

# PHO Alliance

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*He huinga ratonga hauora*

## Annual Report

For the year ending 30 June 2013

*The hub for the development, exchange and promotion of policies and strategies which advance the objectives of the Primary Health Care Strategy through its member Primary Health Organisations.*



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## CHAIRMAN'S REPORT

Thank you for the confidence expressed in electing me as Chair of the PHO Alliance in June 2013. Whilst I have been Chair of West Coast PHO for seven years, there is now I believe an opportunity to extend the capability of the primary health sector and build upon the achievements thus far in improving the health of families and their communities. I do accept though that this is a challenge.

Members will note from the accompanying report that the PHO Alliance continues to be involved in a wide range of activities pertinent to member interests. It is important for the credibility of the PHO Alliance [and its continued relevance] that we continue to develop and maintain the profile and coverage we have to ensure that the interests we serve are meaningfully engaged in the development of primary health care policy and the mechanics by which it is put in place.

On behalf of the membership I would like to pay tribute to the two people who have made a significant contribution to the affairs of the PHO Alliance. First Michelle Thompson with her excellent administrative and organisational skills has ensured that the members have been well served by applicable and timely information consistent with our role. Secondly Hamish Kynoch, who, despite having relinquished the mantle of PHO Alliance Chair in September 2011, was willing to return to the Executive Committee and indeed the Chair on an interim basis to support the organisation through its anticipated transition towards amalgamation with General Practice New Zealand (GPNZ). Hamish has an immense wealth of health sector knowledge and an incredible gift for calm governance and leadership. His wise counsel will, I know, be widely missed around the PHO Alliance table.

**John Ayling**  
Chair

## EXECUTIVE OFFICER'S REPORT

In this, my first Executive Officer's report for the PHO Alliance, I would like to start by acknowledging the service and committed contribution made by my predecessor Michelle Thompson for the past seven years. Without Michelle's dedication and infectious enthusiasm, the PHO Alliance would not have had the level of impact or influence it has been able to achieve on behalf of members. I am sure I speak for all members of the PHO Alliance as I wish Michelle well in her continuing health career.

At the time of taking up my post, the health sector, and in particular the primary care sector, was experiencing a considerable period of change and uncertainty. The Ministry of Health (MoH) and District Health Boards (DHBs) were stepping up the pressure on PHOs to deliver value for money and improved performance. Through the PHO Services Agreement Amendment Protocol (PSAAP) group, the MoH was seeking to develop a brand new PHO Services Agreement based upon the Alliance principles implemented by several of the Better Sooner More Convenient business cases. For many PHOs I think it is fair to say that this would represent a giant step in terms of the nature of the relationship experienced with their DHB.

To add to this policy pressure, following an approach by the Chair of General Practice New Zealand (GPNZ), the PHO Alliance Executive Committee received a mandate from members at its Annual General Meeting in September 2012, to explore the potential for amalgamating the PHO Alliance and GPNZ in the interests of a more unified and stronger primary care sector across New Zealand.

Following an intense six month period of transition planning to achieve this aim, the PHO Alliance Executive Committee and members were understandably disappointed by the eventual withdrawal of GPNZ from that process due apparently to other pressures of work and differences between the two organisations.

This Annual Report cannot begin to do justice to the workload undertaken by the PHO Alliance, its Executive Committee and individual members over the past twelve months. Our 'low cost' membership model means that our annual workplan is underpinned and delivered by individual members whose collective value through the PHO Alliance is, and must continue to be, greater than the sum of the parts.

Of the many benefits of membership highlighted in the next section of this annual report, some of the most altruistic must be those of peer support, shared learning and best practice. At the time of writing, the latest national PHO Performance Programme data to be published covers the period to 31 March 2013. I believe it is no coincidence that PHO Alliance members include two of the highest performing PHOs for the year from 1 July 2012 and two of the most improved PHOs over the same period. Many in the health sector are making significant assumptions about the characteristics and size of successful PHOs for the future – a few moments reviewing the DHBSS's own data which highlights the best performers against the Government's targets makes for interesting reading.

