a major coordinated health response is required, which has so far enabled New Zealand to minimise the spread of COVID-19. This is something to be immensely proud of.

HEALTH TARGETS

Each year achieving national health targets is a priority for the network. Faced with managing both the measles outbreak and the COVID-19 pandemic it has been an exceptionally challenging year. Due to the lockdown we know that fewer people sought care from general practice, and this is reflected in our national health targets. There is work to do to return to where we need to be.

Despite these challenges, practices have done everything possible to ensure people still receive the vital care and protection that they need. One key learning is, faced with new challenges, general practice has been able to innovate and move rapidly to ensure continuity of care for patients.

A HEALTH STRATEGY TO GUIDE THE WAY – OUR PICTURE OF HEALTH

Recognising that a population health approach is the best way to address health inequity and improve health outcomes, this year we pushed forward the implementation of our population health strategy, as part of Our Picture of Health.

Practices have been provided with an innovative practice-specific needs analysis, Your Population's Health. These dynamic, easy to navigate reports are the first in the country to breakdown each individual practice's population, helping practices to identify specific health needs and gaps, set goals and focus on activities which will have the biggest health gains. Practices are already required to complete this activity, but with ProCare's help can be better tailored to the needs of their enrolled population.

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 their whānau.

THE CHANGING LANDSCAPE OF PRIMARY CARE

We welcomed the Health and Disability System Review report in June 2020. Overall the plan reflects many themes advocated for in our submission, to ensure a more joined up system to deliver equitable outcomes. The report signals a range of options for future funding of general practice, and acknowledges the major flaws in our current system.

It is clear that the proposed changes have the potential to transform healthcare in Aotearoa, and will impact on how primary care operates, not least, the proposal that a new generation DHBs contract directly with providers in their locality. As we serve the largest Pacific and Māori populations in Aotearoa, this will significantly impact our network and the communities we provide healthcare services for. Developing a fair, future-proofed, fit-for-purpose system will require extensive consultation and analysis.

We believe that a strong primary healthcare system working in collaboration and partnership with other social sectors is key to addressing health equity. We know the value that PHOs offer to our practices and patients, so will advocate with this in mind. We see this as an opportunity to continue to effect positive change, and believe we are in a strong position looking to the future.

ACKNOWLEDGMENTS

Our ProCare Māori advisory committee (ProMa) plays an important role supporting the initiatives of our Māori strategy, to improve responsiveness to Māori health needs, and maintain strong relationships with iwi, Māori providers and whānau.

ProPa, our Pacific advisory committee oversees the strategic direction of our dedicated team of professionals committed to ensuring the services we provide meet the needs of our Pacific population.

Malo 'aupito to Steve Boomert, ProCare CEO who has announced he will step down at the end of the year, after more than seven years at the helm. Steve's passion and dedication has led ProCare to where it is today, and we are extraordinarily proud of all that he has achieved.

Thanks also goes to the whole ProCare team for the work they do every day. Finally, I would like to thank my director colleagues for their support and dedication to population health.

Faka'apa'apa atu (with respect)

TEVITA FUNAKI
Chair of ProCare Health

Measuring Our Impact JULY 2019 – JUNE 2020

Working together we have impacted the health of **846,876** Aucklanders to enable them to live well.

A year in the life of general practice



6,112

QUIT SMOKING



69,376

CERVICAL SCREENS



143,541

FLU VACCINES



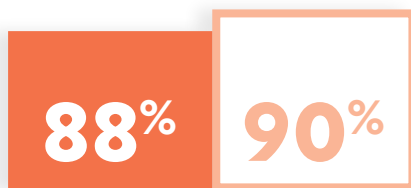
9,465

HPV VACCINES

Protecting our population

Results as at 30 June 2020

Smoking brief advice



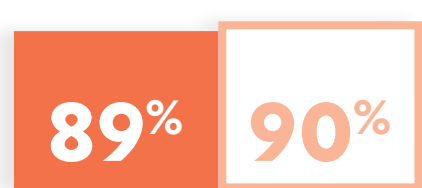
RESULT TARGET (TOTAL POP)

Cervical screening



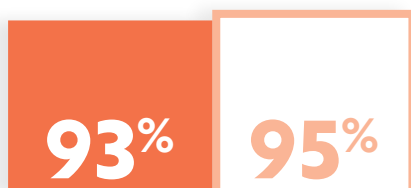
RESULT TARGET (TOTAL POP)

CVDRA



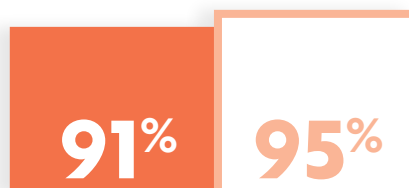
RESULT TARGET

Eight month immunisations



RESULT TARGET

Two year immunisations



RESULT TARGET

(% = coverage of relevant enrolled population)



ProCare CEO REPORT



Tēnā koutou

Reflecting on the past year, I am extraordinarily proud of all that we have collectively achieved. The COVID-19 pandemic is one of the most significant global events we have seen in a generation and primary care led the way at the frontline of the country's response – offering innovative solutions to new problems, showcasing our ability to rapidly adapt in tough times, and above all continuing to provide vital care and protection for the populations we serve. It is something that will leave an indelible mark on our future, that we are all still learning to live with.

REFLECTIONS ON A CHALLENGING YEAR

In my seven years at the helm of ProCare we have seen many changes and challenges, but nothing tops what emerged early in 2020. We started out planning to mark our 25th anniversary, the first year as a co-operative, preparing our submission for the Government's mental health and addictions tender, and celebrating the International Year of the Nurse and Midwife. We then were faced with the measles epidemic, and the COVID-19 pandemic, requiring us to re-order our priorities and focus.

UNITY IN THE FACE OF ADVERSITY

ProCare's ability to adapt has been highlighted more than ever throughout the COVID-19 pandemic which really hitting our shores in March 2020, turning primary care as we know it on its head.

This major upheaval was the ultimate test, as our teams mobilised to support the swiftly changing needs of our practices, our population, and the sector as a whole. Like most organisations, the majority of our staff moved to work from home and this was so successful we have now moved to a model where staff work from home on a more regular basis. In a city such as Auckland with challenging commuting problems, our staff overwhelmingly appreciated having some time each week that can be utilised more productively than sitting in traffic.

Virtual consultations, while already offered by some practices, became mandatory overnight. Practices triaged patients over the phone, and delivered consults via video and telephone, and prescriptions were sent electronically to pharmacies.





This was no small feat and our teams worked together extremely efficiently to ensure every practice had everything they needed to do this well. Homecare Medical, our telehealth joint venture with Pegasus, provided practices with virtual consultation kits which included equipment such as webcams, and played a key role in the Government's overall response by scaling up Healthline capacity.

Our Fresh Minds clinicians adapted quickly to virtual consultations via phone or video, so their clients received the support they needed. This was a new way for our clinicians to meet clients, not made easier in doing this for the first time in a lockdown situation. Despite this, clinicians received exceptionally positive feedback from clients.

Overall, I am extremely proud of the way we have all come together in the face of adversity to support our practices so they could support patients and whānau in the most stressful and trying of times.

ADVOCATING FOR GENERAL PRACTICE

In June this year, the Health and Disability System Review report was released, a huge moment for the sector which signalled a new direction and proposed wide-ranging changes to improve population health and wellbeing.

The report is closely aligned with many aspects of our network's submission, which called to strengthen primary care and address health equity issues. Exactly how this will be implemented is still to be determined and is expected to take some time. We look forward to seeing future developments.

In the meantime, this is an opportunity to demonstrate the extraordinary value PHOs bring to primary care, and the whole health system. Thanks to our innovative population health strategy, and flexible structure, we believe we are in a strong position to adapt effectively to the introduction of any future sector changes.

MENTAL HEALTH AND WELLBEING

We were delighted to learn late last year that our proposal – as part of a metro Auckland collaboration of PHOs, DHBs, NGO community groups, and Māori and Pasifika – was successful for the Government's multimillion-dollar investment in integrated primary mental health

and addictions support in primary care. This was based on our successful Te Tumu Waiora pilot which ran for two and a half years in five ProCare practices, as well as other practices in Auckland. Since then the roll out has begun across Auckland led by the Auckland Wellbeing Collaborative Enablement team. This will be rolled out at 54 practices across all PHOs by July 2021, before the next cohort of practices is released.

PARTNERSHIPS ENHANCING PRIMARY CARE

For the past few years we have built new relationships with other government departments and the private sector. We were thrilled when our partnership with ACC and Mercy Radiology, which allows GPs to refer patients for MRI for musculoskeletal injuries, won the innovation in service delivery award at the inaugural New Zealand Primary Healthcare Awards. This is an outstanding example of collaboration to meet a real need, while increasing patient access and improving health equity.

Another pilot with the Ministry of Social Development led to the regional Here Toitū programme – an initiative that supports people on benefits to get back to work, study or volunteering for their wellbeing. We are excited that the Auckland-wide roll out of this model is underway.

LOOKING AHEAD

As we move into the second year as a co-operative, we look forward to the continued benefits this will bring as we support general practice and our enrolled population with future challenges and changes, and continue to deliver our vision - that every New Zealander has the right to live well.

As I step down in December, after the privilege of nearly eight years as CEO, I believe the network is in fantastic shape to face the future. I would like to thank the boards for their support and the wider ProCare whānau for your focus, dedication and unwavering passion to improve the health and wellbeing of our communities.

STEVE BOOMERT

CEO, ProCare

Fresh Minds CHAIR'S REPORT

Mental health and wellbeing was already top of mind for New Zealanders before the COVID-19 pandemic, but events this year have certainly highlighted the strain that some find themselves under and the crucial need for the support that Fresh Minds provides individuals, schools and our communities.

INCREASING NEED FOR SUPPORT

Each year an increasing number of people need the support of Fresh Minds and the past year has been, without exception, one of the busiest, with just under 6,000 referrals and many more through the psychology in schools programme.

The service continues to innovate and adapt to provide effective and timely support, a key example is the introduction of self-management education options like webinars and groups, which have worked well.

A new four-part webinar series to provide parents and caregivers with practical strategies to support the mind, mood and wellbeing of their teens is making an important contribution to addressing the mental health needs of young people. The series sits alongside webinars on managing anxiety and managing mood and wellbeing.

REACHING MORE PEOPLE WITH SUPPORT IN GENERAL PRACTICE

Following the Government's commitment to funding of new primary mental health and addictions services in the Wellbeing Budget of 2019, Fresh Minds played an integral role in working with the Auckland Wellbeing Collaborative to implement the Te Tumu Waiora model in ProCare general practices. By 30 June 2020 seven practices in the network have a health improvement practitioner (HIP) and health coach integrated within the general practice team.

Fresh Minds facilitated nine HIP and health coach training sessions to prepare a workforce to expand the Te Tumu Waiora programme. Due to the COVID-19 pandemic and subsequent lockdowns some courses were held over Zoom, so that the programme roll out was not delayed.

...events this year have certainly highlighted the strain that some find themselves under...



STEVE BOOMERT



NEW JOINT VENTURE STRENGTHENS MENTAL HEALTH OFFERING FOR COMMUNITIES

In late 2019 we announced a joint partnership between Tū Ora Compass Health and ProCare Health Ltd to form Fresh Minds New Zealand (Fresh Minds NZ). Collectively we provide primary mental health services to more than a quarter of New Zealand's enrolled population in the country's densest population centres (Wellington and Auckland), through established mental health services and our two innovative programmes, Te Tumu Waiora and Piki.

The formation of Fresh Minds NZ brings together the expertise, capability and capacity of the two organisations, and over time we plan to establish a centre of excellence for primary mental health training and delivery to cater for the diverse and growing needs of New Zealand's population.

FOCUSING ON POSITIVE WELLBEING OUTCOMES FOR YOUNG PEOPLE

We are proud of the support we offer through the schools' health programme in the Auckland District Health Board area which has now provided health care and psychological support to 8,737 young people.

A new programme for our young people is 'Start Well' in Māngere, an exciting initiative being delivered through South Auckland Social Wellbeing Board and Counties Manukau Health, to support teenage mothers and their whānau through pregnancy and the first five years of their child's life. Fresh Minds provides psychology support to the service, including helping whānau with issues such as stress management, bonding and attachment, low mood and anxiety. Fresh Minds psychologists also provide case consultations and training for Start Well clinicians.

PROVIDING PSYCHOLOGY SUPPORT IN A PANDEMIC

In common with the wider primary care community, Fresh Minds faced the challenge of supporting clients when the country went into lockdown as a result of the COVID-19 pandemic. Thanks to support from the ProCare team and the swift action of management and flexibility of Fresh Minds clinicians and admin staff, the service swiftly virtualised and clients were seamlessly able to continue their therapy by online video consultation.

We believe our ability to now offer virtual consultations has extended and added value to our services, and increased access for those with challenges such as childcare, transport or work and time pressures.

During the lockdown we saw a decrease in missed appointments. We are yet to determine if that reduction was due to the availability of virtual options, or that

clients could easily schedule appointments without work or life commitments. We will take these insights into consideration for future service improvements to remove barriers to accessing support.

Along with virtual therapy, the Fresh Minds team provided free support for clients and the general public, through mindfulness and brief self-management psychological education sessions on social media. The team continues to develop ways to support clients through one-off webinars and Facebook live sessions.

Fresh Minds also supported general practice teams in our network, offering one-to-one advice and coaching for clinicians on the front line of the pandemic. Two evening webinars provided self-care strategies and advice as well as a one-off virtual therapy session with a Fresh Minds psychologist, if needed. Practices were also offered the services of a Fresh Minds psychologist to develop an individualised staff resilience and wellbeing programme for their teams.

SUMMARY

The Government's Wellbeing Budget has given primary care the mandate to move forward with initiatives to improve access to mental health and addiction services and the range of care and support we offer. We know there is an increasing need to work collectively to ensure we have effective models in place to support general practices and communities to deliver relevant, timely and evidence-based interventions which have the greatest impact. We are extremely proud of the work we do in primary mental health, including continually looking for ways to innovate and improve models of care so people in all communities and at all stages of their lives can expect first class mental health support.

Of course none of this is possible without the right team, and I am extremely grateful and proud of the whole Fresh Minds whānau who work hard every day to deliver evidence-based, quality interventions for those with mental health and addiction issues so they can live well. The outcome of their work is seen every day in the fantastic feedback Fresh Minds receives from clients who tell us about the positive impact the service has had for them and how it changes their lives. Thank you to the Fresh Minds team for the difference you make.

Steve Boomert
Chair, Fresh Minds

Fresh Minds MEASURING OUR IMPACT

5,726

REFERRALS TO FRESH MINDS CENTRES

4,879

REFERRALS FROM PROCARE MEMBER PRACTICES

2,731

PEOPLE SUPPORTED AT FRESH MINDS CENTRES

78.7

NPS CLIENT SATISFACTION SCORE (>50 EXCELLENT)

Increasing access to mental health and addiction support in general practices

7

PROCARE PRACTICES IMPLEMENTED THE TE TUMU WAIORA MODEL OF CARE

9

TRAINING PROGRAMMES PROVIDED FOR HEALTH IMPROVEMENT PRACTITIONERS (HIPS) AND HEALTH COACHES

Improving the health of young people by providing health services in Auckland District Health Board area

10

HIGH SCHOOLS, DECILE 1 - 4

8,737

STUDENTS HAVE ACCESS TO THE HEALTH CENTRES

7,065

(80%) OF STUDENTS ACCESSED THE HEALTH CENTRE

3,602

SEXUAL HEALTH CONSULTATIONS

2,147

MENTAL HEALTH CONSULTATIONS

*Ngā mihi mahana
Ngā mihi nui
Ngā mihi AROHA kia koutou katoa
Thank you Fresh Minds for the beautiful mahi you do.*



My mindset has changed a lot since my sessions at Fresh Minds. Before I was letting the negative feelings get in the way of living. Before I was letting myself be defeated by anxious thoughts, finding it easier to just be in my room. I can't thank you enough for helping me to address my negative thoughts and to start enjoying life again.



Our youth health team working in schools

355

YOUTH SEEN BY SCHOOL-BASED HEALTH SERVICE PSYCHOLOGISTS

383

PACKAGES OF CARE

5.75%

DNA RATE

5

PSYCHOLOGISTS

10

GPs

24

SUPPORT FOR 24 NURSES ACROSS THE EDUCATION SITES



SOCIAL MEDIA TILES ENCOURAGED PATIENTS TO STAY CONNECTED WITH FRESH MINDS DURING COVID-19

fresh minds.
by ProCare

You can still access our school based health services during COVID-19. We have a special team who can help you with difficult situations or any issue affecting your mind, mood or wellbeing. It's free and completely confidential.




Contact the school nurse or guidance counsellor to make a virtual appointment.

We're still here to help you during Covid-19.

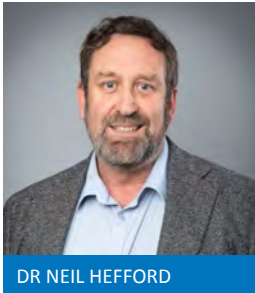



Appointments now being done virtually.

Call 0800 356 111

fresh minds.

ProCare CLINICAL ASSESSMENTS



DR NEIL HEFFORD

Clinical Assessments Limited (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.

ProCare Network Ltd owns two thirds of CAL and East Health Ltd owns one third.

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. All aspects of the service sit under excellent clinical governance by our expanded nursing staff and clinical director Dr Helen Liley.

