

Harbour PHO Limited
Financial Statements
for the year ended 30 June 2010

Harbour PHO Limited

Index to Financial Statements

Business Profile	1
Annual Report	2
Auditor's Report	3
Statement of Financial Performance	5
Statement of Movements in Equity	6
Statement of Financial Position	7
Notes to Accompany Financial Statements	8

Harbour PHO Limited

Business Profile as at 30 June 2010

Nature of Business	Provision of Health Programmes and services to General Practice and communities	
Business Address	42 Tawa Drive Albany	
Postal Address	P O Box 302163 North Harbour North Shore City 0751	
IRD Number	090-666-797	
Share Capital	100 Ordinary Shares	
Shareholder	Comprehensive Health Services Limited	100
	Total Shares	<u>100</u>
Directors	K Baddock W Groarke H Retimana C Ryan P Sullivan J Arcus A Sorley	
Registered Office	42 Tawa Drive Albany	
Company Number	1624725	
Date of Incorporation	29 April 2005	
Auditor	Hayes Knight Audit Chartered Accountants Auckland	
Bankers	Bank of New Zealand	

Harbour PHO Limited

Annual Report

The directors present their annual report including financial statements of the company for the year ended 30 June 2010.

Financial Results

Operating Surplus (Deficit) after income tax

2010	2009
\$	\$
<u>(97,949)</u>	<u>136,140</u>

Reporting Exemptions

Pursuant to Section 211(3) of the Companies Act 1993, the shareholder has resolved not to comply with paragraphs (a), and (e) to (j) of subsection (1) of this Section.

Dividends

No payment of any dividend for this year is recommended by the directors.

Audit

It is proposed Hayes Knight Audit continues in office as auditor in accordance with section 196(1) of the Companies Act 1993.

Statement of Directors

In the opinion of the directors, the financial statements and notes

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the company as at 30 June 2010 and the results of its operations for the year ended on that date.

- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

For and on behalf of the Board:

Alice Song
Director
Date: 25/11/10

K. Baddock
Director
Date: 27 November 2010



HAYES KNIGHT | AUDIT

AUDIT REPORT

TO THE SHAREHOLDER OF HARBOUR PHO LIMITED

We have audited the financial statements on pages 5 to 11. The financial statements provide information about the past financial performance of Harbour PHO Limited and its financial position as at 30 June 2010. This information is stated in accordance with the accounting policies set out on pages 8 and 9.

Directors' Responsibilities

The directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company and of the results of its operations for the year ended 30 June 2010.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the directors and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

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

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Hayes Knight Audit
CHARTERED ACCOUNTANTS

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An associated company, Hayes Knight (NZ) Limited, formats the financial statements for statutory reporting purposes for the company. The firm and its associates have no other relationship with, or interests in, Harbour PHO Limited.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records; and
- the financial statements on pages 5 to 11
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the financial position of Harbour PHO Limited as at 30 June 2010 and the results of its operations for the year ended on that date.

Our audit was completed on 29 November 2010 and our unqualified opinion is expressed as at that date.

Hayes Knight Audit

HAYES KNIGHT AUDIT

AUCKLAND, NEW ZEALAND



Harbour PHO Limited

Statement of Financial Performance for the year ended 30 June 2010

	2010	2009
	\$	\$
Operating Revenue	27,001,139	25,025,544
Operating Expenses	<u>27,099,088</u>	<u>24,889,404</u>
Operating Surplus (Deficit) Before Tax	(97,949)	136,140
Taxation	-	-
Net Surplus (Deficit) After Tax	<u>(97,949)</u>	<u>136,140</u>
Operating Revenue includes:		
Interest Received	1,866	1,149
Operating Expenses include:		
Audit Fees	11,397	11,456
Depreciation	115,585	79,412
Directors' Fees	114,553	82,412
Donations	4,620	3,752
Interest and Finance Charges	1,373	2,941
Rent and Operating Lease Expenses	300,406	204,416