Finally, I would like to welcome John Ayling to the Chair of PHO Alliance with effect from June 2013. John has a strong CV and an impressive track record in health. He is the very highly respected Chair of West Coast PHO and I look forward to working with John over the coming year underpinned by a re-focused Strategic Plan which we will be jointly presenting to members at the AGM in September 2013.

**Philip Grant**  
Executive Officer

## ABOUT THE PHO ALLIANCE

The PHO Alliance was formally established as an Incorporated Society in September 2006 to provide national leadership on key issues affecting the Primary Health Care Strategy and Primary Health Organisations in New Zealand.

The PHO Alliance guiding principle is that

*Improving health outcomes for all is best achieved through a combination of clinical leadership and community involvement*

The current PHO Alliance Vision is:

*To be the hub for the development, exchange and promotion of policies and strategies which advance the objectives of the Primary Health Care Strategy through its member PHOs*

In line with the PHO Alliance Constitution, the PHO Alliance objectives reflect the Charitable Objects which are to:

- a. *Advocate on behalf of Members for the benefit of their enrolled population*
- b. *Promote community health through PHOs*
- c. *Foster effective partnerships between providers and communities*
- d. *Foster and nurture key strategic relationships at a local and national level*
- e. *Encourage collaboration, information and resource sharing within the sector*
- f. *Contribute to the development and implementation of health policy at a national level*
- g. *Promote organised general practice as a cornerstone of PHOs*
- h. *Carry out other activities consistent with the charitable objects of the society*

The PHO Alliance operates what is believed to be a unique governance and operating model on behalf of members. This includes the following key principles:

- a. *The PHO Alliance provides a specifically Primary Health Care focused national body to complement and provide some balance to the number of GP focused organisations in the sector*
- b. *The PHO Alliance runs on a low-cost membership model which adds significant additional value through the collective 'in-kind' contributions made by Members*
- c. *The PHO Alliance incorporates strong 'on-the-ground' community representation from PHO Board members with a broad skill-set and a degree of independence from provider organisations*
- d. *The PHO Alliance strategy and operation is directly guided and determined by members decisions/requirements*
- e. *The PHO Alliance operating model is of minimal intrusion into members own day-to-day working responsibilities*

Through the continuing membership of PHOs, the PHO Alliance is able to provide the following on-going benefits:

- ✓ *National advocacy and representation*
- ✓ *Engagement with government and central agencies*
- ✓ *Strong alliance with national representative organisations across the sector*
- ✓ *Contract negotiation through national PSAAP forum*
- ✓ *Performance development support programme*
- ✓ *Professional networking and peer support*
- ✓ *Shared best practice*
- ✓ *Training and development*
- ✓ *Quarterly member meetings and leadership forums*
- ✓ *Regular communications and newsletter*

# THE YEAR IN SUMMARY

## August 2012

- **2<sup>nd</sup> PSAAP**
  - Update business rules, invalid enrolments
  - VLCA financial sustainability
  - 1 July 2012 Capitation changes
  - Enrolment consent
  - Governance of data
  - Invalid enrolments at audit
  - Enrolment of newborns
  - Free after hours for under 6's

## September 2012

- **7<sup>th</sup> PHO Alliance Annual General Meeting**
  - Guest Speaker - Dr Murray Horn, Chairman, National Health Board
  - The future role of PHOs – presentation by Compass Health and MoH
  - Proposal from GPNZ Chair to consider bringing GPNZ and PHO Alliance together
  - PSAAP update
  - Election of Executive Committee for coming year confirms members as Allan Marriott, Dr Denis Lee, Elaine Brazendale and Philip Grant
- **7<sup>th</sup> PHO Alliance Executive Committee post AGM Meeting**
  - Past Chairmen Mike Ward and Hamish Kynoch co-opted to Executive Committee
  - Hamish Kynoch elected interim Chair through to March 2013 specifically to oversee consolidation discussions with GPNZ