Our clinical governance group, with representation from all DHB emergency department clinicians and PHOs, meets regularly, to review the safety and appropriateness of claims and referrals, and also the development of clinical pathways reflecting localised Auckland health pathways. The POAC website offers guidance and links to pathways for clinical conundrums such as pelvic pain investigations.

Some focus this year has been on preventing adverse outcomes for patients including potentially avoidable amputations (IV antibiotics in primary care for foot cellulitis/ulcer in patients with unstable diabetes without specialist consultation) and other sentinel events such as Ferrinject being administered to the wrong patient, or admission for AKI where full dose Cephazolin and Probenecid had been administered to a patient with low e-GFR.

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 exceeds this target.

COVID-19 lockdown caused a massive reduction in GP consults, however, the POAC service saw a much smaller decline in activity, instead experiencing a lower volume of cases, offset by a significantly increased complexity of cases. The closure of support services such as Needs Assessment and Co-ordination, Taikura Trust, Drug and Alcohol and Mental Health services led to prolonged stays under POAC funding for some cases, including some lasting up to six weeks.

Rest home stays were also extended as people were unable to leave rest homes and return to their usual home environment.

The total number of Auckland Metro POAC cases between 1 July 2019 and 30 June 2020 was 21,663.

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

As well as being the conduit for repayment for Auckland Regional Public Health Service (ARPHS) notifications of COVID-19 swabbing, the POAC service is being used for accessing subsidised care contracts for opiate substitution therapy (methadone and suboxone), 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 Ferrinject. The POAC service maintains an ongoing link with the St John's hub, which diverts patients calling an ambulance to be appropriately managed by their GP or nominated after-hours provider using POAC funding. The initiative to accept referrals enabling early discharge from ward and emergency department has increased.

Clinical Assessments apologises for any delays in payments to practices for COVID-19 swabbing. The invoices associated with an APRHS notification are sometimes incorrect, due to changes in surveillance coding or documentation of clinical services delivered and the Government changes in applicable eligibility and payment rates. All invoices are then subject to DHB team approval, resulting in delays at times.

The metro-Auckland region DHBs have renewed the POAC contract for a further three years (to June 2023) with an increase in funding to reflect inflation and cost changes – we anticipate reviewing all fees payable accordingly this year.

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.

DR NEIL HEFFORD
Chair, Clinical Assessments Limited

HOMECARE MEDICAL EXTEND ESSENTIAL SUPPORT FOR THE PEOPLE OF AOTEAROA

The work of Homecare Medical has been critical to supporting the response to some of the major events New Zealand faced over the past year – from the ongoing effects of the Christchurch mosque shootings, through to the measles epidemic, the Whakaari eruption and, more recently, the impact of COVID-19.

Homecare Medical's services continue to evolve and expand, providing 24/7 clinical support to New Zealanders free of charge across multiple channels.

Examples of that include building on the contract with Counties Manukau DHB to provide mental health after hours tele-triage cover, and piloting an in-hours assessment and triage service to support the acute mental health intake and assessment unit; and picking up the management of family violence services (including the Shine Domestic Abuse Helpline and the Violence Information Line).

SUPPORTING NEW ZEALAND'S COVID-19 HEALTH RESPONSE

The National Telehealth Service (run by Homecare Medical) COVID-19 response began on 7 February with the establishment of a dedicated phone service available 24/7 to a central front door for COVID-19 related health advice and information to the public.

The service quickly extended to support people in self-isolation, assist with contact tracing and offer mental health support, as well as provision of a dedicated clinical advice line for community-based practitioners. At its peak, the team answered 14,000 contacts in one day.

As part of the COVID-19 response more than 770 extra people were recruited and trained, five new contact centres (eight in total) were set up, and a five-month technology project was delivered in just seven days, increasing infrastructure six-fold to manage the surge in demand.

Overall service performance 2019/20:

Across all services: 1,328,618 contacts; 45% increase on 2018/19, connecting with > 700,000 individuals[^]

NATIONAL TELEHEALTH SERVICE 2019/20

- Total contacts >1 million
- 825,582 contacts answered from 556,933 people, up 12% on previous year
- 215,000 outbound contacts
- A further 207,325 COVID-19 contacts answered in the four months to 30 June 2020

- The Healthline team answered 393,354 contacts from 331,800 people
- Emergency triage nurses triaged nearly 45,000 incidents, redirecting 51% of contacts to non-emergency services
- Mental Health and Addictions team answered 200,493 contacts supporting 114,975 people, an increase of 24%
 - 1737 need to talk? service answered >123,000 contacts and supported more than 59,000 people in distress, an increase of 42%
 - Alcohol and other drugs team answered nearly 19,400 contacts supporting 16,200 people
 - Gambling team supported >3,200 people
 - >100,000 people accessed The Journal website
- Emergency Mental Health Response team triaged >11,000 contacts from police and ambulance to support >8,000 people
- Quitline team answered almost 50,000 contacts supporting more than 11,600 people, with 29% reporting they were smoke free after four weeks
- Poisons team helped 24,000 people

HOMECARE MEDICAL'S OTHER SERVICES

- General practice after hours triage service handled >100,000 clinical calls on behalf of practices; 85% were managed with primary care and/or selfcare advice; 8% required urgent care; 6% required emergency services
- Mental health nurses answered >67,000 contacts on behalf of 10 DHBs to provide after-hours support, an increase of over 50%
- Puāwaitanga team received almost 1,700 referrals and delivered >5,000 appointments to people seeking mental health support
- >7,000 people made >11,000 contacts to the safe to talk sexual harm team, up 26%
- Elder abuse response service answered 2,200 contacts
- In first five months new family violence service lines answered close to 14,000 contacts
- National bowel screening programme team made nearly 68,000 follow up calls to move over 20,000 people who had yet to return their testing kits. Of those contacted, 54% subsequently returned their kit for testing
- National cervical screening programme support team received 545,000 test results in less than a year.

[^]The total number of individual people in the year is the sum of unique service users each month, so may include users who have contacted the service in multiple months.

*Figures have been rounded to nearest 100; these are 'answered' contacts

Our Impact YEAR OF THE COVID PANDEMIC

The year 2020 will be synonymous with all Kiwis as the year of the COVID pandemic. For the health sector it will remain as one of the biggest health challenges seen in a generation.

ProCare provided a strong supportive role throughout the pandemic to ensure practices were able to provide the resilient front line public health response needed to help New Zealand halt the community spread of COVID-19.

Support for practices ranged from the very practical such as the need to move, literally overnight, to deliver 70% of consultations by telephone or video format, the supply of personal protective equipment (PPE), swabs, Perspex screens for reception desks, through to dedicated clinical support, daily COVID newsletter updates, placing displaced clinical staff into testing centres, hospitals or isolation centres through our recruitment service, human resources support, financial advice, and virtual health equipment and IT support. By providing immediate and ongoing co-ordinated support practices in the ProCare network could respond to this significant public health threat whilst also making sure their patients received regular and ongoing care for all other health related concerns.

“I would like to thank all ProCare staff involved in the response to COVID. There has been an outstanding effort to support, inform and advocate for general practice from ProCare. At a time when all general practices have been scrambling to change almost all aspects of business, ProCare has really stepped up. Practices simply would not have coped without ProCare’s individual and group advice and services. The daily updates have been very useful. I have been delighted with the lateral thinking from accessing IT equipment to sourcing reception desk screens. Be very proud of what you have done to help, when every individual has had a complex set of work and home challenges. You have made a great difference to practices and patients.”
- ProCare GP

ADVOCATING FOR GENERAL PRACTICE DURING A PANDEMIC

The pandemic provided many challenges for practices which ranged from the very real threat of infection spread, through to practical matters such as flu vaccine supply issues, personal protective equipment (PPE) issues, and frequent case definition changes as well as funding, workforce and business viability and sustainability.

ProCare played a vital role in being the voice for member practices and general practice as a whole throughout the pandemic. As an organisation we were active in advocating for practices at all levels from DHB through to the Ministry of Health and central Government.

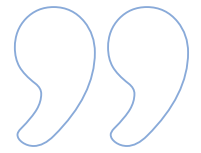
We have strong relationships with key decision-makers, enabling us to raise issues around funding and advocate for the financial sustainability of our practices. Working with our national advocacy body, GPNZ, we were able to successfully effect this during COVID-19 as we continuously advocated for additional funding for general practices to compensate for swabbing, and the investment in technology to deliver virtual consultations. Providing evidence of the drop in practice income resulted in an additional payment being made to general practices across the country. Overall, our representatives tirelessly advocated at a regional and national level to secure supplies of PPE and in the midst of the pandemic, influenza vaccines.

A ProCare led public relations campaign and collaboration with GPNZ meant that the public were reminded that general practice was still open and that patients should continue to seek care for regular health issues to ensure medical assistance was not deferred or patients suffered due to access issues.

“What a service from ProCare for practices. We can breathe now the funding has come through yesterday. Thank you to everyone for having a voice for us.” - ProCare GP



RICHMOND ROAD MEDICAL CENTRE
FLU CLINIC AND COVID-19 ASSESSMENT POP UP



The work ProCare has done behind the scenes is amazing, providing practices with guidance and support.

MEMBER PRACTICES REFLECT ON THE SUPPORT PROVIDED BY PROCARE DURING THE COVID-19 PANDEMIC

“Thank you for the amazing support that has been provided to our practice from ProCare. The daily updates have been so useful and it has been really reassuring to know that ProCare is there in the background advocating for us all in general practice.

The financial support has been hugely helpful too. I’m hopeful that we will take the lessons learnt and the new ways of doing things into a brave new future for general practice! Many thanks for all your help again.”



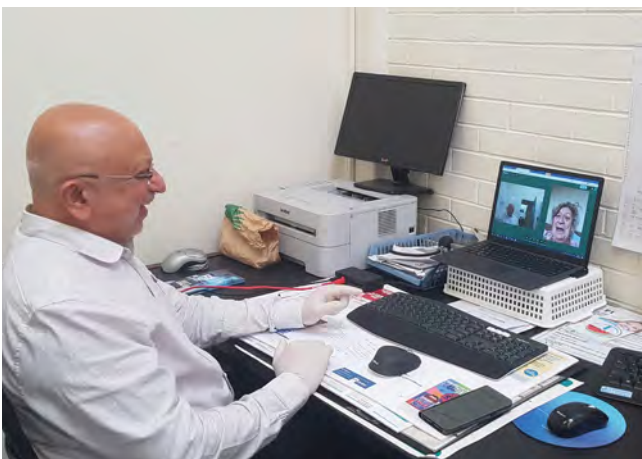
PUKEKOHE FAMILY HEALTH CARE – COMMUNITY TESTING CENTRE



HERNE BAY MEDICAL CENTRE RECEIVES A DELIVERY OF PPE FROM PROCARE



Thank you so much for the gift of fresh fruit. We really appreciate the gift at this time.



DR UMESH PARBHU, ONEHUNGA FAMILY MEDICINE CENTRE, TESTING HIS WEBCAM READINESS FOR VIRTUAL CONSULTS



MATALIMA MUELU AND DR LUKE FROM POKENO FAMILY HEALTH WORK ON THE FONON'S MOBILE COVID-19 SWABBING CLINIC

Our Impact PROCARE'S COVID-19 PANDEMIC RESPONSE

○ Distribution of PPE and virtual health kits underway

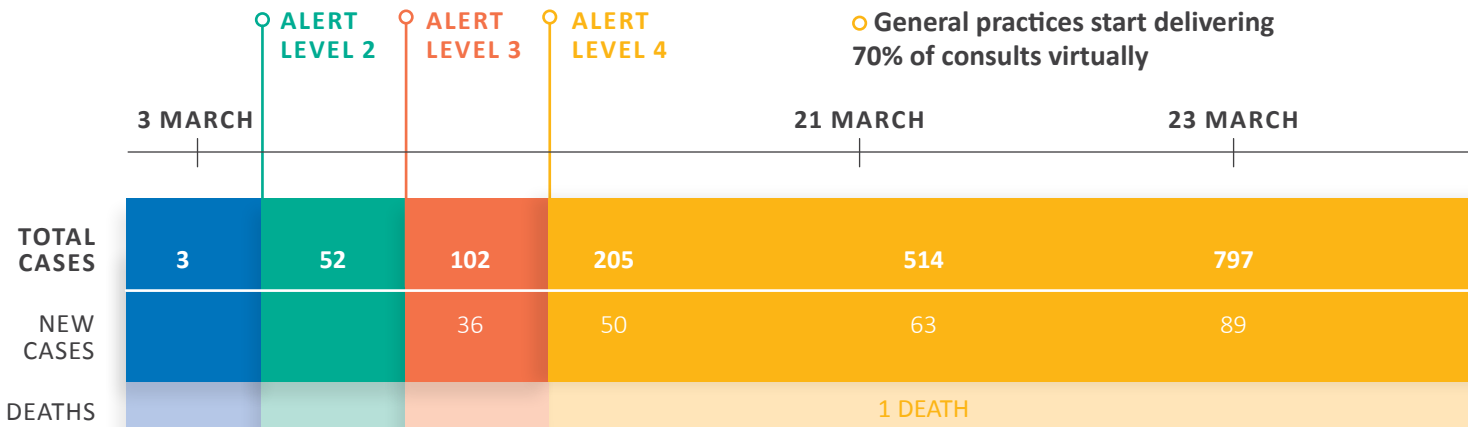


○ ProCare establishes Incident Management team

○ Perspex screens arranged for practices

○ Royal New Zealand College of General Practitioners (The College) requests all general practices to move to 70% virtual consults by Monday 23 March

○ General practices start delivering 70% of consults virtually



○ First daily newsletter to practices from ProCare clinical team

○ ProCare's Employment Plus service redeploys clinical staff to CBACs and quarantine facilities

○ ProCare sets up first community-based assessment clinic (CBAC)

○ 0800 GP phone line set up to support clinicians



○ Pukekohe CBAC – 2,250 COVID swabs between 28 Mar – 10 May

1309

COURIER DELIVERIES

20,863

GOWNS

29,801

SWABS DELIVERED IN APRIL, MAY, JUNE.



- Ongoing strong advocacy for practices through the pandemic for funding, PPE, flu vax and swabbing sites

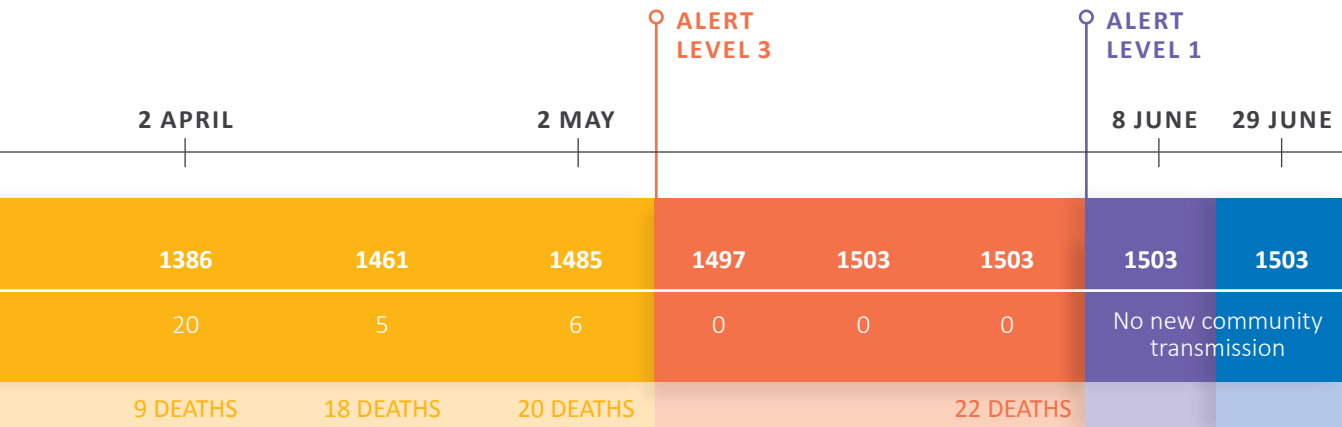
28,350

COVID-19 SWABS COMPLETED BY PROCARE NETWORK PRACTICES*

*UNTIL 30 JUNE 2020

- Webinars launched to support practices with clinical and financial matters related to COVID

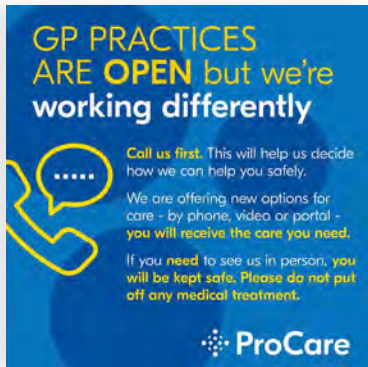
- PHO payments for practices from PHO



- Translated materials for practices
- ProCare's Employment Plus service redeploys clinical staff to CBACs and quarantine facilities

- Fruit baskets delivered to practice teams
- Public relations campaign ongoing to remind the public to continue to seek support from their GP

