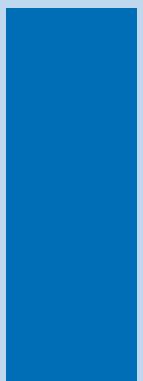
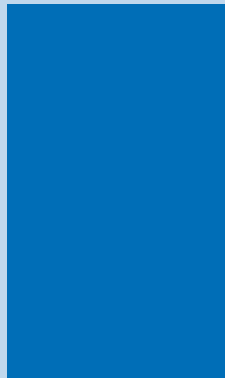
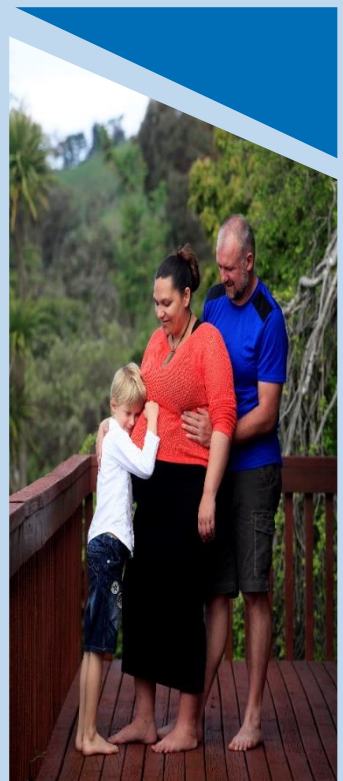




Te Piki Oranga

MĀORI WELLNESS SERVICES



Annual Report 2017 - 2018

Mihi

E ngā mana, e ngā reo e ngā karangamaha I tautoko nei te āhuatanga o te wā tēnā koutou.

Ki te hunga kua moe, nā raatou i whakatōkia mai ai ki te ngākau ko te reo me ōna tikanga, ka tangi. Ki a koutou moe mai okioki ai.

Ki a koutou te hunga ora tēnā koutou katoa.

Te ao hurihuri te ao huri ai ki tona tauranga: Te ao rapu; ko te huripoki e huri nei i runga i te taumata o te kaha. Ko tēnei te mahere ki whakawhanake ai ngā mahi o Te Piki Oranga ki te ahu whakamua.

Mauri ora!