## October 2012

- **4<sup>th</sup> PSAAP**
  - Electronic enrolment
  - NIR devolution
  - Newborn enrolments
  - Free after hours for under 6's

## November 2012

- **13<sup>th</sup> PHO Alliance Executive Committee Meeting**
  - MoH presented update on Driving Clinical Integration
  - Paper awaited from GPNZ regarding consolidation of GPNZ and PHO Alliance
  - PPP evaluation report
  - PSAAP Facilitator confirmed to remain as Philip Grant
- **19<sup>th</sup> Performance and Incentive Framework 'strawman' circulated by GPNZ**
- **28<sup>th</sup> PSAAP**
  - Forthcoming proposed changes to PHO Services Agreement
  - Audit process for invalid enrolments
  - VLCA
  - Newborn enrolments, Free after hours for under 6's
- **28<sup>th</sup> VLCA Review Group**

## December 2012

- **4<sup>th</sup>** Joint paper circulated from GPNZ and PHO Alliance Executive Committees setting out transition path to consolidation by 30 June 2013
- **7<sup>th</sup>** PHO Alliance General Meeting
  - Consideration of draft Performance Framework for primary care
  - Update from MoH regarding Driving Clinical Integration
  - Update regarding collaboration with GPNZ
  - PSAAP update
- **12<sup>th</sup>** PSAAP
  - Provision of enrolment information to MSD
  - Proposed arrangements for changes to PHO Services Agreement
  - Audit extrapolation process
  - Process for agreeing reasonable Annual GP fee increases
  - VLCA
  - Enrolment consent
  - Newborn enrolments
  - Improved management of GMS clawbacks

## January 2013

- **31<sup>st</sup>** PSAAP
  - New address reference database to replace Critchlow
  - MoH update re changes to PHO Services Agreement
  - Audit processes and invalid enrolments
  - Use of E and R codes
  - VLCA
  - Free after hours for under 6's update

## February 2013

- **1<sup>st</sup>** Combined CEOs Meeting
  - Driving Clinical Integration, MoH presentation
  - Patients First business case
  - PSAAP update
  - Discussion to inform GPNZ and PHO Alliance consolidation
- **11<sup>th</sup>** PHO Alliance Executive Committee Meeting
  - Proposed consolidation with GPNZ
  - Driving Clinical Integration update
  - Intersectorial working
- **21<sup>st</sup>** Combined Executive Committee Meeting with GPNZ
  - GPNZ view that consolidation not appropriate due to differences between the organizations
  - Continue joint working where appropriate
- **22<sup>nd</sup>** Combined PHO Alliance General Meeting and GPNZ Council Meeting
  - Update regarding GPNZ and PHO Alliance consolidation
  - Agreement to develop Memorandum of Understanding as an alternative to consolidation
  - Co-ordinated Primary Options / Acute Demand presentations
  - Integrated care and performance measurement discussions

### March 2013

- **1<sup>st</sup>** Confirmation of new PHO Alliance Executive Officer
- **4<sup>th</sup>** PHO Alliance Newsletter published
  - Update regarding strategic alliance with GPNZ
  - Strategic focus
  - PSAAP update
  - Performance and incentive framework update
  - VLCA update
- **19<sup>th</sup>** PHO Alliance Executive Committee Meeting
  - Update regarding consolidation with GPNZ
  - Draft MoU with GPNZ
  - Draft strategic direction
  - Update on Driving Clinical Integration
  - Executive Committee succession planning – Philip Grant standing down from Executive Committee in light of new role as Executive Officer
- **25<sup>th</sup> & 26<sup>th</sup>** PSAAP (Clinical Integration)
  - First session of formal PSAAP negotiations to develop new PHO Services Agreement and Alliance Agreement
  - PHO Negotiation team members: Conway Powell, Dr Harley Aish, Dr Tim Molloy, Andrew Swanson-Dobbs (PHO Alliance), Simon Royal, Jon Macaskill-Smith
  - Supporting primary care advisers including PHO Alliance Executive Officer
- **27<sup>th</sup>** Letter to members regarding options for future strategic direction of PHO Alliance