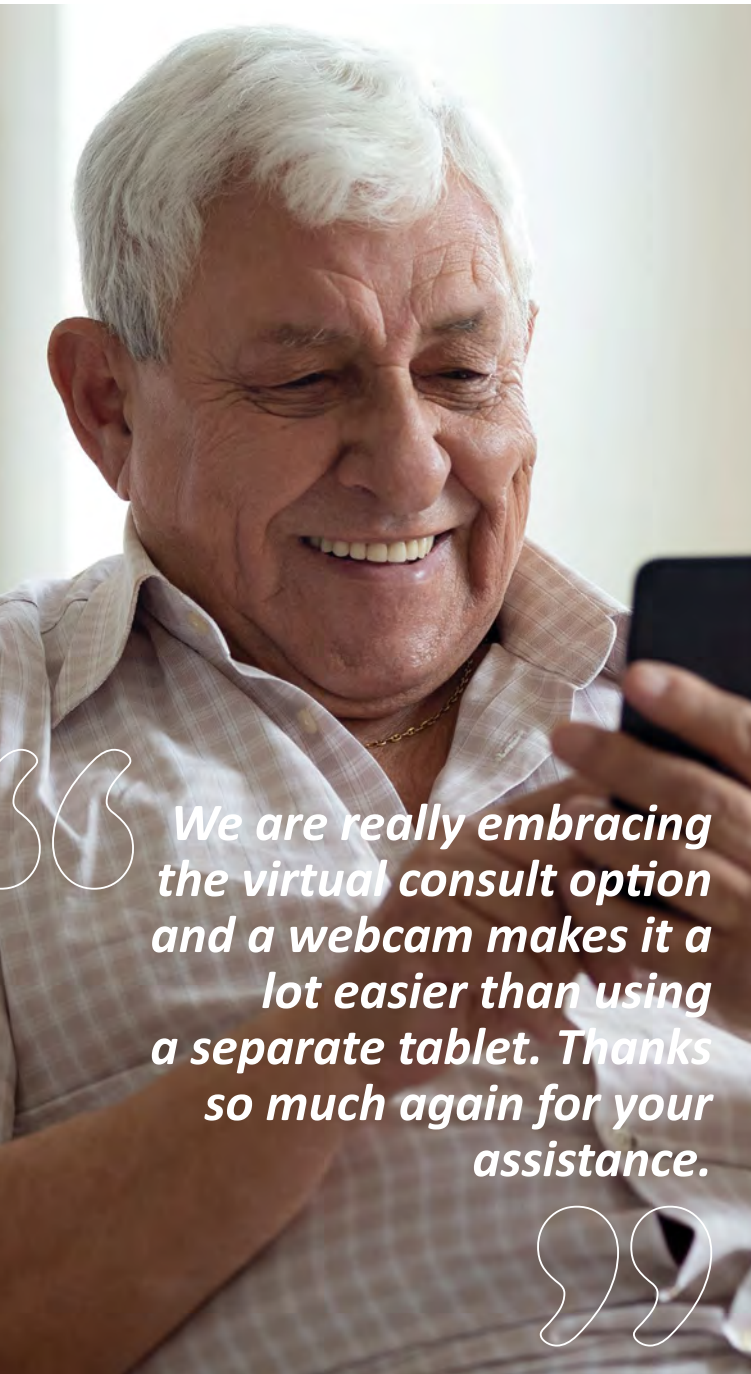
- NZ has no active cases of COVID-19
- NZ has no community transmission but cases continue to be seen at the border



Our Impact

VIRTUAL GP KITS

General practices sprint to adopt virtual consultation model



We are really embracing the virtual consult option and a webcam makes it a lot easier than using a separate tablet. Thanks so much again for your assistance.

ProCare rapidly accelerated work with Homecare Medical and Christchurch PHO Pegasus to design and deliver an innovative 'Virtual GP Kit'.

167 'Virtual GP Kits' have been delivered to 97 ProCare practices.

More than half of ProCare general practices now offer video consultations to patients as a result of the Royal College of GPs' directive in March 2020 that all general practices move to delivering virtual consultations to keep COVID-19 out of waiting rooms. The College advised:

- Every practice across New Zealand to move to virtual triage
- Every practice across New Zealand to expand the use of virtual consultations (by phone, email or video) where appropriate without compromising your safety, and with the goal of reducing face-to-face consultations by 70%

To ensure practices had the right equipment and infrastructure to become virtually enabled, ProCare carried out a thorough needs analysis for every practice to determine their specific requirements, creating a bespoke implementation plan for each practice. Assessment of the capacity of practice phone lines and whether there was a need to increase internet capacity and capability was an important factor in the development of each plan.

Renee Muru-Barnard from Turuki Healthcare says staff quickly adopted virtual consultation due to COVID-19.

"Our staff have taken to the virtual environment a lot quicker than anticipated, but I guess that's the reality of needing to evolve literally overnight.

"We're doing welfare checks on all our patients over 65 and giving them phone consultations, we're organising their medication in collaboration with the pharmacy and getting those dropped off to them as well. Our ideal is if they are well, they stay home."

Your healthsummary.

NEW INFORMATION-SHARING PLATFORM FOR AUCKLAND

ProCare practices are now part of a new integrated solution being implemented across the Auckland region which shares important health information between relevant healthcare providers.

Your Health Summary ensures authorised clinicians – including Healthline, community pharmacists, paramedics, hospital specialists and urgent care doctors, as well as GPs, nurse practitioners and practice nurses – can access a summary of a patient’s primary care record from other providers.

Your Health Summary is particularly designed to benefit the most vulnerable patients who may not always receive care from the same provider or who are accessing care in an emergency.

Spearheaded by the Northern Region Health Co-ordination Centre, practices were encouraged to implement the solution to support primary care’s response to the COVID-19 pandemic. However, it will have wider ongoing benefits, including ensuring that practices can access information about casual patients and the care their enrolled patients receive elsewhere.

The Your Health Summary platform is governed by strict privacy regulations, with access only to authorised clinicians providing care to patients directly, and authorisation ratified by a clinical governance committee made up of representatives from all participating PHOs.



NATIONAL AWARD FOR OUTSTANDING HTI INITIATIVE

ProCare’s pioneering high tech imaging project was recognised at this year’s Primary Health Care Awards, taking top spot in the Pharmaceutical Society’s innovation in service delivery category.

Judges described the initiative as an outstanding example of collaboration across multiple agencies. They said: ‘This is an outstanding project that clearly improves the patient journey, uses resources wisely, improves equity and empowers primary care clinicians.’

The scheme has reduced average waiting times for an MRI by three weeks and significantly improved access to MRIs among young people and Māori and Pacific communities. With ongoing upskilling of GPs, the service has now expanded to all ProCare practices and all six private radiology providers in Auckland.

The 2020 Primary Healthcare Awards/He Tohu Mauri focused on work that has transformed care in the past two years. ProCare was well represented among the winners and finalists at the ceremony in Auckland in February – pai te mahi!

Winner Innovation in service delivery: ProCare and Mercy Radiology HTI project.

Winner Medtech general practitioner of the year: Dr John Elliot, Kumeu Village Medical Centre.

Winner Ministry of Health equity award: The Fono Happy Skin initiative – skin and soft tissue infections in the Pacific population.

Finalist ACC patient safety award: Health Navigator Charitable Trust (Dr Janine Bycroft and team).

Finalist BDO business achievement award: KPT Medical Group.



Our Impact

POPULATION HEALTH STRATEGY

Taking a snapshot of patients' health



If the development of ProCare's Population Health Strategy (PHS) in 2018 was the 'ground work' for improving the health and wellbeing of patients, this year saw the 'sowing of seeds' with the introduction of cutting edge reports for each practice.

In October 2019 ProCare launched individualised reports titled, 'Your population's health' which gave each practice a data-driven snapshot of their patients' health as a group, throwing light on what areas to target to make the biggest impact on their population.



This is the most useful thing ProCare has done for me.

– Central Auckland GP after viewing his practice's individual report.



The robust reports focus on the five health goals identified in the population health strategy which targets all age groups from 0-4 through to older people. Every practice's report is different, some might show that 49% of patients over 15 have no recorded BMI, while another practice might see more than 60% of Indian patients with multi-morbidities and who smoke have not been offered cessation support.

This year, the first of a five year programme of work, practices were asked to analyse their data via their population health reports, and choose an area where they feel they can make the most difference in closing the equity gaps. This will be supported by tool kits for each goal, as well as monthly tracking of data enabling easy clinical audit by practices.



Over the remaining four years, each practice's contribution to helping their own patients, will reap rewards on health outcomes, experience of care and address equity across the entire ProCare network. Directing our activities to populations with the most to gain from improved wellbeing, reflects our commitment to a strong pro-equity stance and we hope this bridges the gap in the way we deliver care, the way we organise care and the way we take care.

Our Impact

SUPPORTING OUR NURSING WORKFORCE

630

NURSES

4

DESIGNATED NURSE PRESCRIBERS

75

UNDERTAKING POST-GRADUATE STUDY

75

NURSES FUNDED IN WDH B COMPLETED THE NZSSD ONLINE DIABETES COURSE

4

NURSES COMPLETED THE HEART FAILURE HEART FOUNDATION COURSE (AVAILABLE SINCE FEBRUARY 2020)

8

NURSE PRACTITIONERS

5

COMMUNITY NURSE PRESCRIBERS

12

NURSES IN CMDHB COMPLETED THE COMMUNITY NURSE PRESCRIBING COURSE

22

NURSES COMPLETED THE GETTING READY FOR INSULIN COURSE

51

NURSES WITH MENTAL HEALTH CREDENTIALS

- SUPPORT WITH HEALTH WORKFORCE NZ FUNDING
- POST GRADUATE EDUCATION SUPPORT
- PRESCRIBING GOVERNANCE FRAMEWORK



Our Impact

SUPPORTING OUR MĀORI AND PACIFIC POPULATION

ProCare has the highest combined Māori and Pacific enrolled population in Aotearoa.

MĀORI POPULATION

86,664 Māori people enrolled under ProCare

That's **51%** of Māori enrolled in the Auckland region

16,513 (88%) of Māori people received Smoking Brief Advice

22,352 (87%) of Māori people received CVD Risk Assessment – at risk of a cardiac event within the next six months

Over **65%** of Māori with diabetes received secondary prevention (Triple therapy)

PACIFIC POPULATION

101,937 Pacific people enrolled under ProCare

That's **42%** of Pacific people enrolled in the Auckland region

Over **70%** of Pacific people with diabetes received secondary prevention (Triple therapy)

12,701 (89%) of Pacific people received Smoking Brief Advice

29,294 (89.5%) of Pacific people received CVD Risk Assessment – at risk of a cardiac event within the next six months

Initiatives supporting the needs of our Māori and Pacific communities include:

- Whānau voice introduced in 2020 – working in partnership with patients and whānau to improve the health of our communities and high priority groups – Māori, Pacific, Asian, youth, refugees, rural and LGBTIQ.
- Supporting our network to have a wider focus on cultural safety and competencies through the quality plan which has a Māori and Pacific Health Plan embedded in it.
- Development of a Māori and Pacific services matrix which practices can access to find support services for whānau in their practices.

- Using data to showcase whānau that require immediate support to address their health needs – often Māori and Pacific with significant and complex health needs that practices can focus their support on.
- Recalibrating programmes such as diabetes self-management education (DSME) and smoking cessation programme Ready Steady Quit to focus more on Māori and Pacific populations, and hapū wahine.
- Working with Te Tumu Waiora health coaches with particular focus on the 'high-needs' population.

COMMUNITY INITIATIVES

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.

HEALTHY VILLAGE ACTION ZONE (HVAZ)

The annual AIGA Challenge is an eight-week weight loss programme sponsored by ProCare, under the HVAZ programme in ADHB. The challenge encourages healthy lifestyles and weight loss among local church communities, while having fun as a group. COVID-19 has had an unprecedented impact on the programme's action plan and outcomes.

AIGA CHALLENGE

13 churches

258 male participants

385 female participants

34 smokers

14 started on smokefree journey with Ready Steady Quit

100 Nutrition champs mentored (fostering the development of environments that support healthy lifestyles and health literacy)

To ensure church communities have remained actively engaged during COVID-19, HVAZ coordinators have supported church communities through church ministers and committees, as well as via social media.

“The challenge encourages healthy lifestyles and weight loss among local church communities, while having fun as a group.”



WAITEMATĀ RUGBY CLUB TACKLES DIABETES THANKS TO PROCARE SUPPORT

Recognising that rugby clubs are often at the heart of communities, ProCare’s diabetes self-management education co-ordinator, Valita Partsch, engaged with Waitemata’s Mammoth Rugby Club to deliver an eight-week programme attracting 53 men and women from Pacific families. The programme consisted of three fitness training sessions per week which also included diabetes education and support.

“It’s so fantastic to see a community rugby club passionately support members and their families to lead a healthy lifestyle. Participants were keen to learn about nutrition, maintaining a healthy weight and reducing blood glucose levels (HBA1C).

Everyone had their HBA1C levels checked prior to starting the programme and they all showed improvement in blood glucose levels after the eight weeks; a testament to the success of the initiative.” **Valita Partsch.**

503.9kg

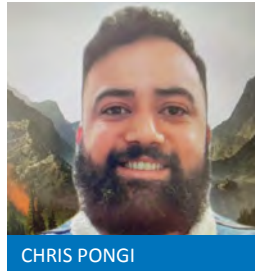
Congratulations to the players who took part in the Mammoth Rugby Club weight loss challenge. All up they lost a combined 503.9kg. That’s about the same as a grand piano!

Our Impact

SUPPORTING OUR MĀORI AND PACIFIC POPULATION



JUDY IKIHELE



CHRIS PONGI

PROCARE WELCOMES ADDITIONAL SUPPORT FOR PACIFIC COMMUNITY

ProCare was pleased to introduce two new cultural engagement nurses (Pacific), with recruitment underway for Māori, to help practices address equity issues and increase engagement with high needs populations by providing cultural advice and training, developing tools to remove barriers and improve patient engagement with Māori or Pacific, and identifying challenges to close the gaps.



STEPHANIE BARRELL



LEILANI-GRACE RICHARDSON

MĀORI AND PACIFIC MEDICAL STUDENTS SHINE

ProCare, in partnership with the University of Auckland, was pleased to award the top Pacific and Māori year five medical students, GP pathway for 2019 to:

Stephanie Barrell

“General practice is integral in addressing disparity to improve health for our people. For me personally, I love that general practice embodies whakawhanaungatanga, and creates an environment where our clinical interactions lead to meaningful long-lasting relationships with our patients, whānau and the wider community. It is these relationships that underpin kaupapa Māori and lead to the greatest impact on positive health outcomes.”

Leilani-Grace Richardson

“I have found general practice to be most rewarding to establish rapport and long-term therapeutic relationships with patients, their families and within the wider community which is particularly important for our Pasifika and Māori people and collective health.”



General practice is integral in addressing disparity to improve health for our people.



Our Impact

2019 MEASLES OUTBREAK

Since the beginning of 2019 there was an increased number of cases of measles in New Zealand, the largest for more than two decades. On 30 August 2019, the National Health Coordination Centre (NHCC) was activated to coordinate the national response to the measles outbreak.

ProCare’s role within the Auckland region was to support the management of Measles Mumps and Rubella (MMR) vaccine supply within our network of practices allowing for more equitable access, and to coordinate communications to general practice teams. Overall the response required a collaborative approach between ProCare and its practices, DHBs, Auckland Regional Public Health Service, vaccine distributors, the Ministry of Health, and NHCC.

General practices coped with the outbreak until early 2020, and took many learnings from the outbreak into the COVID-19 pandemic response.

In response to the measles outbreak in Auckland, ProCare Immunisation Coordinators, Catherine Roscoe and Kris Shepherd-Bell, collaborated with Comprehensive Care to run three measles clinics to increase MMR vaccination coverage in West Auckland in June, July and December 2019.

The clinics held at Waitakere Union and Community Health on the Waitakere hospital site offered free MMR vaccination to anyone six months – 49 years of age, with attendees at the clinics representing a wide variety of cultural groups.

The ProCare team said it was great to strengthen relationships with their Comprehensive Care colleagues collaborating on this initiative, while increasing MMR coverage in the community.

PROCARE STAFF OFFER SUPPORT DURING SAMOA’S MEASLES OUTBREAK

Following the devastating spread of the measles outbreak in Samoa, ProCare employees Matai Masuisui Sam Partsch and Valita Partsch returned to their homeland in December 2019 to volunteer in their community providing vital health information and support. Valita’s support focused primarily on grieving mothers, while Matai Sam provided support and pastoral care to other family members affected.

ProCare staff raised funds of nearly \$2,000 for the ASA Foundation in support of their Samoan neighbours dealing with the measles crisis, and ProCare in collaboration with Network 4 colleagues (Pinnacle Midlands, Pegasus, Tū Ora Compass) jointly donated \$10,000 to go to Helping Hands Samoa.



General practices coped with the outbreak until early 2020, and took many learnings from the outbreak into the COVID-19 pandemic response ...



MMR VACCINATIONS GIVEN

21,534

2018/19

31,424

2019/20

PICTURED BELOW:
PROCARE EMPLOYEES **MATAI MASUISUI SAM PARTSCH** (FAR LEFT) AND **VALITA PARTSCH** (FAR RIGHT) RETURNED TO SAMOA IN DECEMBER 2019 TO VOLUNTEER IN THEIR COMMUNITY



Our Impact READY STEADY QUIT



Ready Steady Quit contract renewed to 2021

4,172 referrals

43% enrolled

76% conversion rate

40% Carbon Monoxide validated quit rate reached

COVID-19 has had a national affect on those who smoke. The result from an HPA survey shows that smoking habits have not yet returned to pre-lockdown levels:

- 52% of all smokers are smoking at the same level they did pre-lockdown, but 23% report that they are smoking more than usual
- A higher proportion of daily smokers report smoking more than usual (29%) while a higher proportion of non-daily smokers report smoking less than usual (41%)
- Of particular concern is the 1 in 3 Māori smokers (33%) who report that they are smoking more than pre-lockdown
- Smokers who are smoking more than usual say that this is due to being anxious or stressed, wanting to switch off, or boredom
- 30% of smokers who have reduced their smoking identified lockdown as an opportunity to implement their intention to reduce smoking. Four percent of smokers said that they have not smoked at all since lockdown began
- 23% of those who are smoking less are concerned that smoking will increase their risk of COVID-19.