Harbour PHO Limited

**Statement of Movements in Equity
for the year ended 30 June 2010**

	2010	2009
	\$	\$
Equity at Beginning of Year	384,908	248,768
Surplus/(Deficit)		
Net Surplus (Deficit) for the year	<u>(97,949)</u>	<u>136,140</u>
Total recognised revenues and expenses for the year	<u>(97,949)</u>	<u>136,140</u>
Equity at End of Year	<u><u>286,959</u></u>	<u><u>384,908</u></u>



Harbour PHO Limited

Statement of Financial Position as at 30 June 2010

	Note	2010 \$	2009 \$
Equity			
100 Ordinary Shares	5	100	100
Uncalled Capital		(100)	(100)
Issued & Paid Up Capital		-	-
Retained Earnings		286,959	384,908
Total Equity		286,959	384,908
Non-Current Assets			
Fixed Assets	3	214,971	211,738
Total Non-Current Assets		214,971	211,738
Current Assets			
Cash on Hand		500	500
Bank of New Zealand		295,657	238,768
Accounts Receivable		281,233	694,230
Primary Health Services Limited		-	6,924
Prepayments		225,013	34,696
Tax Refund Due		-	409
Comprehensive Health Services Limited	9	66,091	231,872
Total Current Assets		868,494	1,207,399
Total Assets		1,083,465	1,419,137
Current Liabilities			
Accruals		222,481	216,156
Accounts Payable		289,686	468,057
Income In Advance		-	79,342
Provision for Refunds		176,419	176,419
GST Payable		103,256	76,685
Term Liabilities (Current Portion)		4,664	12,906
Total Current Liabilities		796,506	1,029,565
Non-Current Liabilities			
Hire Purchase Creditors		4,664	17,570
Less Current Portion of Term Liabilities		(4,664)	(12,906)
Total Non-Current Liabilities		-	4,664
Total Liabilities		796,506	1,034,229
Net Assets		286,959	384,908

For and on behalf of the Board:

Director *Alison S...*

Date: 25/11/10



Director

Date: *K. Baddock* 27 November 2010

Harbour PHO Limited

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

1. Summary of Significant Accounting Policies

The financial statements presented here are for the entity Harbour PHO Limited.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The company qualifies for differential reporting as it is not publicly accountable and as it is not classified as "large" as defined in the Framework for Differential Reporting.

The company has taken advantage of all available differential reporting exemptions. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993.

The financial statements have been prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are identified.

(a) Leased Assets

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to expenses over the period of expected benefit.

(b) Fixed Assets and Depreciation

Fixed assets are stated at cost less aggregate depreciation.

Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.

Research & Development	33.3%	DV
Leasehold Improvements	9.6 - 12.0 %	DV
Office Furniture	19.2 - 80.4%	DV
Computer Hardware	36 - 60 %	DV
Computer Software	50 - 60 %	DV
Furniture & Fittings	12 - 48 %	DV

(c) Receivables

Receivables are stated at expected realisable value. Bad debts are written off during the period in which they are identified.

(d) Goods and Services Tax (GST)

With the exception of trade payables and receivables, all items are stated exclusive of GST.

(e) Income Tax

Harbour PHO has an exemption from income tax, and on 3 August 2007 was approved as a charitable organisation by the Charities Commission (Registration Number - CC10747). It is therefore exempt from income tax by the Inland Revenue from the date it was registered.



Harbour PHO Limited

Notes to and forming part of the Financial Statements for the year ended 30 June 2010 (continued)

(f) Liabilities

Liabilities are stated at the estimated amounts payable and include all obligations that can be reliably estimated. Current liabilities include the amounts payable within twelve months of these financial statements.

(g) Change in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in the prior year.

2. Going Concern Basis

Harbour PHO Limited is reliant on continued funding from the Ministry of Health, Waitemata District Health Board and external contracts. The New Zealand government, through District Health Boards, is currently undertaking a consultation process to reduce the number of PHO's within the Waitemata district. The consultation process is ongoing and may impact the future funding of the PHO. Should the funding cease, the going concern basis may be invalid and provision would have to be made for any possible loss on realisation of the company's assets for any other liabilities which may arise should the company cease trading. However, it is the belief of the Directors that funding will continue.