### April 2013

- **4<sup>th</sup>** PSAAP
  - Update re changes to PHO Services Agreement
  - Update re Rural Services Scoring Tool
  - Update on Data Matching project
  - Enrolment form signatories
  - Option for increasing influenza vaccine coverage
- **5<sup>th</sup>** Combined CEOs Meeting
  - Discussion re Alliancing
  - Discussion re Performance and Incentives Framework
  - Ultra-Fast broadband for primary care
  - Patients First sustainability
- **16<sup>th</sup>** PHO Alliance Executive Officer meeting with NZMA Chairman
- **22<sup>nd</sup> & 23<sup>rd</sup>** PSAAP (Clinical Integration)
  - Second session of formal PSAAP negotiations to develop new PHO Services Agreement and Alliance Agreement
  - PHO Negotiation team members: Dr Harley Aish, Conway Powell, Dr Tim Molloy, Andrew Swanson-Dobbs (PHO Alliance), Justine Thorpe, Martin Hefford
  - Supporting primary care advisers including PHO Alliance Executive Officer
- **23<sup>rd</sup>** PHO Alliance Executive Officer meeting with NZMA CEO
- **24<sup>th</sup>** PHO Alliance letter to Deputy Director General at Ministry of Health with proposal for PHO Performance Support Programme



## May 2013

- **13<sup>th</sup>** Ministry of Health lead regional workshops on new PHO Services Agreement at Auckland, Hamilton and Wellington....
- **14<sup>th</sup>** PHO Alliance Executive Committee Meeting
  - Progress against 2011 – 2013 strategic plan
  - Strategic Direction 2013 – 2015
  - Draft budget and membership levies 2013 – 2014
  - Driving Clinical Integration update
  - Intersectorial working update
  - Notice of resignation from Executive Committee given by Hamish Kynoch, Mike Ward and Elaine Brazendale
- **15<sup>th</sup>** PSAAP (Clinical Integration)
  - Third and final session of formal PSAAP negotiations to develop new PHO Services Agreement and Alliance Agreement
  - PHO Negotiation team members: Conway Powell, Dr Tim Molloy, Philip Grant (PHO Alliance), Simon Royal, Martin Hefford, Dr Bev O'Keefe
  - Agreement reached for implementation w.e.f. 1 July 2013
- **16<sup>th</sup>** Combined Executive Committee Meeting with GPNZ
  - GPNZ present alternative Statement of Intent to underpin future joint working
- **17<sup>th</sup>** Combined PHO Alliance General Meeting and GPNZ Council Meeting
  - Overview of PHO Services Agreement and Alliance Agreement (Dr Tim Molloy)
  - Alliancing discussion
  - Progress report regarding Integrated Performance and Incentive Framework
  - Update regarding GPNZ and PHO Alliance consolidation
- **24<sup>th</sup>** PHO Alliance Chair, GP member of Executive Committee and Executive Officer meet with Deputy Director General at Ministry of Health
  - Proposed PHO Performance Support Programme
  - Future of PSAAP
  - Development of Back-to-Back contract

## June 2013

- **6<sup>th</sup>** PSAAP
  - Correction of Audit Protocol
  - Recording additional vaccinations on the NIR
  - New eSam address reference database to replace Critchlow
  - VLCA
  - Progress update re new PHO Services Agreement
  - Future role of PSAAP
- **6<sup>th</sup>** PHO Alliance General Meeting
  - Driving Clinical Integration update
  - Discussion regarding future of PSAAP
  - 2011 – 2013 strategic plan progress report
  - Discussion regarding 2013 – 2015 strategic direction
  - 2013 – 2014 budget and membership levies approved
  - Update regarding Intersectorial working
    - Draft Grey Power MoU
    - Draft GPNZ Statement of Intent
  - Election of Executive Committee for coming year confirms members as Allan Marriott, Dr Denis Lee, John Ayling and Dr Andrew Miller for period to 2014 AGM.
  - Confirmation of additional co-opted Executive Committee members John Hunter, Andrew Swanson-Dobbs and Liz Stockley