STAYING CONNECTED TO THE COMMUNITY DURING COVID-19

As a predominantly in-person service, COVID-19 has significantly affected Ready Steady Quit, which during New Zealand’s first lockdown led to a ramped up social media presence to stay connected with potential and existing clients.

Ready Steady Quit’s Facebook page (and other platforms) was crucial in delivering information about becoming smokefree by focusing on healthy activities. ‘Smoke kai, not ciggies’ was a special lockdown social media campaign that showcased smoking fresh kai (such as meats and seafood) while at the same time educating the community about the service. The live streamed videos more than 5,000 people.

Ready Steady Quit continues to promote their service online, also engaging with the community in person at events such as Mana Wāhine Day depending on alert level allowances in 2020.

READY STEADY QUIT HEADS INTO WORKPLACES

Recognising that employers play a significant role in a person’s wellbeing, the Ready Steady Quit team has focused on supporting businesses to create smokefree workplaces. One company to get behind this initiative is one of New Zealand’s most successful civil contractors, Dempsey Wood, who in early June 2020 signed a pledge to work with Ready Steady Quit to create a smokefree workplace by 2025.



EVAN DAVIES SIGNS PLEDGE TO BECOME SMOKEFREE THANKS TO SUPPORT FROM HIS EMPLOYER DEMPSEY WOOD

“With 34% of Māori and Pacific workforce working in site-based roles and with smoking rates for Māori and Pacific higher than non-Māori and non-Pacific it makes sense to provide support to a smokefree life in the workplace.”

Mihi Blair, Operations Manager, Ready Steady Quit.

Dempsey Wood’s pledge will contribute towards New Zealand government’s goal of being a smokefree nation and having 5% fewer New Zealanders smoking by 2025.

Our Impact TE TUMU WAIROA

Taking Te Tumu Waiora to the next level

The past year has seen Te Tumu Waiora, the new model of integrated primary mental health care first piloted by ProCare practices, extend to all parts of New Zealand.

We are very proud to see the model spread and mature, supported by the \$455m funding allocated in Budget 2019 to roll out integrated primary mental health care services across New Zealand over the next five years.

The Te Tumu Waiora model stemmed from collaboration with PHO colleagues, DHBs and NGOs to create a service that offers rapid brief intervention to people who are experiencing mental distress through their general practice, as well as connecting them to the social and specialist supports they need.

Te Tumu Waiora...offers rapid brief intervention to people who are experiencing mental distress through their general practice...

The service is based around two new roles – the health improvement practitioner (HIP) and the health coach, who also act as a specialist resource to enhance the confidence and competence of GPs, nurses and other members of the team.

Following successful independent evaluation of the pilot in five ProCare practices in 2018, the model was extended to 22 practices and one Kaupapa Māori provider across New Zealand in 2019.

With new tranches of funding available, ProCare is working across our network and through the national Te Tumu Waiora Collaborative to support the training and incorporation of the new roles across our practice teams.

www.tetumuwaiora.co.nz



Our Impact HERE TOITŪ

Here Toitū connecting people to work and study

Our new practice-based programme to support people on a medical deferral benefit get into work or education is already delivering results – despite its launch against a backdrop of COVID-19 restrictions.

The Here Toitū programme is available in five ProCare practices - Grey Lynn Family Medical Centre, Henderson Medical Centre, Kumeu Village Medical Centre, Papatoetoe Family Doctors and Mt Wellington Family Health Centre – following on from the successful Well Plan pilot in conjunction with the Ministry of Social Development.

Eligible patients are referred to specialist health navigators in the practice who provide support to help them find employment or take part in learning, caring or volunteering. It was expected that COVID-19 lockdown might limit referrals, but instead practices seized the opportunity to support dozens of people to find work or study opportunities during a difficult period. More practices are now keen to join the Here Toitū programme over the coming year.



The practice-based Here Toitū programme is already delivering results...



Following a thyroid operation Ben struggled to maintain his health and wellbeing and had been unemployed for two years. Determined to change his circumstances, but with no clear direction, Ben consulted his GP who connected him with ProCare's Here Toitū team.

Ben worked with his Here Toitū health navigator and identified a passion for supporting others in his community, particularly those in similar circumstances. With the support of his navigator, Ben enrolled in a 12-week peer support training programme. The Here Toitū team, together with a Ministry of Social Development case worker, supported Ben's study, including securing financial support to cover the cost of course materials.

With the support of his navigator, Ben is also taking part in a Green Prescription programme to improve his nutrition and physical activity and is working towards being smokefree with the help of ProCare's Ready Steady Quit team.



Here Toitū team: heretoitu@procare.co.nz





Our Impact EXCHANGE AND KAIPARA MEDICAL CENTRE

Exchange by ProCare supporting sales and sustainability

Our newest member service, Exchange by ProCare, was launched at the end of 2019, after taking on board increasing feedback from our members about the need for support with succession planning and transition into and out of business ownership.



The service matches practice buyers and sellers, helps GPs and practice nurses get into practice ownership for the first time and provides assistance to GPs wanting to sell their share or bring new partners into a practice.

As a co-operative of practices, the service is based on the principle that clinicians should remain central to general practice ownership and leadership. It aims to support practice sustainability, particularly helping smaller practices or those who need to transform, as well as making the first steps into ownership easier for younger GPs.

Exchange by ProCare recognises that fit is as important as finance, and matching buyers with sellers means understanding the needs of both parties - clinicians selling their business often want to know that a new owner will offer the same values and level of care to patients and families that they've looked after.

As well as connecting prospective buyers and sellers across the network, Exchange by ProCare offers industry insights, valuations, advice on partnership options, and links to reputable legal and financial advice.

Exchange by ProCare: exchange@procare.co.nz.

PROCARE PURCHASES KAIPARA MEDICAL CENTRE

In addition to the Exchange service, ProCare will soon offer a transition ownership arrangement, whereby ProCare may purchase a practice on the basis that ownership is on an interim basis, and that the practice will be transferred back into a new sustainable version of clinical ownership through a soon-to-be-announced transition ownership programme.

The first practice purchased with the programme in mind was completed in November, with ProCare taking ownership of Kaipara Medical Centre in Helensville.

For five years Kaipara Medical Centre had been owned collectively by two local GPs, the Waitematā District Health Board and the Helensville District Health Trust, which had a 50% shareholding. However, after a change in circumstances for the two shareholding doctors and a desire by the Health Trust to return to its core business of providing health-related facilities, it was decided that selling the medical centre was in the best interests of all involved.

Our Impact

PREFERRED PMS ROLLOUT

Preferred PMS rollout underway across ProCare practices

Following on from the robust practice management review process in 2018-19, the roll out of ProCare's preferred practice management system is well under way.

Indici, a Valentia software product, is now operating in seven ProCare practices, handling the health records of 54,345 patients across Auckland. Due to the COVID-19 pandemic and nationwide lockdown, several practices had their transition to Indici delayed but it is expected that by June 2021, more than 133,000 patients' records across approximately 20 practices will be hosted in Indici.

Dr Jamie Shepherd, co-owner of Mission Bay Doctors and the first ProCare practice to switch to Indici in December 2019, says the timing was fortuitous ahead of the COVID-19 pandemic.

One of the benefits of adopting Indici through ProCare is the comprehensive support offered to practices.

Before a practice makes the switch our support team works alongside the practice to advise on preparation and to deliver hands-on training. On day one using Indici and for the following few weeks, ProCare's team of trained Indici support personnel remain in the practice to support the team through any teething problems.

Part of the ProCare service includes a Monday-Friday dedicated Indici help desk to support practices on an on-going basis.

Progress so far:

54,345

PATIENTS

7

PRACTICES

Goal by June 2021:

133,000

PATIENTS

20

PRACTICES

Having everything integrated within Indici for digital health care like e-prescribing, video capability software, e-labs, and online payments meant that we were fully prepared to deliver seamless virtual consultations during alert level 4 and 3, when we needed to reduce in-person visits to around 30%.



PROCARE PRACTICE, TRAINING AND HELP DESK SUPPORT TEAM



ProCare Foundation CHAIR'S REPORT

Over the past five years we have been privileged to support 31 organisations who, mostly on very limited budgets, work with their communities and whānau to deliver targeted programmes to help people in need. We have been very proud to help these charities make positive differences to those they support.



JUNE MCCABE

PROCARE FOUNDATION MARKS MILLION-DOLLAR DONATION MILESTONE

This year the ProCare Charitable Foundation reached a milestone of donating more than one million dollars to charities in Tāmaki Makaurau.

It is a privilege on behalf of my fellow trustees to report on the impact of \$280,000 of funding allocated in 2019 to nine charities – from a possible 51 outstanding applicants.

The aim of the ProCare Foundation is to support registered charities that deliver programmes that work to reduce health inequities and tackle the symptoms of poverty in the greater Auckland region.

The reality of our time is that there is an ever-increasing number of vulnerable people who need more help with their health and wellbeing needs. Some people struggle because of poverty and living conditions and others live difficult lives because of specific health conditions.

June McCabe

Chair, ProCare Charitable Foundation

FIND OUT MORE AT WWW.PROCARE.CO.NZ

Measuring Impact

NATIONAL HEART FOUNDATION

The National Heart Foundation used funding to support a specially designed and fit for purpose heart health mobile van to improve heart-health outcomes for greater Auckland – providing heart health checks to people in the community.

“The funding from ProCare Charitable Foundation has meant we have been able to put into practice exactly what we should and want to do in our Care and Support team - that is, reaching priority populations in a community outreach model. It has been an 18-month labour of love for our teams at the Heart Foundation and I am excited and thankful that ProCare believe in this as much as we do.” – Angela Aldous, Heart Foundation Head of Care and Support

Outcomes

- Mobile van launched in August 2020 (delayed due to the COVID-19 lockdown).

ASTHMA NEW ZEALAND INCORPORATED

Asthma New Zealand used funding to deliver free education to school students and staff, ensuring they are well-equipped to recognise and manage the symptoms of asthma, and respond confidently in an asthma emergency.

Outcomes

- **90%** correctly identified the main respiratory organs in the body (30% prior)
- **98%** could identify four or more triggers that could create allergic reactions
- **98%** identified smoking as harmful to their lungs
- **88%** scored higher than 75% in the health quiz
- **79%** correctly identified the steps to take in an asthma emergency
- **100%** could explain why oxygen was important (5% prior)



AUCKLAND SEXUAL ABUSE HELP FOUNDATION CHARITABLE TRUST

Funding provided an extension of 'Dear Em' sexual abuse prevention programme, empowering girls to say 'no', building support systems, and where to get help.

Outcomes

- **40** sessions in intermediate and senior schools in Auckland
- Approximately **320** girls between the ages of 11 to 13 attended sexual abuse prevention programme school sessions
- **21,900** resources such as, posters, wristbands, stickers and tote bags purchased and being distributed in support of these sessions

DANCE THERAPY NZ

Dance Therapy NZ has used funding to pilot new arts therapy sessions for at-risk children and children with special needs and disabilities living in South Auckland. Due to COVID-19, programmes will run until end of June 2021.

Outcomes

- **33** children enrolled between the ages of 5 and 12
- **110** therapy attendances recorded

FAMILY SUCCESS MATTERS

Family Success Matters used funding to assist with the delivery of the 'Fathers for Families' programme in Counties Manukau. The 10 week programme gives fathers the tools and confidence to raise safe and happy tamariki.

Outcomes

- Delivery of the programme to **200** fathers in Counties Manukau
- Improving the health and safety of over **600** 'at high risk' children pre-birth to six years of age

NATIONAL FOUNDATION FOR DEAF AND HARD OF HEARING

The National Foundation for Deaf and Hard of Hearing supports the delivery of the World Health Organisation's Global 'Make Listening Safe' programme, preventing noise-induced youth hearing loss. The programme covers three secondary schools located in the Auckland region.

Outcomes

- **300** hearing screening checks for students

NEW ZEALAND AIDS FOUNDATION

The New Zealand AIDS Foundation (NZAF) funded three smart vending machines thanks to the ProCare Charitable Foundation, which dispense HIV Self-Tests (HST).

"We are very grateful for the ProCare Foundation's support in helping us to deliver this innovative pilot. People can face a number of barriers to HIV testing, including cost, privacy concerns, and inconvenient times and locations. Providing access to HIV Self-Tests in familiar, discreet and safe locations can reduce some of these barriers, making it more accessible. Increased access to regular testing helps achieve our vision of Aotearoa with no new HIV transmission, and support for people living with HIV to flourish." – New Zealand AIDS Foundation Chief Executive Dr Jason Myers.

Outcomes

- **13%** of people tested indicated that they had not tested within the last 12 months, and 7% had never tested for HIV
- Of those tested **50%** of gay and bisexual men are not 'out' to their healthcare providers
- **98%** of vending machine users who completed the evaluation said they would use the machine again

YMCA NORTH

YMCA North established one-week sport camps at Camp Adair for intermediate aged young people – encouraging healthy lifestyles and providing unique sporting opportunities not otherwise accessible.

Outcomes

- **320** students from 16 South Auckland schools to participate in the sport camp programme

ACTION EDUCATION INCORPORATED

Action Education Incorporated supports a range of youth development programmes in schools, and community facilities in Auckland – safe spaces for young people to explore who they are and break down stereotypes with peers.

Outcomes

- Spoken Word Workshops in schools for **1388** young people
- 3 community Spoken Word Nights with over **140** people in attendance

ProCare GOVERNANCE

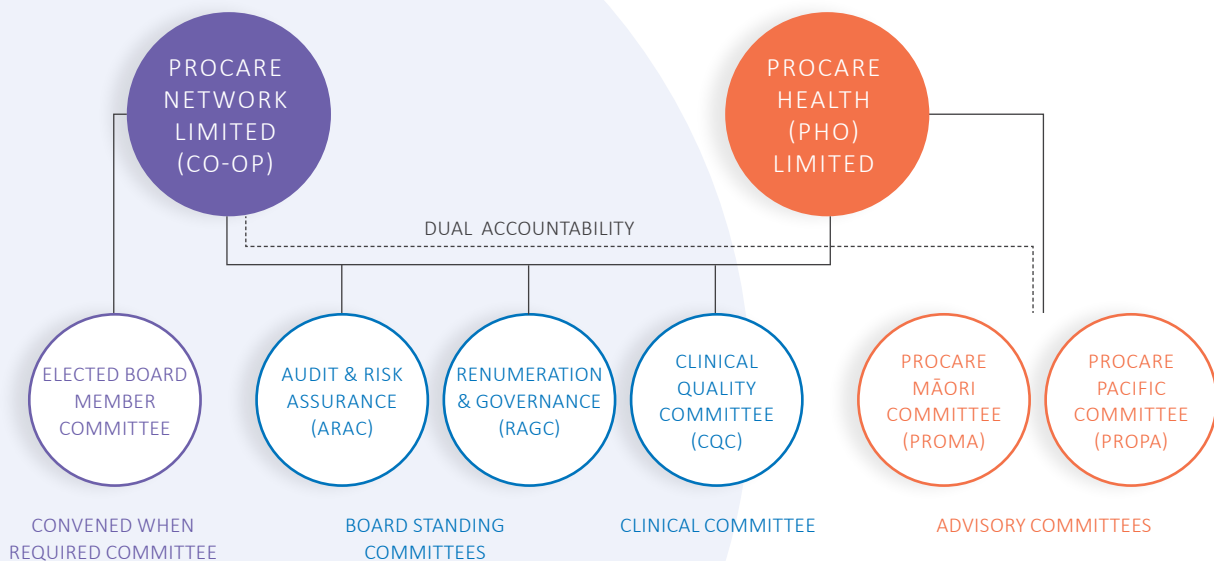
ProCare’s Boards and Committees provide business expertise, leadership and clinical governance for our organisation, ensuring the ongoing success of our business and clinical direction.

ProCare’s structure changed on 1 July 2019

ProCare Network Limited is 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 was 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.

PROCARE’S COMMITTEES AND BOARDS ARE AS FOLLOWS:



PROCARE GOVERNANCE AND ADVISORY

Audit & Risk Assurance Committee

The Audit & Risk Assurance Committee (ARAC) assists the ProCare Network Ltd (co-op) and ProCare Health (PHO) Ltd boards respectively in fulfilling their 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), Alister Lawrence (appointed 6 December 2019), Hanne Janes (resigned 31 October 2019), Dr Harley Aish, June McCabe, Tevita Funaki.

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), Alister Lawrence (appointed 6 December 2019), Hanne Janes (resigned 31 October 2019), Dr Harley Aish, Tevita Funaki (appointed 1 July 2019).

Clinical Quality Committee

The Clinical Quality Committee advises the ProCare Network Ltd (co-op) and ProCare Health (PHO) Ltd and Fresh Minds Limited 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 providers; and sets and oversees the clinical direction and performance of ProCare. CQC advises and 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, Fakaanga Mapa (appointed 25 September 2019), Jessie Crawford, Dr Kim Bannister, Michelle Cray, Dr Neil Hefford, Dr Wikitoria Gillespie, Dr Willem Landman.