3. Fixed Assets

	Cost	Depn	Accum Depn	Book Value
This Year				
Research & Development	25,513	5,911	13,672	11,841
Leasehold Improvements	104,629	9,300	32,572	72,057
Office Furniture	64,778	15,233	37,936	26,842
Computer Hardware	200,362	40,484	169,236	31,126
Computer Software	114,120	36,390	83,868	30,252
Furniture & Fittings	73,255	8,267	30,403	42,852
Total Assets	582,657	115,585	367,687	214,971
Last Year				
Research & Development	13,763	2,996	7,761	6,002
Leasehold Improvements	91,731	8,143	23,272	68,459
Office Furniture	35,691	6,852	22,703	12,988
Computer Hardware	179,325	39,622	128,752	50,573
Computer Software	84,628	15,950	47,478	37,150
Furniture & Fittings	58,702	5,849	22,136	36,566
Total Assets	463,840	79,412	252,102	211,738



Harbour PHO Limited

Notes to and forming part of the Financial Statements for the year ended 30 June 2010 (continued)

4.	Non-Current Liabilities	2010	2009
	- Hire Purchase	\$	\$
	Hire Purchase Liability	4,773	19,051
	Less Unexpired Hire Purchase Charges	(109)	(1,482)
		<u>4,664</u>	<u>17,570</u>

Repayment Terms : 36 months
Finance Rate : 12.45%
Security : Hewlett Packard Server

5.	Share Capital	2010	2009
		\$	\$
	Issued & Paid Up Capital		
	100 Ordinary Shares	100	100
	Uncalled Capital	(100)	(100)
		<u>-</u>	<u>-</u>

At 30 June 2010, share capital comprised 100 Ordinary Shares (Last year: 100).

At 30 June 2010 no calls had been made in regard to share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at shareholders' meetings of the company, and rank equally with regard to the company's residual assets.

6.	Remuneration of Auditors	2010	2009
		\$	\$
	Amounts received, or due and receivable, by the auditor of the company for:		
	Audit Services - Hayes Knight Audit	11,397	11,456
	Other Services - Hayes Knight NZ Limited (An associated entity of Hayes Knight Audit)	7,086	11,954
		<u>18,483</u>	<u>23,410</u>



Harbour PHO Limited

Notes to and forming part of the Financial Statements for the year ended 30 June 2010 (continued)

7. Commitments for Expenditure

Capital Commitments

There were no material commitments for capital expenditure outstanding at balance date. (Last Year \$Nil)

	2010	2009
	\$	\$
Operating Lease Commitments		
Total lease expenditure contracted for at balance date		
Payable:		
Not later than one year	307,884	282,776
Later than one year	601,297	507,490
	<u>909,181</u>	<u>790,266</u>
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	<u>909,181</u>	<u>790,266</u>

8. Contingent Liabilities

There were no material contingent liabilities at balance date. (Last year: Nil)

9. Intercompany Accounts

	2010	2009
	\$	\$
Current Assets		
Comprehensive Health Services Limited	66,091	231,872
	<u>66,091</u>	<u>231,872</u>

10. Related Party Transactions

Harbour PHO Limited is 100% owned by Comprehensive Health Services Limited. Harbour PHO Limited receives funding from the Ministry of Health, Waitemata District Health Board and external contracts. From the funding Harbour PHO Limited receives, it pays Management fees to Comprehensive Health Services and capitation payments to General Practices. It has also recovered costs from Comprehensive Health Services Limited. All charges are at market value.

The following directors of Harbour PHO Limited, who received directors fees during the year, are also shareholders of Comprehensive Health Services Limited.

- Arcus, John
- Baddock, Kate
- Groarke, Warren
- MacDonald, Helen
- Sorley, Alison