**June 2013 (continued)**

- **6<sup>th</sup>** PHO Alliance Executive Committee Meeting
  - Additional Executive Committee meeting elects John Ayling to Chair of PHO Alliance through to 2014 AGM
- **7<sup>th</sup>** Combined CEOs Meeting
  - MoH Driving Clinical Integration update
  - Workshop session regarding Integrated Quality and Incentive Framework
  - Whanau ora experiences
  - Study tour feedback
- **15<sup>th</sup>** Ministry of Health lead Performance and Incentive Framework workshop attended by over 100 stakeholders including the PHO Alliance Executive Officer and many members

## EXECUTIVE COMMITTEE

Clause 9.1 of the Constitution allows for a core executive committee of four: a chairperson and three other members. The executive committee also has the power to co-opt members from time to time to ensure adequate representation of rural and urban interests, geographic location, and the size of members PHOs, and to enhance its capacity to respond to issues as they arise.

As a consequence of the changes outlined earlier in this report there have been a number of resignations and new appointments to the Executive Committee during 2012/2013. These are outlined below.

Brief biographies of the executive committee members as at 30 June 2013 are included over the page.

As at July 2012	As at September 2012	As at 6 June 2013
<p><b>Core Executive Committee Members</b></p> <p>Mike Ward (Chair) Dr Denis Lee Allan Marriott Elaine Brazendale</p>	<p><b>Core Executive Committee Members</b></p> <p>Dr Denis Lee Allan Marriott Elaine Brazendale Philip Grant</p>	<p><b>Core Executive Committee Members</b></p> <p>John Ayling (Chair) Dr Denis Lee Allan Marriott Dr Andrew Miller</p>
<p><b>Co-Opted Members</b></p> <p>Hamish Kynoch</p>	<p><b>Co-Opted Members</b></p> <p>Hamish Kynoch (Interim Chair) Mike Ward</p>	<p><b>Co-Opted Members</b></p> <p>John Hunter Andrew Swanson-Dobbs Liz Stockley</p>
<p><b>Executive Officer</b> (not an Executive Committee member)</p> <p>Michelle Thompson</p>	<p><b>Executive Officer</b> (not an Executive Committee member)</p> <p>Michelle Thompson</p>	<p><b>Executive Officer</b> (not an Executive Committee member)</p> <p>Philip Grant</p>

<p><b>JOHN AYLING – CHAIRPERSON (ELECTED)</b></p> <ul style="list-style-type: none"> <li>• Chair - West Coast PHO</li> <li>• Chair - Access Home Health Ltd</li> <li>• Member - CPHAC - West Coast DHB</li> <li>• Director - Split Ridge Associates Ltd - a provider of contracted services to the health and disability sector</li> </ul>	<p><b>DR DENIS LEE – EXECUTIVE (ELECTED)</b></p> <ul style="list-style-type: none"> <li>• Chair of East Health Trust PHO.</li> <li>• General Practitioner.</li> <li>• Director of East Health Services Limited (MSO).</li> <li>• Honorary Senior Lecturer.</li> <li>• Medical Examiner for CAA.</li> <li>• Interest in aged and palliative care and in management of chronic conditions.</li> </ul>
<p><b>ALLAN MARRIOTT- EXECUTIVE (ELECTED)</b></p> <ul style="list-style-type: none"> <li>• Chair of Rural Canterbury PHO.</li> <li>• Background in education, community development, published writing and primary health.</li> <li>• Particular interests in community and individual involvement, access for those isolated (remotely and economically), aged care, standards and best practice.</li> </ul>	<p><b>DR ANDREW MILLER- EXECUTIVE (ELECTED)</b></p> <ul style="list-style-type: none"> <li>• Chair of Manaia Health PHO.</li> <li>• GP Bush Road Medical Centre</li> </ul>
<p><b>JOHN HUNTER - EXECUTIVE (CO-OPTED)</b></p> <ul style="list-style-type: none"> <li>• Chair of Nelson Bays Primary Health</li> <li>• Director Christchurch Polytechnic Institute of Technology</li> <li>• Trustee Hunter York Family Trust</li> <li>• Legal Secretary, Southern Response Earthquake Recovery Limited</li> </ul>	<p><b>ANDREW SWANSON-DOBBS - EXECUTIVE (CO-OPTED)</b></p> <ul style="list-style-type: none"> <li>• Chief Executive Officer of Nelson Bays Primary Health</li> </ul>
<p><b>LIZ STOCKLEY - EXECUTIVE (CO-OPTED)</b></p> <ul style="list-style-type: none"> <li>• Chief Executive Officer of Health Hawke's Bay</li> </ul>	