ProCare Māori Advisory Committee

ProCare's Māori Advisory Committee (ProMA) advises and supports ProCare Health (PHO) Limited to provide a Māori world view that is iwi informed, Treaty-based as well as community and whānau focused, so that Māori across Tāmaki Makaurau experience the best health outcomes possible. 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 (appointed as chair 26 February 2020), Dr Braden Te Ao (appointed 11 March 2020), Dr Francesco Lentini (resigned 19 November 2019), Matua John Marsden, Dr Katrina Kirikino-Cox (appointed 24 June 2020), Dr Wikitoria Gillespie.

ProCare Pacific Advisory Committee

ProCare's Pacific Advisory Committee (ProPA) advises and supports ProCare Health (PHO) Limited 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), Ben Taufua, Judy Matai'a, Stephen Stehlin, Dr Viliami Puloka (appointed 11 March 2020).

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 as lead DHB for 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.

CLINICAL ASSESSMENTS LIMITED (CAL) Board of Directors: Dr Neil Hefford (chairman), John Betteridge, Paul Roseman.

PROCARE FRESH MINDS LIMITED (PFM)

Board of Directors: Steve Boomert (chair), Allan Moffitt, Tony Wai.

HOMECARE MEDICAL LIMITED (HML) Board of Directors: Roger Sowry (chairman), Debbie Ngarewa-Packer, Hillary Currie, James Sclater, Lee Eglinton, Mike Schubert (appointed 31 January 2020), Steve Boomert, Vince Barry.

ProCare BOARDS

ProCare Health (PHO) Limited

ProCare Network Limited



TEVITA FUNAKI (CHAIR)



DR NEIL HEFFORD



DR HARLEY AISH (CHAIR)



HANNE JANES RETIRED OCT 19



LESLEY GOING



JUNE MCCABE



DR NEIL HEFFORD



ALISTER LAWRENCE JOINED OCT 19



JOHN MARSDEN



RENEE NEWMAN



DR STEPHANIE TAYLOR



JAN WHITE



DR JODIE O'SULLIVAN



TAIMA CAMPBELL



DR CRAIG KING



JUNE MCCABE



MIKE SCHUBERT



DR FRANCESCO LENTINI

Board and staff members

8

PROCARE HEALTH (PHO)
LIMITED BOARD MEMBERS

9

PROCARE NETWORK LIMITED
BOARD MEMBERS

7

EXECUTIVE LEADERSHIP
TEAM MEMBERS

120

PROCARE GROUP FULL
TIME EMPLOYEES

35

PROCARE GROUP PART
TIME EMPLOYEES

11

PROCARE GROUP
CONTRACTORS





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PROCARE GROUP FINANCIAL STATEMENTS – DIRECTORY

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS: PROCARE NETWORK LIMITED

Dr H E Aish (Chair)
Dr N J H Hefford
H Janes (resigned 31 October 2019)
Dr C L King
A J Lawrence (appointed 6 December 2019)
Dr F Lentini
J N McCabe
M Schubert
Dr S L Taylor
Dr J F V White

DIRECTORS: PROCARE HEALTH (PHO) LIMITED

T F Funaki (Chair)
L A Going
Dr N J H Hefford
J Marsden
J N McCabe
R J E Newman
T Campbell
Dr J J O’Sullivan

DIRECTORS: PROCARE FRESH MINDS LIMITED

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

DIRECTORS: PROCARE HEALTH (LP) LIMITED

S J Boomert (Chair)
T A Wai

DIRECTORS: PROCARE NETWORK PARTNERSHIPS LIMITED

S J Boomert
T A Wai

DIRECTORS: KAIPARA HEALTH LIMITED

F Lentini (appointed 22 October 2019)
L G Norman (appointed 22 October 2019)
K J Ormrod (appointed 22 October 2019)
T A Wai (appointed 22 October 2019)

DIRECTORS: 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%
	Kaipara Health Limited	100%
	Clinical Assessments Limited	67%

All subsidiaries have a 30 June balance date

JOINT

VENTURES:	Homecare Medical (NZ) Limited Partnership	50%
	Fresh Minds NZ Limited Partnership	50%

REGISTERED

OFFICE: Level 2, 110 Stanley Street, Grafton, Auckland

BANKERS:

ANZ Bank
PO Box 12 060 Auckland 1642

SOLICITOR:

Buddle Findlay
Pricewaterhouse Coopers Tower
188 Quay Street Auckland 1140

AUDITOR:

BDO Auckland
Level 4 BDO Centre 4 Graham Street
Auckland

PROCARE GROUP DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their annual report including the consolidated financial statements of the Group for the year ended 30 June 2020.

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 is a Co-operative Company that provides management services to its subsidiaries, as well as clinical and corporate services support to its Practices. It also provides the design and management of health programmes funded by non-DHB partners.

ProCare Health (PHO) Limited is a Registered Charity and a Primary Health Organisation (PHO) that provides primary healthcare services in the Auckland region. 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 and FMNZLP (see the detail below), which are 50% owned equity accounted joint ventures.
- Clinical Assessments Limited facilitates the delivery of specific health service initiatives in the wider Auckland region;
- Kaipara Health Limited provides medical services for the wider Helensville area;
- ProCare Fresh Minds Limited provides clinical psychological and psychiatric services in the wider Auckland region;
- ProCare Network Partnerships Limited is a holding company;
- Fresh Minds NZ Limited Partnership (FMNZLP) provides clinical psychological services through managing the implementation of the Te Tumu Waiora model of care throughout New Zealand.

RESULTS

	2020	2019
	\$	\$
Profit after tax for the year	2,050,526	237,575
Non-controlling interest in profit of subsidiary	675	3,973
Opening retained earnings	3,100,456	1,718,604
Co-operative - transition to NZ IFRS 15	-	255,564
Equity accounted joint ventures - transition to NZ IFRS 15	-	892,686
Closing retained earnings	5,150,307	3,100,456

DIVIDENDS

No dividends were paid during this financial year.

REDEEMABLE PREFERENCE SHARES

Interest on Redeemable Preference Shares was paid in December 2019 at a coupon rate of 7.1% and is recognised as an interest expense for accounting purposes.

PROCARE GROUP DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020

AUDITORS

BDO Auckland continue in office as auditors.

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

	2020 \$ Directors Fees	2020 \$ Committee Fees	2020 \$ Other
<i>ProCare Network Limited</i>			
Dr H E Aish (Chair)	90,000	-	-
Dr C L King	45,000	-	-
Dr N J H Hefford	45,000	-	-
J N McCabe	45,000	15,000	-
M Schubert	45,000	15,000	-
Dr J F V White	45,000	-	-
H Janes	15,000	3,333	-
Dr F Lentini	45,000	-	4,800
Dr S L Taylor	45,000	-	-
A J Lawrence (appointed 6 December 2019)	22,500	4,167	-
	442,500	37,500	4,800

	2020 \$ Directors Fees	2020 \$ Committee Fees
<i>ProCare Health (PHO) Limited</i>		
T F Funaki (Chair)	24,500	
L A Going	12,250	
Dr N J H Hefford	12,250	
J Marsden	12,250	
J N McCabe	12,250	
R J E Newman	12,250	
T Campbell	12,250	1,967
Dr J J O'Sullivan	12,250	
	110,250	1,967

	2020 \$ Directors Fees
<i>ProCare Fresh Minds Limited</i>	
S J Boomert (Chair)	-
Dr A Moffitt	-
T A Wai	-
	-

PROCARE GROUP DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$ Directors Fees
<i>Clinical Assessments Limited</i>	
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

	2020 \$ Directors Fees
<i>ProCare Network Partnerships Limited</i>	
S J Boomert (Chair)	-
T A Wai	-
	-

	2020 \$ Directors Fees
<i>ProCare Health (LP) Limited</i>	
S J Boomert (Chair)	-
T A Wai	-
	-

	2020 \$ Directors Fees	2020 \$ Committee Fees	2020 \$ Other
<i>Kaipara Health Limited</i>			
F Lentini (appointed 22 October 2019)	-	-	13,907
L G Norman (appointed 22 October 2019)	-	-	-
K J Ormrod (appointed 22 October 2019)	-	-	-
T A Wai (appointed 22 October 2019)	-	-	-
	-	-	13,907

Additional remuneration was paid to directors for services separate from services as a director as disclosed in note 18.3 of the financial statements.

PROCARE GROUP DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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	2020 Number of employees
\$100,001-\$110,000	11
\$110,001-\$120,000	3
\$120,001-\$130,000	3
\$130,001-\$140,000	2
\$140,001-\$150,000	1
\$150,001-\$160,000	2
\$160,001-\$170,000	1
\$190,001-\$200,000	1
\$200,001-\$210,000	1
\$210,001-\$220,000	1
\$230,001-\$240,000	1
\$240,001-\$250,000	1
\$260,001-\$270,000	1
\$300,001-\$310,000	1
\$420,001-\$430,000	1

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 \$4,368 (2019: \$1,561) to various charities during the year.

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.

PROCARE GROUP DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020

RELEVANT INTEREST IN PROCARE NETWORK LIMITED SHARES

As at 30 June 2020, directors had a relevant interest (as defined in the Securities Markets Act 1988) in ProCare Network Limited shares as follows:

<i>Name</i>	30 June 2020
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 Redeemable Preference Shares (RPS) as part of the capital restructure. Refer to note 15 on the RPS issue.

USE OF COMPANY INFORMATION

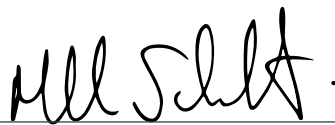
The Board received no notices during the year from directors requesting to use Company information received in their capacity as directors which would not have been otherwise available to them.

For and on behalf of the Board.

Director:


Dr Harley Aish
6 October 2020

Director:


Mike Schubert
6 October 2020

PROCARE GROUP

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$	2019 \$
Revenue	3.1	233,065,728	213,038,711
Other income	3.2	631,516	-
Total		233,697,244	213,038,711
Expenses			
Clinical costs	4.1	206,374,697	188,253,356
Administrative expenses	4.2	26,425,161	25,697,893
Total expenses		232,799,857	213,951,249
Operating Profit / (Loss)		897,387	(912,538)
Finance income		237,967	319,784
Less: Finance lease costs		(225,036)	-
Less: Other finance costs		(271,718)	(107,455)
Net Finance (Expense) / Income	4.3	(258,787)	212,329
Profit / (Loss) before share of profit of equity accounted joint ventures		638,600	(700,209)
Share of profit of equity accounted joint ventures	13	2,056,033	1,179,460
Profit before tax		2,694,633	479,251
Income tax expense	14.1	644,107	241,676
Profit for the year		2,050,526	237,575
Other comprehensive income		-	-
Total comprehensive income for the year		2,050,526	237,575
Profit and total comprehensive income attributable to:			
Owners of the company		2,049,851	233,602
Non-controlling interests		675	3,973
Profit for the year		2,050,526	237,575
Distributable		1,938,657	237,575
Non Distributable		111,869	-
Profit For The Year		2,050,526	237,575

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

PROCARE GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	7,766,103	5,340,769
Investments - short term deposits	5	6,600,000	9,250,000
Trade and other receivables	6	8,474,996	5,040,971
Inventory		18,627	-
		22,859,726	19,631,740
Non-current assets			
Property, plant and equipment	10	843,068	805,935
Right of use assets	22	2,768,202	-
Computer software	11	1,452,716	1,302,721
Goodwill	11	482,439	-
Deferred tax asset	14.2	32,646	-
Derivative asset	20	208,246	-
Investment in and advances to equity accounted joint ventures	13	3,958,471	3,248,261
		9,745,788	5,356,917
Total Assets		32,605,515	24,988,657
Liabilities			
Current liabilities			
Trade and other liabilities	7	9,962,234	7,253,845
Deferred revenue	9	9,742,429	9,694,789
Income tax payable	14.1	84,587	34,059
Payables to equity accounted joint ventures	8, 13	37,159	39,573
Redeemable preference shares	15	42,000	42,000
Lease liability	22	649,806	-
		20,518,215	17,064,266
Long-term liabilities			
Deferred tax liability	14.2	-	30,393
Redeemable preference shares	15	2,010,000	2,064,000
ProCare Charitable Foundation loan	17	2,274,000	2,274,000
Lease liability	22	2,218,025	-
		6,502,025	4,368,393
Total Liabilities		27,020,240	21,432,659
Net Assets		5,585,275	3,555,998

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

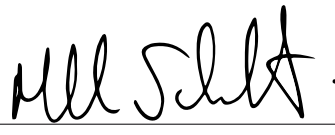
PROCARE GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

REPRESENTED BY:

	NOTE	2020	2019
Equity		\$	\$
Share capital	16	384,481	405,731
Retained earnings		5,150,307	3,100,456
Equity attributable to parent		5,534,788	3,506,187
Non-Controlling Interests		50,487	49,811
Total Equity		5,585,275	3,555,998

Director:  _____
Dr Harley Aish
 6 October 2020

Director:  _____
Mike Schubert
 6 October 2020

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

PROCARE GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share Capital	Retained Earnings	Total Equity	Non-Controlling Interests	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2019	405,731	3,100,456	3,506,187	49,811	3,555,998
Total comprehensive income for the period					
Profit for the year	-	2,049,851	2,049,851	675	2,050,527
Total comprehensive income	-	2,049,851	2,049,851	675	2,050,527
Transactions with owners in their capacity as owners					
"A" shares repurchased 16	(24,250)	-	(24,250)	-	(24,250)
Issue of ordinary "A" shares 16	3,000	-	3,000	-	3,000
Balance at 30 June 2020	384,481	5,150,308	5,534,789	50,486	5,585,275

ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share Capital	Retained Earnings	Total Equity	Non-Controlling Interests	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 Equity Accounted Joint Ventures	-	255,564	255,564	-	255,564
Transition adjustment - NZ IFRS 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 year	-	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 16	(17,500)	-	(17,500)	-	(17,500)
Issue of ordinary "A" shares 16	14,500	-	14,500	-	14,500
Share buy back 16	(2,274,000)	-	(2,274,000)	-	(2,274,000)
Balance at 1 July 2019	405,731	3,100,456	3,506,187	49,811	3,555,998

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

PROCARE GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$	2019 \$
Cash flows from/ (to) operating activities			
Cash provided from:			
Receipts from customers and funders		229,988,254	214,222,334
Interest income received		237,967	279,364
		230,226,221	214,501,698
Cash applied to:			
Payments to suppliers and providers		(214,238,319)	(201,525,549)
Payments to and on behalf of employees		(14,701,325)	(12,907,915)
Income tax paid		(580,974)	209,675
		(229,520,618)	(214,223,789)
Net cash from operating activities	21.1	705,603	277,909
Cash flows from/ (to) investing activities			
Cash provided from:			
Proceeds from short term deposits		2,650,000	-
Distributions by equity accounted joint ventures (HMLP)	13	1,949,161	1,000,000
Cash applied to:			
Purchase of property, plant & equipment and software		(876,507)	(602,447)
Settlement of business purchase	26	(254,494)	-
Distributions made to equity accounted joint ventures (FMNZLP)	13	(428,981)	-
Investment in short term deposits	5	-	(8,850,000)
Net cash from/ (to) investing activities		3,039,179	(8,452,447)
Cash flows from/ (to) financing activities			
Cash provided from:			
Issue of ordinary "A" shares	16	3,000	14,500
Cash applied to:			
Share repurchase	15,16	(78,250)	(89,500)
Interest paid on RPS & PCF loan and to TMNZ	4.3	(191,104)	(107,364)
Payment of lease liabilities (principal)	22	(828,059)	-
Payment of lease liabilities (interest)	22	(225,036)	-
Net cash to financing activities	21.2	(1,319,448)	(182,364)
Net increase/(decrease) in cash and cash equivalents		2,425,334	(8,356,902)
Cash and cash equivalents at beginning of the year		5,340,769	13,697,671
Cash and cash equivalents at the end of the year	5	7,766,103	5,340,769

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

PROCARE GROUP

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

1 CORPORATE INFORMATION

The consolidated financial statements presented are for the reporting entity ProCare Network Limited (“the Company” or “the Parent”). The Group comprises 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, ProCare Network Partnerships Limited and Kaipara Health Limited (together, the subsidiaries), and the Group’s interest in equity accounted joint ventures.

The financial statements for the Group for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors on 6 October 2020.

The financial statements are for the year ended 30 June 2020.

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

The Group 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. The PHO is a Public Benefit Entity for Reporting purposes.

For the purposes of complying with generally accepted accounting practice in New Zealand (“NZ GAAP”), the Company and its subsidiaries (other than ProCare Health (PHO) Limited) are for-profit entities.

Principal Activities

ProCare Network Limited is a Co-operative Company that provides management services to its subsidiaries, as well as clinical and corporate services support to its medical practices. It also provides the design and management of health programmes funded by non-DHB partners.

ProCare Health (PHO) Limited is a Registered Charity and a Primary Health Organisation (PHO) that provides primary healthcare services in the Auckland region. 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 holds the Group’s investment in HMLP and FMNZLP (see the detail below), which are 50% owned equity accounted joint ventures.
- Clinical Assessments Limited holds the funding contract to facilitate the delivery of primary options acute care health and other service initiatives in the wider Auckland region.
- Kaipara Health Limited provides primary care medical services for the wider Helensville area.
- ProCare Fresh Minds Limited provides clinical psychological and psychiatric services in the wider Auckland region.
- ProCare Network Partnerships Limited is a holding company.
- Homecare Medical (NZ) Limited Partnership (HMLP) provides telephone services to General Practitioners so their calls are answered after hours, and national telehealth services (helplines) to the public, 24 hours a day, seven days a week, as well as other health services.
- Fresh Minds NZ Limited Partnership (FMNZLP) provides clinical psychological services through managing the implementation of the Te Tumu Waiora model of care throughout New Zealand.