**LIST OF MEMBERS July 2012 to June 2013**

PHO	Enrolled Population (Approx)	Chair	Location
Central PHO	153,000	Colin McJannett	Palmerston North
Compass Primary Healthcare Network	243,000	Dr Richard Tyler	Wellington
Christchurch PHO	31,000	Dr Angus Chambers	Christchurch
Eastern Bay Primary Health Alliance	46,000	Dr Bryan Gould	Whakatane
East Health Trust PHO	86,000	Dr Denis Lee	Auckland
Health Hawke's Bay	152,000	John Newland	Hawke's Bay
Health Rotorua PHO	72,000	Dr Russell Burton	Rotorua
Kimi Hauora Wairau Marlborough PHO	42,000	Joe Puketapu	Marlborough
Manaia Health PHO	93,000	Dr Andrew Miller	Whagarei
Nelson Bays Primary Health	95,000	John Hunter	Nelson
Pegasus/Partnership Health Canterbury PHO	366,000	Andrew Hornblow	Canterbury
ProCare Networks	868,000	Dr Harley Aish	Auckland
Rural Canterbury PHO	87,000	Allan Marriott	Canterbury
Southern PHO	286,000	Stuart Heal	Dunedin
Te Tai Tokerau	61,000	Georgina Martin	Kaitaia
Wairarapa Community PHO Trust	41,000	Elaine Brazendale	Masterton
West Coast PHO	31,000	John Ayling	Greymouth
Western Bay of Plenty PHO	145,000	Dr John Gemming	Tauranga
Whanganui Regional PHO	57,000	Dr Ken Young	Whanganui
	2,955,000		

## FINANCIAL STATEMENTS

### **Summary of financial performance 1 July 2012 – 30 June 2013**

The PHO Alliance's income receipts for the twelve months ending 30 June 2013 were \$139,169 (2011-2012: \$157,509) and total expenditure was \$163,235 (\$176,031) resulting in a net operating deficit of \$24,066 (\$18,522).

The main expenditure items were management and financial services \$104,754 – 64% (\$106,100 - 60%), executive fees and expenses – 20% (14%) and PSAAP expenses - 10% (9%).

Total equity as at the end of the sixth year of operation has reduced to \$24,402 (\$48,468). Cash in the bank is \$26,636 (\$43,623).

### **Summary of main differences between Actual Income & Expenditure 2013 and 2012**

**Total income in 2013 was \$18,340 less than in 2012 for the following main reasons:**

- \$12,000 less in contract income as result of no further sales of back to back template packages.
- \$14,090 less in other income due to a combination of the 2012 transfer of the governance development funds from the balance sheet into consolidated funds and receiving less interest on term deposits.

**Total expenditure in 2013 was \$9,936 higher in 2013 than in 2012 (after excluding the 2012 back-to-back contract expenses) for the following main reasons:**

- \$8,169 additional Executive Fees due to the additional workload and meeting costs associated with the aborted consolidation process with GPNZ
- Higher than anticipated PSAAP expenses due to the Ministry of Health policy agenda covering Driving Clinical Integration: which required the negotiation of a new PHO Services Agreement and Alliance Agreement.