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.

PROCARE GROUP

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

Basis of Measurement

The consolidated financial statements are prepared on the historical cost basis, other than the embedded derivative which is recorded at fair value.

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 3.1 and Note 9 - Deferred revenue.
- Recognition of deferred taxation in accordance with the taxation policy in 2.3. See Note 14
- Determination of the expected term and discount rates in lease calculations. See Note 22
- The Directors have judged that the Company is a principal not an agent with regard to Government funding.
- Assumptions used in the discounted cashflow model to assess the value of Goodwill. See Note 11.

2.3 SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

NZ IFRS 15 Revenue from Contracts with Customers.

The Group's revenue recognition policy is detailed below:

(i) 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 is therefore recognised at a point in time.

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.

(ii) 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. In FY20 this was paid in June at 100% performance as part of the Government's COVID-19 support to practices.

(iii) Project/ Fee For Service Revenue

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

(iv) 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.

(v) Other Revenue

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

(vi) Interest Income

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

(vii) Dividend Income

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

PROCARE GROUP

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2020 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. The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Business Combinations

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

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 Joint Ventures

A joint venture is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the

arrangement) require the unanimous consent of the parties sharing control.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the statement of financial position at cost and is adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Distributions received from a joint venture reduce the equity accounted investment.

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

Property, Plant and Equipment

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

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

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

- Computer hardware: 33% straight line
- Furniture and fittings : 20% straight line
- Leasehold improvements: 12.5% - 20% straight line
- Office and other equipment: 20-40% straight line
- Right of Use Asset: over the term of the lease

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.

PROCARE GROUP

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

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 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.

(i) Derivative Financial Instruments

Derivatives are initially recorded at fair value and are then revalued to fair value at balance date with the resulting gain or loss on remeasurement recognised in profit or loss. The fair values of derivative financial instruments are determined by applying market discount rates.

The Group holds derivative instruments until expiry except where the underlying rationale from a risk management point of view changes, in which case early termination occurs.

(ii) 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.

PROCARE GROUP

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

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 allowance for all trade receivables and accrued income. Receivables of a short-term duration are not discounted.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

Trade and Other Payables

Trade and other payables (including intercompany payables) are initially recognised at fair value and subsequently 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 initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing

liabilities are subsequently measured at amortised cost using the effective interest rate method.

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 in more than three months to twelve months. These are measured at amortised cost using the effective interest method, less impairment losses.

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.

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end.

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

PROCARE GROUP STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss for goodwill is not reversed.

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 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.

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.

PROCARE GROUP

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

Lease Accounting

Prior Year 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.

From 1 July 2019 all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- a) Leases of low value assets; and
- b) Leases with a duration of 12 months or less.

Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Group obtains substantially all the economic benefits from use of the asset; and (c) The Group has the right to direct use of the asset.

(i) Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate, however in such cases the initial present value determination assumes that the variable element will remain unchanged throughout the lease term.

Other variable lease payments are expensed in the period in which they relate.

For leases of property, the Group has elected to apply the practical expedient to include contractual payments to the lessor for nonlease elements of the arrangement in determining the lease liability.

On initial recognition, the carrying value of the lease liability also includes:

- a) Amounts expected to be payable under residual value guarantee;
- b) The exercise price of any purchase option grants in favour of the Group if it is reasonable certain to assess that option;
- c) Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increase for:

- a) Lease payments made at or before commencement of the lease;
- b) Initial direct costs incurred;
- c) The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically make-good provisions on buildings).

(ii) Subsequent measurement

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Right-of-use assets are also subject to impairment assessment at reporting date.

(iii) Remeasurement

When the Group revises its determination of the use (or non-use) of renewal and/or termination options, the carrying amount of the lease liability is adjusted to reflect the payments to make over the revised term, which are discounted at the revised discount rate.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, however this is discounted at the original discount rate.

In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

PROCARE GROUP STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

(iv) **Modifications to lease agreements**

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

Increase in scope

- a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price (i.e. market rate) for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- b) In all other cases (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the revised discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

Decrease in scope

- a) Both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss.

The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangibles are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Group's Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. Intangible assets with a definite life are amortised on a straight-line basis. Goodwill is stated at cost, less any impairment losses.

For the purposes of considering whether there has been an impairment, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. When the book value of a group of assets exceeds the recoverable amount, an impairment loss arises and is recognised in earnings immediately.

Assessing the carrying value of goodwill requires management to estimate future cash flows to be generated. The key assumptions used in the value in use models include the expected rate of growth of revenues and earnings, the terminal growth rate and the appropriate discount rate to apply.

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 2019:

NZ IFRS 16 Leases

NZ IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. NZ IFRS 16 substantially carries forward the lessor accounting in NZ IAS 17 Leases, with the distinction between operating leases and finance leases being retained.

NZ IFRIC 23

NZ IFRIC 23 is effective for the Group from 1 July 2019. NZ IFRIC Interpretation 23 "Uncertainty over income tax treatments" clarifies the recognition and valuation principles applicable to income tax risks. These risks arise when there is uncertainty related to a tax position adopted by the Group that could be challenged by the tax authorities. The Group has not identified any material impact to the financial statements at 1 July 2019 following the implementation of NZ IFRIC 23.

Effects of Changes in Accounting Policies

The Group adopted NZ IFRS 16 Leases with the transition date of 1 July 2019.

NZ IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. NZ IFRS 16 substantially carries forward the lessor accounting in NZ IAS 17, with the distinction between operating leases and finance leases being retained.

PROCARE GROUP
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
 FOR THE YEAR ENDED 30 JUNE 2020

The Group has adopted NZ IFRS 16 using the modified retrospective approach, together with the additional adoption option to set the right-of-use asset equal to the lease liability (plus or minus certain lease-related accrual balances previously recognised).

Also, for leases previously classified as “operating leases” the Group has made use of the following additional adoption options available under the modified retrospective approach:

- a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- b) Exclude initial direct costs from the measurement of right of use assets.
- c) Reliance on previous assessments on whether leases are onerous in determining the impairment of right-of-use assets upon adoption.
- d) Not to recognise a right-of-use asset and a lease liability leases that expired during the current period.
- e) Using facts and circumstances (i.e. hindsight) as at adoption date in determining the use (or non-use) of future renewal and/or termination options.

Accordingly, comparative information has not been restated, and there is no adjustment to opening retained earnings in the current period.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 July 2019:

	NOTE	Previous closing balance	NZ IFRS 16 Recognition	NZ IFRS 16 Opening
Lease Liability				
Balance at 1 July 2019	22	-	3,836,808	3,836,808

The following table presents a reconciliation between the prior period’s operating lease commitment note and the lease liability recognised upon adoption (above):

	1 July 2019
Minimum “operating lease” commitment at 30 June 2019	2,895,555
<i>Plus:</i> Lease payments from renewal options reasonably expected to be used	1,480,318
Undiscounted “operating lease” payments	4,375,873
Impact of discounting (weighted-average discount rate 4.94%)	(539,065)
Lease liability as at adoption – 1 July 2019	3,836,808

New Standards and Interpretations Not Yet Effective

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

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3 REVENUE AND OTHER INCOME

3.1 REVENUE

		2020 \$	2019 \$
Ministry of Health			
	<i>Ready Steady Quit programme</i>	1,452,242	1,380,157
	<i>Patient Access Subsidies</i>	437,084	352,799
District Health Boards			
	<i>First Level Services</i>	161,822,336	151,024,085
	<i>Care Plus</i>	12,919,337	12,434,177
	<i>Services to Improve Access</i>	8,625,634	10,242,155
	<i>Health Promotion</i>	2,386,214	2,351,666
	<i>System Level Measures Framework</i>	4,527,188	4,471,699
	<i>Management Fees</i>	6,845,702	5,602,912
	<i>Programmes</i>	31,836,273	23,417,541
Ministry of Social Development		452,450	420,135
Accident Compensation Corporation		765,823	624,478
General Practice Co-Payments (Kaipara Medical Centre)		265,399	-
Health Alliance		79,795	-
Other		650,250	716,907
		233,065,728	213,038,711

In accordance with NZ IFRS15 Revenue, the Group has reviewed the performance obligations required within it's contracts and recognises revenue based on the following categories:

	2020 \$	2019 \$
IFRS 15 Analysis		
Stand Ready (Over Time)	165,592,179	154,377,859
Provision of Service (Over Time)	43,238,177	40,583,654
Activity Basis (Point in Time)	22,339,524	15,820,670
Milestone (Point in Time)	1,895,848	2,256,527
	233,065,728	213,038,711

3.2 OTHER INCOME

	NOTE	2020 \$	2019 \$
Other			
Lease income received from equity accounted joint ventures	17.2	173,270	-
Derivative fair value gain	20	208,246	-
Profit on disposal of intellectual property	17.2	250,000	-
		631,516	-

Book value of the intellectual property sold was nil.

4 EXPENSES

4.1 EXPENSES

	2020 \$	2019 \$
Expenses		
Clinical costs	206,374,697	188,253,356
Administrative expenses - refer Note 4.2	26,425,161	25,697,893
	232,799,857	213,951,249

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

4.2 ADMINISTRATIVE EXPENSES

	NOTE	2020 \$	2019 \$
Fees paid to auditors - BDO			
Audit of financial statements		132,500	110,000
Taxation services		26,743	16,680
Accounting and tax advice		-	10,063
Depreciation	10, 22	1,246,272	262,117
Amortisation	11	451,831	434,344
Directors remuneration	17	615,175	611,950
Employee remuneration		15,060,353	13,334,133
Impairment of obsolete assets	11	35,780	-
Property expenses		501,805	1,004,133
Staff cost (training, recruitment, temp/contract staff) ¹⁾		1,677,103	1,693,423
Direct COVID-19 expenses		806,635	-
Other expenses		5,870,964	8,221,050
		26,425,161	25,697,893

1) Includes Kiwisaver defined contribution for the Group of \$263,815 (2019: \$239,835).

Direct COVID-19 expenses relate to the running of the Community Based Assessment Centre, non-financial support to Practices, and POAC management fees to East Health.

4.3 FINANCE INCOME & COSTS

	2020 \$	2019 \$
Finance Income and Costs		
Interest received	237,967	319,784
Interest expense on finance leases	(225,036)	-
Interest paid	(4,979)	(91)
Interest on redeemable preference shares	(105,512)	(107,364)
Interest expense on PCF loan	(161,227)	-
	(258,787)	212,329

Interest income is from financial assets measured at amortised cost.

Interest expense is from financial liabilities measured at amortised cost.

5 CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	2020 \$	2019 \$
Cash at bank available on demand	7,765,203	5,339,869
Cash on hand	900	900
	7,766,103	5,340,769
Short term deposits with maturities > 3-12 months *	6,600,000	9,250,000
	6,600,000	9,250,000

* The original investment term of these ranges from 91-97 days.

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 1.00% - 1.75%.

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

6 TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Trade receivables	7,546,450	3,553,815
Accrued income	473,830	1,203,210
Impairment allowance	(12,145)	-
Trade financial assets at amortised cost	8,008,135	4,757,025
Prepayments	466,860	283,946
	8,474,996	5,040,971
<i>Movements in the specific impairment allowance</i>		
Balance at start of year	-	(1,799)
(Additional allowance)/ balance written back	(12,145)	1,799
Balance at end of year	(12,145)	-

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.

7 TRADE AND OTHER LIABILITIES

	2020 \$	2019 \$
Trade creditors	997,308	2,757,317
Health service claims	4,565,137	1,334,012
Deferred settlement	219,000	-
Other accruals	1,846,174	1,378,922
Trade financial liabilities at amortised cost	7,627,619	5,470,251
GST payable	257,832	95,696
Other taxes (PAYE)	29,857	-
Accrual for holiday pay	946,881	1,381,724
Accrual for bonuses	229,301	217,481
Accrual for employee entitlements	870,744	88,693
	9,962,234	7,253,845

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

8 PAYABLES TO EQUITY ACCOUNTED JOINT VENTURES

	2020 \$	2019 \$
<i>Equity Accounted Joint Ventures</i>		
Homecare Medical (NZ) Limited Partnership	(37,159)	(39,573)
Fresh Minds NZ Limited Partnership	-	-
	(37,159)	(39,573)

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 17 Related Parties.

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

9 DEFERRED REVENUE

	2020 \$	2019 \$
Programme funding	9,742,429	9,694,789
	9,742,429	9,694,789
Non-current	-	-
Current	9,742,429	9,694,789
	9,742,429	9,694,789

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.

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 \$9,694,789 carried forward from 2019 was recognised as revenue or recovered by the DHB in the current financial year.

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

10 PROPERTY, PLANT AND EQUIPMENT

	Computer Hardware \$	Furniture & Fittings \$	Leasehold Improvements \$	Office & Other Equipment \$	Total \$
2020					
Carrying value at 1 July 2019	228,947	26,520	529,007	21,460	805,935
Additions	262,033	20,387	12,328	24,951	319,700
Reclassifications, Disposals and Transfers	(2,179)	(72,598)	25,674	46,204	(2,900)
Depreciation expense net of reclassifications	(169,374)	61,032	(110,763)	(60,561)	(279,666)
Carrying value at 30 June 2020	319,427	35,341	456,247	32,054	843,068
Represented by:					
Cost	911,561	333,029	1,296,971	58,475	2,600,035
Accumulated depreciation	(592,134)	(297,688)	(840,724)	(26,421)	(1,756,967)
	319,427	35,341	456,247	32,054	843,068

	Computer Hardware \$	Furniture & Fittings \$	Leasehold Improvements \$	Office & Other Equipment \$	Total \$
2019					
Carrying value at 1 July 2018	241,164	41,315	592,778	32,432	907,688
Additions	127,867	-	23,040	11,616	162,523
Reclassifications, Disposals and Transfers	(1,001)	-	-	(1,159)	(2,160)
Depreciation expense net of reclassifications	(139,083)	(14,795)	(86,810)	(21,429)	(262,117)
Carrying value at 30 June 2019	228,947	26,520	529,007	21,460	805,935
Represented by:					
Cost	794,134	312,642	1,258,969	72,598	2,438,343
Accumulated depreciation	(565,187)	(286,121)	(729,961)	(51,138)	(1,632,408)
	228,947	26,520	529,007	21,460	805,935

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

11 INTANGIBLE ASSETS

	2020 \$	2020 \$	2020 \$
	Computer Software	Goodwill	Total
Cost			
At 1 July	2,798,119	-	2,798,119
Additions			-
- Additions – software & internally developed	630,633	-	630,633
- Acquired through purchase of Kaipara Health Ltd (See Note 26)	6,972	482,439	489,411
Write off of obsolete or impaired assets	(525,234)	-	(525,234)
At 30 June	2,910,491	482,439	3,392,930
Accumulated Amortisation			
At 1 July	1,495,398	-	1,495,398
Amortisation for the year	451,830	-	451,830
Write off of obsolete or impaired assets	(489,454)	-	(489,454)
At 30 June	1,457,775	-	1,457,775
Carrying amount at 30 June	1,452,716	482,439	1,935,155
	2019 \$	2019 \$	2019 \$
	Computer Software	Goodwill	Total
Cost			
At 1 July	3,171,456	-	3,171,456
Additions			-
- Additions – software & internally developed	268,281	-	268,281
- Other acquisitions	174,102	-	174,102
Write off of obsolete or impaired assets	(815,720)	-	(815,720)
At 30 June	2,798,119	-	2,798,119
Accumulated Amortisation			
At 1 July	1,876,764	-	1,876,764
Amortisation for the year	434,344	-	434,344
Write off of obsolete or impaired assets	(815,709)	-	(815,709)
At 30 June	1,495,398	-	1,495,398
Carrying amount at 30 June	1,302,721	-	1,302,721

Computer Software

Impairment loss of \$35,780 has been recognised for the replacement of the local Approval Plus procurement system with a cloudbased version in July 2019.

Goodwill

Goodwill arises from the purchase of Kaipara Medical Centre and has been revised at 30 June 2020 based on the likely earnout due 1 December 2020.

Goodwill Impairment Assessment

The goodwill arising from the acquisition of the Kaipara Medical centre was tested for impairment at June 2020. The recoverable amount of the business was valued on a value-in-use basis using a discounted cash flow model. Management has used its past experience of sales growth, operating costs and margin, and external sources of information where appropriate, to determine their expectations for the future.

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

These cash flow projections are principally based on the 2021 budget and forecasts for a further four years. These assumed a 5% growth rate, a terminal value at 3.5 multiple of Year 5 EBITDA and have been discounted at 14%.

Sensitivity to reasonably possible changes in assumptions

The impairment assessment confirmed that the recoverable amount exceed carrying values as at 30 June 2020.

The recoverable amount is sensitive to level of future growth - If the growth rate was reduced to zero and no other changes were made, an impairment of \$83,622 would be required.

12 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.

	2020	2019
Subsidiaries		
ProCare Health (PHO) Limited	100%	100%
ProCare Health (LP) Limited	100%	100%
ProCare Fresh Minds Limited	100%	100%
ProCare Network Partnerships Limited	100%	100%
Kaipara Medical Centre	100%	0%
Clinical Assessments Limited	67%	67%

The above subsidiaries have a 30 June year-end.

13 INVESTMENT IN AND ADVANCES TO EQUITY ACCOUNTED JOINT VENTURES

All entities are incorporated and domiciled in New Zealand, and have a 30 June balance date.

All Group transactions are unsecured, interest-free and repayable upon demand.

	2020	2019
	\$	\$
Homecare Medical (NZ) Limited Partnership	3,554,634	3,248,143
Fresh Minds NZ Limited Partnership	403,719	-
BPAC New Zealand Limited	118	118
Investment in and advances to equity accounted joint ventures	3,958,471	3,248,261
Homecare Medical NZ Limited Partnership	2,331,295	1,179,460
Fresh Minds NZ Limited Partnership	(275,262)	-
Share of profit of equity accounted joint ventures	2,056,033	1,179,460

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.

	2020	2019
	\$	\$
Investment in HMLP		
Investment in Limited Partnership	3,554,634	3,248,143
Opening Balance	3,248,143	1,828,841
Prior year adjustment - NZ IFRS 15	-	1,239,842
Capital repayment and distribution	(2,076,500)	(1,000,000)
Share of profit of equity accounted joint ventures	2,331,295	1,179,460
RWT Credit Transferred (Prior Years)	(39,574)	-
RWT Credit Transferred (Current Year)	(36,070)	-
Advances owing to ProCare Network Limited	127,339	-
	3,554,634	3,248,143

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Homecare Medical (NZ) Limited Partnership

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 a Joint Venture.

Summary financial information for the equity accounted joint venture, not adjusted for the percentage ownership held by the Group for the period ending 30 June 2020:

	2020 \$	2019 \$
Current assets		
Cash & cash equivalents	30,693,089	6,224,587
Other current assets	5,004,841	16,615,768
Non current assets	4,342,331	2,773,174
Total assets	40,040,260	25,613,529
Current liabilities		
Financial liabilities	7,878,000	8,309,688
Deferred revenue	19,627,256	9,322,000
Other current liabilities	4,228,556	656,775
Non current liabilities	498,189	-
Total liabilities	32,232,000	18,288,463
Net assets	7,808,260	7,325,066
Group's share of net assets	3,904,130	3,662,533
	2020 \$	2019 \$
Revenue	71,890,978	43,938,258
Interest Income	59,698	165,314
Expenses		
Depreciation	1,199,517	350,283
Other Expenses	66,088,569	41,394,369
Profit	4,662,589	2,358,920
Group's share of profit	2,331,295	1,179,460

Fresh Minds NZ Limited Partnership

Fresh Minds NZ Limited Partnership (FMNZLP) provides clinical psychological services through managing the implementation of the Te Tumu Waiora model of care throughout New Zealand.

FMNZ, a joint venture limited partnership between ProCare Health and Tū Ora Compass was established in August 2019, as a response to the challenges and community needs identified in the He Ara Oranga Mental Health and Addictions Enquiry report and subsequent commitment from Government's 2019 Wellbeing Budget. This supports the move to a more primary and communitybased model of behavioural and mental health service delivery integrated within general practice and other community settings.

The Partnership was established with both intellectual property and cash contributions by both partners and there is a commitment to amalgamate some of their aligned businesses operations in the future.

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

Since establishment, FMNZ has provided sector leadership influencing national direction through Te Tumu Waiora national collaboration, closer practical working relationships between the partner services, joint training provision and preparatory work to inform amalgamation options. As a Social Enterprise, FMNZ has a significant opportunity to become the leading impact maker in primary mental health and wellbeing with capabilities to support a national psychosocial response that is needed to address the gaps, inequities and the potential effects of the collateral impact of COVID-19.

	2020	2019
Investment in FMNZ	\$	\$
Opening Balance	-	-
Investment in Limited Partnership	300,000	-
Share of profit of equity accounted joint ventures	(275,262)	-
Advances owing to ProCare Network Limited	331,807	-
Advances owing to ProCare Fresh Minds Limited	47,174	-
	403,719	-

As FMNZ 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 Tu Ora Compass Health).

The Group holds 50% of the capital of FMNZ. This investment has been accounted for as a Joint Venture.

Summary financial information for the equity accounted joint venture, not adjusted for the percentage ownership held by the Group for the period ending 30 June 2020:

	2020
	\$
Current assets	
Cash & cash equivalents	98,565
Other current assets	82,683
Non current assets	
Intellectual property asset	300,000
Property, plant and equipment	861
Total assets	482,109
Current liabilities	
Related parties	378,981
Other current liabilities	53,652
Total liabilities	432,633
Net assets	49,477
Group's share of net assets	24,738

	2020
	\$
Revenue	106,411
Interest Income	3
Expenses	
Depreciation	138
Other Expenses	656,800
Loss	(550,524)
Group's share of loss	(275,262)

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

14 TAXATION

14.1 INCOME TAX

	2020 \$	2019 \$
Income tax represented by:	644,107	241,676
Current tax	707,146	116,675
Deferred tax asset	(63,039)	125,001
	644,107	241,676
Net profit before taxation	2,694,633	479,251
Prima facie income tax at 28%	754,497	134,190
Non-assessable income	(159,632)	-
Non-deductible expenses	49,242	107,486
Income tax expense	644,107	241,676

14.2 DEFERRED TAX ASSET/(LIABILITY)

	2020 \$	2019 \$
Balance at beginning of year	(30,393)	441,764
Amounts recognised directly in equity (Note 13)	-	(347,156)
Current year temporary differences	63,039	(125,001)
Balance at end of year	32,646	(30,393)
Balance at year end attributable to:	2020 \$	2019 \$
Employee entitlements	67,924	157,789
Trade receivables	3,149	(361)
Accruals	(19,861)	(2,798)
Support Payment	(210,000)	-
Property, Plant & Equipment (incl Right of Use asset)	176,837	122,017
IFRS15 Revenue	14,596	(307,041)
	32,646	(30,393)

14.3 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:

	2020 \$	2019 \$
Opening balance	261,085	1,127,741
Add:		
Income tax paid	372,000	118,000
Resident Withholding Tax paid	44,648	30,939
Other credits	-	284
Less:		
Credit attached to dividends (paid)	(41,569)	(89,148)
Other debits	-	(926,731)
Closing balance (at year end)	636,164	261,085

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.

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

15 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.

	Number of shares	\$
Opening balance as at 1 July 2019	4,212	2,106,000
Share repurchased	(108)	(54,000)
Closing balance as at 30 June 2020	4,104	2,052,000

	Number of shares	\$
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

	2020 \$	2019 \$
Redeemable Preference Shares		
Proceeds from the bonus issue of Redeemable Preference Shares (4,212 shares at \$500, 2019: 4,356 shares at \$500)	2,106,000	2,178,000
Buy back during the year	(54,000)	(72,000)
Net proceeds	2,052,000	2,106,000
Carrying amount of liability at 30 June	2,052,000	2,106,000
Current	42,000	42,000
Non-current	2,010,000	2,064,000
	2,052,000	2,106,000

The liability represents the net present value of the coupon payable over the expected term until redemption, which has been estimated at 10 years. See Note 4.3 for current year interest accrued.

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

16 SHARE CAPITAL

	2020	2019
	\$	\$
Paid in capital		
610 (2019: 639) Ordinary A shares	384,481	405,731
	384,481	405,731
	Number of	\$
	shares	
Movement in Ordinary A Shares		
Opening balance as at 1 July 2019	639	405,731
Share repurchased	(33)	(24,250)
Issue of shares	4	3,000
Closing balance as at 30 June 2020	610	384,481
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 31 buy back shares that have been acquired by the Company at \$750 and 2 buy back shares at \$500 (2019: 35 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.

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

17 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

17.1 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

	2020 \$	2019 \$
Short-term employment benefits	1,930,246	1,738,155
Directors fees	615,175	611,950

17.2 EQUITY ACCOUNTED JOINT VENTURES

	2020 \$	2019 \$
Equity Accounted Joint Ventures		
<i>Homecare Medical (NZ) Limited Partnership</i>		
Cost recoveries (including rent) paid to ProCare Network Limited	511,375	319,564
Capital repayment and distribution to ProCare Health (LP) Limited	(2,076,500)	(1,000,000)
Withholding Tax Credit transferred to ProCare Health (LP) Limited	(39,574)	-
<i>Fresh Minds (NZ) Limited Partnership</i>		
Management Fee paid to ProCare Network Limited	(138,448)	-
Cost recoveries paid to ProCare Network Limited	(150,522)	-
Cost recoveries paid to ProCare Health (PHO) Limited	(9,160)	-
Cost recoveries paid to ProCare Fresh Minds Limited	(103,993)	-
Sale of <i>Te Tumu Waiora</i> Model of Care IP from ProCare Health LP Limited	(250,000)	-

The Te Tumu Waiora Model of Care originated in ProCare Fresh Minds Limited and was sold by ProCare Health LP Limited (via ProCare Network Partnerships Limited), to Fresh Minds NZ Limited Partnership (the ultimate purchaser).

All Group transactions are unsecured, interest-free and repayable upon demand.

Refer to Note 13 for balances outstanding and repayment terms.

Other Entities

Procare Charitable Foundation

Share buy back by ProCare Network Limited	-	2,274,000
Loan to ProCare Network Partnerships Limited	(2,274,000)	(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 on demand.

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

17.3 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, as well as Practice Support Payment from ProCare Network Ltd. 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 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.

	2020 \$	2019 \$
Transactions between the Group and Directors in their capacity as shareholders in ProCare Network Limited		
First level services	1,634,948	1,978,370
Programme claims	16,547	38,966
System Level Measures Framework*	248,221	153,658
Interest on redeemable preference shares	2,552	1,292
	1,902,268	2,172,286

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

	2020 \$	2019 \$
Balances arising from transactions with Directors in their capacity as shareholders in ProCare		
Receivables	-	2,033
Payables	230	14,833

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

18 OPERATING LEASES

Leases as Lessee

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

	2019 \$
Less than one year	966,396
One to five years	1,478,353
Five years and above	450,805
	2,895,554

During the year \$16,451 was recognised as an expense in profit or loss in respect of operating leases (2019: \$648,265). With the application of IFRS16 these leases are now recognised as lease liabilities - refer Note 22.

Leases as Lessor

The Group sublets the premises on Stanley Street to the Homecare Medical (NZ) Limited Partnership. The lease expires in October 2020.

During the year, \$173,270 was recognised as revenue in profit or loss in respect of this lease (2019: \$161,404).

Operating lease payments expected as an operating lessor

The value of future minimum operating lease payments receivable:

	2020 \$	2019 \$
Less than one year	57,757	161,404
One to five years	-	-
Five years and above	-	-
	57,757	161,404

19 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or other capital expenditure not provided for at reporting date (2019: \$Nil).

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

20 FINANCIAL INSTRUMENTS

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

	2020 \$	2019 \$
Financial Assets at Amortised Cost		
Cash and cash equivalents	7,766,103	5,340,769
Investments - short term deposits	6,600,000	9,250,000
Trade and other receivables	8,008,135	4,757,025
Receivables from equity accounted joint ventures	506,320	-
	22,880,559	19,347,794
Financial Assets at Fair Value		
Derivative asset	208,246	-
	208,246	-
Financial Liabilities at Amortised Cost		
Trade and other liabilities	7,627,619	5,470,251
Lease liability	2,867,831	-
Payables to equity accounted joint ventures	37,159	39,573
Redeemable preference shares	2,052,000	2,106,000
ProCare Charitable Foundation loan	2,274,000	2,274,000
	14,858,609	9,889,824

Derivative Asset is the Fair Value of the Embedded Derivative recorded in ProCare Network Partnerships and relates to the value of the option to convert the ProCare Charitable Foundation loan to shares. Refer to Note 17.2.

The loan was accounted for at amortised cost and therefore the embedded derivative “the conversion feature embedded in the loan” was carried at fair value under NZ IFRS 13 assessed at \$208,246 (\$Nil at 30 June 2019). See section on “Fair Values” later in this note.

The loan repayment date is 60 months from 28 June 2019 or earlier at the borrower’s option. Interest is at 7.09% and payable at the discretion of the Group at an earlier date.

Currency Risk

The Group has no exposure to foreign exchange risk. The Group only transacts in New Zealand dollars.

Interest Rate Risk

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

	2020 \$	2019 \$
Bank - Cash and cash equivalents	7,766,103	5,340,769
Investments - short term deposits with maturities > 3 - 12 months	6,600,000	9,250,000
	14,366,103	14,590,769

1.64% was the average interest rate earned on cash deposits and short term deposits (2019: 2.23%).

The Group is not exposed to floating interest rates on its debt; lease liabilities, redeemable preference shares and ProCare Charitable Foundation loan.

It is estimated a 100 basis point decrease in interest rates would result in a decrease in the Group’s interest earned in a year by approximately \$143,661 on the Group’s investment portfolio exposed to floating rates at balance date (2019: 100 basis point decrease of \$145,907).

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% (100 basis points) movement is presented above.

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

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:

	2020	2019
	\$	\$
Cash and cash equivalents	7,766,103	5,340,769
Investments - short term deposits	6,600,000	9,250,000
Trade receivables	8,008,135	4,757,025
Receivables from equity accounted joint ventures	506,321	-
	<u>22,880,559</u>	<u>19,347,794</u>
The ageing of trade receivables at reporting date that were not impaired was as follows:	2020	2019
	\$	\$
Neither past due nor impaired	6,357,261	4,068,551
1-90 days past due	360,985	505,631
Over 90 days past due	1,277,744	182,843
	<u>7,995,990</u>	<u>4,757,025</u>
Allowance for impairment	12,145	-
	<u>8,008,135</u>	<u>4,757,025</u>
Trade receivables not past due and not impaired	6,357,261	4,068,551
Trade receivables past due but not impaired	1,638,729	688,474
Trade receivables impaired individually	12,145	-
	<u>8,008,135</u>	<u>4,757,025</u>

Refer to Note 6 for the reconciliation of the movement in the impairment allowance.

The allowance for impairment is deemed sufficient despite the high value of trade receivables over 90 days as there is confidence these amounts are collectible due to correspondence with the relevant debtors and receipts post-balance date.

Concentrations of Credit Risk

Cash and short term deposits are held with two separate trading banks which both have acceptable credit ratings. Acceptable credit ratings are defined as Standard & Poor's "Strong" or above as per the Reserve Bank of New Zealand.

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% (2019: 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 7 except redeemable preference shares are due to mature in less than six months time.

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.

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

Group						
	Notes	Carrying amount	Total contractual cash flows	On demand	6 months - 1 year	More Than 1 Year
As at 30 June 2020						
Trade and other liabilities net of RPS interest accrued	7	7,627,619	7,627,619	7,627,619	-	-
Redeemable preference shares ¹	15	2,052,000	2,157,512	2,157,512	-	-
ProCare Charitable Foundation loan	17	2,274,000	2,918,906	-	-	2,918,906
		11,953,619	12,704,037	9,785,131	-	2,918,906
As at 30 June 2019						
Trade and other liabilities net of RPS interest accrued	7	5,362,887	5,362,887	5,362,887	-	-
Intercompany Payables to equity accounted associate	8	39,573	39,573	39,573	-	-
Redeemable preference shares ¹	15	2,106,000	2,213,364	2,213,364	-	-
ProCare Charitable Foundation loan	17	2,274,000	3,080,133	-	-	3,080,133
		9,782,460	10,695,957	7,615,824	-	3,080,133

¹ The Group is committed to pay \$105,512 per annum (2019: \$107,364) 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 15).

As market interest rates are lower than when the coupon rate was fixed, the fair value of the loans would be higher than the current book value.

The fair value of the derivative financial instrument (embedded derivative) was determined by applying a net present value model comparing the market discount rate to the interest rate payable on the ProCare Charitable Foundation Loan.

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

(i) *Fair Value Measurement*

The Group derivative is measured and recognised at fair value.

The derivatives is a level 3 valuation based on an accepted valuation methodology.

Interest rate derivatives are calculated by discounting the future principal and interest cash flows at current market interest rates that are available for similar financial instruments.

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) other than quoted prices included within level 1.
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(ii) *Fair Value Disclosures*

The fair values of borrowings used for disclosure are measured under level 3, by discounting future principal and interest cash flows at the current market interest rate plus an estimated credit margin that is available for similar financial instruments with a similar credit profile to the Group.

The interest rate used to discount future principal and interest cash flows was 4.61% (ProCare's rate of borrowing), for both accounting and disclosure purposes.

Other Risk

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

Capital Risk Management

The Group does not rely on any external debt from parties who are not associated with the Group 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 15 and the debt arising from the buyback of the Ordinary B shares from ProCare Charitable Foundation see Note 17.2. Following the adoption of IFRS16, lease liabilities have been recognised, see Note 22 and cashflows are reconciled in Note 21.2.