**PHO ALLIANCE  
INCORPORATED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**DIRECTORY**

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**PHO ALLIANCE Inc**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Membership Fees	137,500	129,750
Contract Income	0	12,000
Other Income	1,669	15,759
<b>Total Income</b>	<b>139,169</b>	<b>157,509</b>
<b>Expenses</b>		
Back-to-Back Contract	0	22,732
Bank Charges	202	204
Catering	651	863
Depreciation	224	696
Executive Fees & Expenses	33,017	24,848
Management & Financial Services	104,752	106,100
National Sector Representation	1,785	805
PSAAP Expenses	15,985	16,300
Sundry Expenses	1,878	50
Telephone	1,841	2,083
Venue Hire	2,900	1,350
<b>Total Expenses</b>	<b>163,235</b>	<b>176,031</b>
<b>Net (Deficit)/Surplus</b>	<b>(24,066)</b>	<b>(18,522)</b>



**PHO ALLIANCE Inc**  
**STATEMENT OF MOVEMENTS IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Opening Balance as at 1 July</b>	<b>48,468</b>	<b>66,990</b>
plus (Deficit)/ Surplus for the year	(24,066)	(18,522)
Total Recognised Revenues and Expenses for the Year	<u>(24,066)</u>	<u>(18,522)</u>
<b>Closing Balance as at 30 June</b>	<b><u>24,402</u></b>	<b><u>48,468</u></b>

**PHO ALLIANCE Inc**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	2013	2012
	\$	\$
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Bank Accounts	26,636	43,623
Accounts Receivable	1,400	2,300
GST Receivable	6,375	2,714
<b>Total Current Assets</b>	<u>34,411</u>	<u>48,637</u>
<b>Fixed Assets</b>		
Web Site	341	656
<b>Total Assets</b>	<u>34,752</u>	<u>49,293</u>
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Accounts Payable	10,350	825
<b>Total Current Liabilities</b>	<u>10,350</u>	<u>825</u>
<b>Net Assets</b>	<u>24,402</u>	<u>48,468</u>
<b><u>Equity</u></b>		
Retained Earnings	24,402	48,468
<b>Total Equity</b>	<u>24,402</u>	<u>48,468</u>

Signed by:

*John Ayling*\_\_\_\_\_  
John Ayling, Chair*Philip Grant*\_\_\_\_\_  
Philip Grant, Executive Officer

Dated: 6 September 2013

**PHO ALLIANCE Inc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**STATEMENT OF ACCOUNTING POLICIES**

**1. Reporting Entity**

PHO Alliance Incorporated is a body that represents and promotes the interests of its members. The PHO Alliance does this through advising and consulting with key stakeholders in the sector, representing common positions on issues of substance to key stakeholders, and facilitating the performance of member organisations through information and resource sharing.

The Alliance's members are organisations responsible for the provision of general practice services and other primary health care services, to just under 3 million New Zealanders.

The financial statements have been prepared in accordance with generally accepted accounting practice as required by the Institute of Chartered Accountants of New Zealand.

**2. General Accounting Policies**

General accounting policies have been adopted in the preparation of these financial statements.

- a) The measurement base adopted is that of historical cost and reliance is placed on the fact that the PHO Alliance is a going concern.
- b) The matching of revenue earned and expenses incurred is applied using accrual accounting concepts.
- c) The PHO Alliance Inc. is registered as a charitable entity under the Charities Act 2005; it is therefore exempt from Income Tax.

**3. Differential reporting**

The PHO Alliance qualifies for differential reporting as it is not publicly accountable, and it qualifies as being a small entity as per the framework for differential reporting. The PHO Alliance has taken advantage of all available differential reporting exemptions.

**4. Goods and Services Tax**

The financial statements have been prepared stating all income and expenditure items exclusive of GST.

**5. Fixed Assets**

The PHO Alliance has developed a web site which is depreciated at 48% DV.

**6. Financial Operations**

This is the 7th financial year the PHO Alliance has been operating.

**7. Auditors**

For the year ending 30 June 2013, the PHO Alliance Inc has not appointed auditors.