PROCARE GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

21 SUPPORTING STATEMENT OF CASHFLOWS

Refer also to the Consolidated Statement of Cash Flows

21.1 NET CASHFLOW FROM OPERATING ACTIVITIES

	2020 \$	2019 \$
Profit for the year	2,050,526	237,575
Non-Cash Items		
Depreciation and amortisation	1,696,994	696,461
Amortisation of lease incentive	-	16,216
Gain on sale of property, plant and equipment	(37,809)	-
Bad and impairment allowance accounts	12,145	(1,799)
Deferred income tax	(112,146)	125,001
Share of profits of equity accounted joint ventures	(2,056,033)	(1,179,460)
NZ IFRS 15 transition adjustment	-	255,564
Derivative fair value gain	(208,246)	-
Gain on sale of IP	(250,000)	-
Investment in equity accounted joint ventures	(378,978)	-
	(1,334,073)	(88,017)
Movements in Working Capital		
(Increase)/decrease in prepayments	(182,914)	75,165
Increase in inventory	(18,627)	-
(Increase)/decrease in trade receivables	(3,263,255)	2,157,543
(Increase)/decrease in inter company receivable	(2,414)	22,991
Increase in taxation payable	50,528	70,786
Increase/(decrease) in trade payables	2,546,253	(1,156,843)
Increase/(decrease) in deferred revenue	47,640	(985,499)
Increase/(decrease) in GST	162,135	(55,792)
Increase in Lease Liability	649,806	-
	(10,849)	128,351
Net cash from operating activities	705,604	277,909

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

21.2 NET CASHFLOW FROM FINANCING ACTIVITIES

Financial Instruments	Redeemable Preference Shares Notes 4.3,15 \$	ProCare Charitable Foundation Notes 4.3,17 \$	Lease Liability Notes 4.3,22 \$	Total \$
Balance at 1 July 2019	2,106,000	2,274,000	-	4,380,000
Cash Flows	(161,364)	(80,613)	(1,053,094)	(1,295,072)
Non-cash flows				
Interest accruing in the period	105,512	161,227	225,036	491,774
Net interest accrued not paid	1,852	(80,613)	-	(78,761)
Leases recognised under IFRS16	-	-	3,836,808	3,836,808
Lease additions	-	-	1,147,186	1,147,186
Lease modifications	-	-	(1,288,104)	(1,288,104)
Balance at 30 June 2020	2,052,000	2,274,000	2,867,831	7,193,831

Financial Instruments	Redeemable Preference Shares Notes 4.3,15 \$	ProCare Charitable Foundation Notes 4.3,17 \$	Lease Liability Notes 4.3,22 \$	Total \$
Balance at 1 July 2018	2,178,000	-	-	2,178,000
Cash Flows	(179,364)	-	-	(179,364)
Non-cash flows				
Equity converted to debt	-	2,274,000	-	2,274,000
Interest accruing in the period	107,364	-	-	107,364
Balance at 30 June 2019	2,106,000	2,274,000	-	4,380,000

22 LEASES

Right of Use Asset	Properties \$	Vehicles & Other Equipment \$	Total \$
Balance at 1 July 2019	3,753,570	83,238	3,836,808
Additions	1,136,245	10,942	1,147,186
Depreciation	(921,850)	(43,648)	(965,497)
Lease modification - Asset value	(1,225,546)	-	(1,225,546)
Lease modification - Acc depreciation	(24,749)	-	(24,749)
Balance at 30 June 2020	2,717,670	50,532	2,768,202

Lease Liability	Properties	Vehicles & Other Equipment	Total
Balance at 1 July 2019	3,753,570	83,238	3,836,808
Additions	1,136,245	10,942	1,147,186
Interest	222,032	3,004	225,036
Lease payments	(1,010,586)	(42,508)	(1,053,094)
Lease modification - Liability value	(1,288,104)	-	(1,288,104)
Balance at 30 June 2020	2,813,156	54,675	2,867,831
Current			649,806
Non-current			2,218,025
Total Liabilities			2,867,831

Profit and Loss	Properties	Vehicles & Other Equipment	Total
Gain on Disposal of Right of Use Asset	37,812	-	37,812

PROCARE GROUP NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The Group leases various offices at different locations for terms of 2 to 7 years, with some contracts containing further extension options. Contracts may contain both lease and non-lease components, in which case the consideration in the contract is allocated to each component based on their relative stand-alone prices.

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance or operating leases. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Payments associated with short-term leases, with a lease term of 12 months or less, and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

During the ended 30 June 2020, \$225k of interest expense relating to lease liabilities was recognised (2019: Nil) and total cash outflow for leases was \$1,053k.

Significant judgements were to only value leases to the first renewal date in the lease agreements and excluded leases under 12 months and on low value assets (under \$10,000 NZD). An exception is Kaipara Health Limited that valued the full term of the medical centre property lease including right of renewals, and included leases on some low value office equipment.

ProCare received notice from the ADHB that they wanted to terminate the lease at Grafton premises earlier than the lease agreement terms. While the exact details of the exit are still being negotiated, a Head Agreement for a lease at a new location was signed in August 2020.

Based on the knowledge of this lease modification, it is a requirement to recalculate the value of the leased asset and associated liability. Due to shortening the term of the lease, the interest cost has reduced and results in a \$38k improvement in FY20 versus the original calculation based on the current lease agreement. This has been recorded as a in the FY20 results as a "Gain on Disposal of Right of Use Asset".

23 DIVIDENDS

On 6 October 2020 the Board resolved no dividend was payable during that financial year (2019: \$Nil).

24 IMPACT OF COVID-19

The COVID-19 (also known as Coronavirus) pandemic affecting people, businesses and economies across the world arose in the early part of 2020.

Beginning in late March, the New Zealand Government implemented various measures to prevent and contain the spread of the virus, resulting in significant disruptions to workplaces.

As an essential service, all members of the Group continued to trade during the COVID-19 lockdown. The additional funded activities contributed positively to the financial performance and financial position of the Group and it's equity accounted joint ventures. Staff during periods of lockdown have moved from a predominately based in-office model to a work-from-home and in-office blended environment. Continuity of activities have been able to be maintained based on core infrastructure (including virtual meetings and collaboration tools) deployed prior to COVID-19.

The Group has no significant capital commitments and very low levels of debt. While uncertainty exists as to the impact COVID-19 will have on the economy and the demand for the Group's services in future, based on the nature of the services provided, and its current strong financial position the Board have assessed there is no going concern impact on the Group resulting from the COVID-19 pandemic.

25 SUBSEQUENT EVENTS

The Group has been operating in conjunction with the Auckland DHB's and other Health services as an essential service during the COVID-19 pandemic as it impacted member practice activities and ProCare's own activities during the second Auckland lockdown. Staff during periods of lockdown been able to continue working with little disruption with a blended work-from-home and in-office model. Continuity of activities have been able to be maintained based on core infrastructure (including virtual meetings and collaboration tools).

On 7 August ProCare Network Limited signed an Agreement to Lease with P.F.I Property No 1 Limited to lease part of Level 1, Building 1 at 12-16 Nicholls Lane, Parnell, and will vacate the premises at Stanley Street in late 2020.

On 24 August ProCare Network Limited made a support payment to it's Co-operative practices based on \$1.074 per Enrolled Service User (ESU), totalling \$733,223. This is intended to support the operating costs of running a practice such as remuneration, building rent, and other operating expenditure.

PROCARE GROUP
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

26 BUSINESS COMBINATIONS DURING THE PERIOD

On 1 December 2019 the Company acquired the business of South Kaipara Medical Centre Limited Partnership and started trading from that date.

The principal reasons for this acquisition was to maintain high quality primary care services in the Kaipara region, population health improvement opportunities and to provide a vehicle for succession planning transferring ownership to clinicians and management.

Additionally, the Practice locality and patient population mix provides an opportunity for ProCare to build an exemplar general practice fully operating the HCH model of care (a sustainable future focussed model for general practice).

Since acquisition the Company has contributed \$1,455,689 to Group revenues and \$137,324 to Group profit before tax. If the acquisition had occurred on 1 July 2019 it would have contributed revenue of \$2,475,860 and profit before tax of \$213,740.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Fair Value
	\$
Property, plant and equipment	35,146
Inventory	13,141
Computer software	6,972
Other Debtors	1,301
Employee entitlements	(65,506)
Total Net Assets Acquired	(8,945)
<hr/>	
<i>Fair value of consideration paid</i>	<i>\$</i>
Cash	254,494
Deferred consideration (payable 1 December 2020)	7 100,000
Contingent consideration (payable 1 December 2020)	7 119,000
Total consideration	473,494
<hr/>	
Goodwill	482,439

The purchase price of \$420,000 less employment related liabilities taken over at acquisition date of \$65,506. The net consideration payable on acquisition date, with \$100,000 being deferred. An earn-out adjustment based on earnings for one year from acquisition was also payable or deducted from deferred consideration based on the extent EBITDA exceeded forecast levels. The adjustment ranged from a reduction in the purchase price of \$100,100 to additional consideration of \$119,000 if EBITDA exceeded the upper threshold. The earn-out was originally estimated at \$119,000. Results since acquisition and forecast results to 30 November 2020 have confirmed this estimate.

PROCARE GROUP INDEPENDENT AUDITORS REPORT

AS AT 30 JUNE 2020



BDO AUCKLAND

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

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 2020, and the consolidated statement of profit and loss and other 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 2020, 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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 applies NZ IFRS 15 *Revenue from Contracts with Customers* (“NZ IFRS 15”). 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 either over time or at a point in time in respect of primary healthcare services.

How the matter was addressed in our audit

To address the risk of material misstatement relating to revenue recognition, our audit procedures included, amongst others:

- assessing the compliance of the Group’s revenue recognition policies with applicable accounting standards;
- assessing the revenue recognition processes and practices;
- testing the accuracy of cut off with substantive procedures;



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**Key audit matter - revenue recognition
(continued)**

We focussed on this area as a key audit matter due to the risk of incorrect timing of revenue recognition and revenue estimation, and the resulting impact this could have on profit or loss for the year, and the balances recorded as accounts receivable or deferred revenue at the reporting date.

The Group's accounting policy in relation to revenue recognition is included as accounting policy 2.3, significant estimates and judgements related to contract revenue is included in note 2.2, and revenue is disclosed in note 3.1.

**How the matter was addressed in our audit
(continued)**

- assessing the Group's basis for the identification of performance obligations and comparing these, on a sample basis, to the underlying contractual agreements; and
- assessing the adequacy of the Group's disclosures related to revenue recognition.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Directors' Interests and other information in the annual report, 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

PROCARE GROUP INDEPENDENT AUDITORS REPORT

AS AT 30 JUNE 2020



BDO AUCKLAND

aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>.

This description forms part of our auditor's report.

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.

BDO Auckland

**BDO Auckland
Auckland
New Zealand
19 October 2020**

PROCARE GROUP DIRECTORS INTERESTS

AS AT 30 JUNE 2020

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 2020

A J LAWRENCE		Ostend Medical	Clinical Director Consultant
AJ Lawrence Ltd	Managing Director	ProCare Clinical Quality Committee	Member
Enviroplaz International Ltd	Director – HK Registered	ProCare Health (PHO) Limited	Director
Finesse Holdings Ltd	Chair	ProCare Network Limited	Director & Shareholder
Lawrence Corporate Trustee Ltd	Director	H JANES	
LogTag Recorders Ltd	Advisor to the Board	Healthcare Sector	Barrister
Miro Partners Ltd Managing	Director	NIB NZ Holdings Limited	Director
ProCare Network Limited	Director	NIB NZ Limited	Director
Quix Commercial Ltd	Director	ProCare Charitable Foundation	Director
Quix NZ Ltd	Director	ProCare Network Limited	Director
DR A MOFFITT		Selenium Corporation Ltd	Director & Shareholder
ProCare Clinical Quality Committee	Member	J A MARSDEN	
ProCare Fresh Minds Limited	Director	Caughey Preston, Aged	Kaumātua (Māori elder)
ProCare Health (PHO) Limited	Employee	Persons Care	
DR C L KING		Connect Ltd (Mental Health Provider)	Kaumātua (Māori elder)
Health New Lynn	Director	Equip Ltd (Mental Health Provider)	Kaumātua (Māori elder)
NLHCC Ltd	Director/Chair	Hapai te Hauora o Tapui Trust	Director
ProCare Network Limited	Director & Shareholder	Nga Tikanga Pono Kohanga reo	Kaumātua (Māori elder)
Totara Clinical Research Ltd	Director	Northcote College	Kaumātua (Māori elder)
Westcare Medical Limited	Shareholder	ProCare Health (PHO) Limited	Director
DR F LENTINI		ProMa Advisory Committee	Member
Kaipara Health Limited	Chair	Raeburn House (Community Support Provider)	Kaumātua (Māori elder)
Mairangi Medical Centre	Director	Te Puna Hauora o te Raki Paewhenua	General Manager
New Zealand Medical Council	Educational Supervisor	Te Runanga o Ngati Whatua	Trustee
NW Auckland Region	RNZCGP Lead Medical Educator	TWONA - Te Puna Whanau Ora Network Alliance	Director
ProCare Network Limited	Director & Shareholder	J N MCCABE	
DR H E AISH		Avanti Finance Limited	Director
MAS	Director & Chair	Bells Produce Limited	Chair
Otara Family & Christian Health Centre	Director & Shareholder	Galatos Finance Limited	Director
ProCare Network Limited	Director/ Chair & Shareholder	JBWere (NZ) Pty Ltd	Contractor
DR J F V WHITE		Ngapuhi, Te Rarawa, Te Aupouri, Ngati Kahu, Ngati Kaharau	Iwi Affiliations
BPAC	Director	Northland District Health Board	Director
Mt Eden Medical Associates	Director	ProCare Charitable Foundation	Chairman
NZMA General Practice Council	Member	ProCare Health (PHO) Limited	Director
ProCare Network Limited	Director & Shareholder	ProCare Network Limited	Director
DR J H BETTERIDGE		Sustainable Prosperity NZ Limited	Director
Clinical Assessments Limited	Director	Taitokerau Fibre Networks Limited	Executive Director
East Care Limited	Shareholder	Taitokerau Investment Fund	Director
East Care Properties Limited	Shareholder	General Partner	
East Health Management Limited	Director & Shareholder	Te Taitokerau Northland Economic Advisory Board	Member
East Health Services Limited	Director & Shareholder	Te Waka Pupuri Putea Limited	Chair
East Health Trust PHO	Trustee	Te Waka Pupuri Putea Trust	Chair
General Practice New Zealand	Councillor	Tupu A Nuku Limited (Forestry)	Director
John Betteridge Medical Limited	Director & Shareholder	J O'SULLIVAN	
DR N J H HEFFORD		Mt Eden 575 Doctors	Director
Clinical Assessments Ltd	Chair/Director	ProCare Health (PHO) Limited	Director
Grey Lynn Family Medical Limited	Director/GP		

PROCARE GROUP DIRECTORS INTERESTS

AS AT 30 JUNE 2020

K J ORMROD

Kaipara Health Limited Director
ProCare Network Limited Employee

L A GOING

Ongoing Enterprises Limited Manager/ Shareholder
Peninsula Medical Centre Limited Managing Director/
Shareholder
Practice Managers & Financial Member
Administrators of New Zealand
ProCare Health (PHO) Limited Director
South Pacific Clinical Trials Limited Director & Shareholder

L G NORMAN

General Practice New Zealand (GPNZ), National Primary Care Māori Leadership Group Chairman
Health Care Home Collaborative National Equity Lead
Health Care Home Collaborative Member
Governance Group
Homecare Medical Employee
(General Partner) Limited
Kaipara Health Limited Director
Ministry of Health, Expert Advisory Member
Group - COVID-19 Māori Monitoring
Group Advisory Group
Ministry of Health, Expert Advisory Member
Group - COVID-19 Māori Response
Action Plan Advisory Group
Ministry of Health, Expert Advisory Member
Group - Māori Health Action Plan
Advisory Group
ProCare Health (PHO) Limited Employee
Te Puna Whānau Ora Director
Network Alliance

M SCHUBERT

Abano Healthcare Group Limited Director
Financial Markets Authority - Chair
Auditor Oversight Committee
Homecare Medical (General Director
Partner) Limited
Mimomax Wireless Limited Chair
ProCare Charitable Foundation Trustee
Trust Board
ProCare Network Limited Director
Silver Fern Farm Holdings Director
Limited (Subsidiary)
Silver Fern Farms JV Director
Limited (Subsidiary)
Silver Fern Farms Limited Director

P D ROSEMAN

Clinical Assessments Limited Director
ProCare Network Limited Employee

R J E NEWMAN

Laser Nail Clinic Director & Shareholder
Milford Family Medical Centre Employee
National Influenza Specialist Group Member

New Zealand Nurses Organisation Financial Member
Practice Managers & Financial Member
Administrators of New Zealand
NZ College of Primary Health Care Nurses Financial Member
ProCare Health (PHO) Limited Director
Sequiris Influenza Advisory Board Member

S J BOOMERT

Fresh Minds (General Partner) Limited Director
Homecare Medical Director
(General Partner) Limited
ProCare Fresh Minds Limited Director/ Chair
ProCare Health (LP) Limited Director
ProCare Health (PHO) Limited CEO
ProCare Network Limited CEO
ProCare Network Director
Partnerships Limited

S TAYLOR

NZMA General Practice Council Member
ProCare Network Limited Director & Shareholder
St Heliers Medical Partner
Taylor Medical Limited Director
Voices of Hope Trustee
Zoom Health Advisory Group Medical Advisor

T A WAI

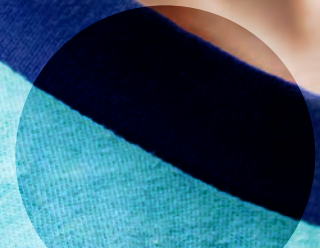
Fresh Minds (General Partner) Limited Director
Kaipara Health Limited Director
ProCare Fresh Minds Limited Director
ProCare Health (LP) Limited Director
ProCare Network Limited CFO & GM of Corporate
Services
ProCare Network Director
Partnerships Limited
The New Zealand Health I.T. Director
Cluster Limited

T CAMPBELL

Hauraki Health Consulting Ltd Owner/ Director
ProCare Health (PHO) Limited Director
ProMa Advisory Committee Member
Te korowai Hauora o Hauraki Partner

T F FUNAKI

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



Our Values

WHAT WE STAND FOR

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



COLLABORATION – KOTAHITANGA
in our approach to building sustainable partnerships.



ACCOUNTABLE – WHAKAPONO
consistent and transparent.



RESPECTFUL – AROHA
empathetic and fair in everything we do.



EXCELLENCE – HIRANGA
in our commitment to quality.



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