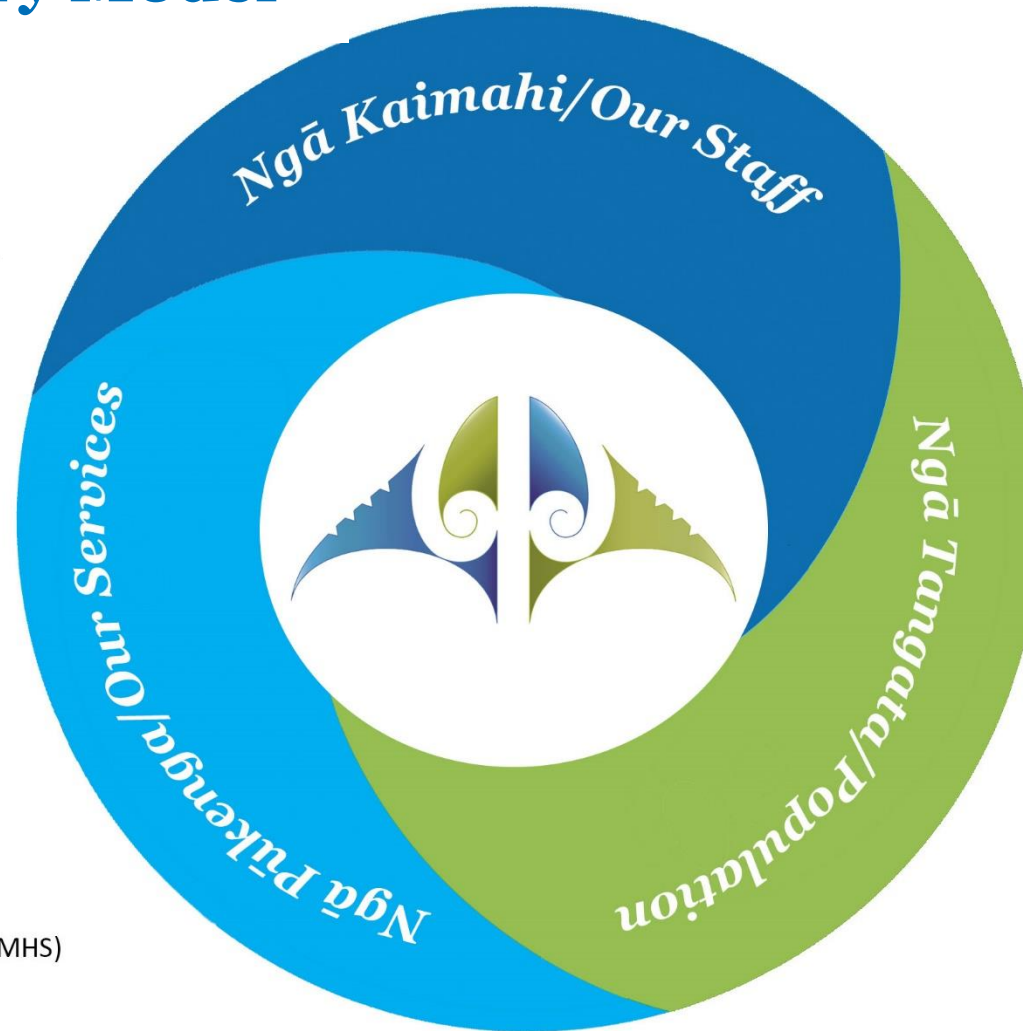


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Service Delivery Model



Ngā Kaimahi / Our Staff

Pūkenga Atawhai / Community Nurse
Pūkenga Manaaki / Whānau Navigator
Kaimahi-a-Iwi / Social Worker
Te Hononga / Counsellors and Clinicians

Ngā Pūkenga / Our Services

Adult Mental Health - Non Clinical
Alcohol and Other Drugs
Child and Adolescent Mental Health (CAMHS)
Cervical Screening Invitation and Recall
Lactation Consultation
Koroua me Kuia
Mental Health and Addiction
Outreach Immunisation (Wairau)
Te Matapihi
Te Hā Aukati Kaipapa (*Stop Smoking*)
Te Pae Oranga
Te Puna Hauora
Well Child Tamariki Ora

Ngā Tangata / Population

(Māori/Pasifika/Vulnerable population)
Tamariki
Rangatahi
Pakeke
Koroua me Kuia
Wāhine
Whānau

Chairperson's Report

Tukua te wairua kia rere ki ngā taumata

Hei ārahi i a tātau mahi

Me whai i ngā tikanga o rātau mā

Kia mau kia ita

Kia kore ai e ngaro

Kia pupuri

Kia whakamaua

Kia tina! TINA! Hui e! TAIKI E!

E tangihia ana matou te hunga kua wheturangitia nā rātou tonu ngā kaupapa e arahi nei i a mātou ngā uri whakatipu e mahi nei. Moe mai rā koutou i ou moenga roa okioki ai.

E ngā mana, e ngā reo, e ngā karangamaha nau mai whakatau mai ki tēnei hui a Tau o Te Piki Oranga.



Jane du Feu

Welcome to the 4th Annual General meeting of Te Piki Oranga Ltd. In this fourth year of operation we have continued to deliver health services within and ever-changing environment and the dynamics of changing staff.

The shareholders and their Directors are Whakatū Marae – Jane du Feu, Te Korowai Trust – Myra Dick, Te Āwhina Marae – Keith Palmer, and Ngāti Apa ki Te Ra Tō – Aroha Bond plus 3 Independent Directors Kereopa Ratapu, Cathleen Walker and Lauree Ashworth. We welcomed Ngāti Koata Trust Director, Antoinette Paul just after the end of the financial year when the Board and Management met to finalise the Strategic plan for going forward covering the next 5 years.

The Strategic plan has taken the last 12 months to develop resulting in changes to the: -

Vision: “Me whakahaumanu te mana o te whānau, a, ka haere whakamua”

Mission: “Ma te huruhuru ka rere te manu”

to align with our philosophy that reflects Kaupapa Māori. This has seen changes in the what the logo reflects so that whānau are at the centre of all that we do. The model of care has been re-aligned to reflect this better. This will be presented at the AGM. This plan covers the next 5 years of development for the organisation.

The Board has worked very closely with the Tumuaki implementing the review cycles for policies and procedures and amending to fully reflect good business practice for the benefit of the company and our staff. This is ongoing with processes now being reviewed as Management work through the accreditation process for Te Piki Oranga.

The Tumuaki has developed a strong relationship with the DHB and Māori Manager Ditre Tamatea to ensure services, opportunities and issues are being dealt with in a timely manner. This has assisted in the stability of the organisation.

One of the ongoing challenges has been the balancing of administration across all sites but staying within budget. Staffing has been reviewed regularly and adjusted as required to make sure the requirements of service delivery were met. Strategic pay carried out a comprehensive analysis of management which has resulted in changes to the way we operate with the development of Pou with Champions for Tamariki, Rangatahi, Pākeke, and Kaumātua. This has seen adjustments in job descriptions and remuneration to increase efficiencies and mitigating workload within management.

Health and Safety has seen the development of H & S committees who now manage this Kaupapa across the organisation through the Tumuaki who reports any incidents to the Board and how they were mitigated.

Now that we have consolidated the organisation the Tumuaki reports have been streamlined to reduce workload and increase the separation of Governance and Management matters.

Although TPO has an evergreen contract with the DHB has seen internal adjustments which are ongoing.

Financially the company is very sound, operated within budget and received a clean audit under the expert eye of the Nelson Bays PHO accountant who is contracted to manage our books along with the Board and Audit and Risk Committee.

Cultural competency framework for staff has been developed and is slowly being implemented to ensure the organisation is continuing to improve the service for whānau from a holistic Kaupapa Māori base.

As the service becomes more well-known and our reputation for good service delivery increases pressures on staff through workload, space and how that is mitigated is ongoing.

The Board acknowledges and appreciates the hard work carried out by the Tumuaki, her management team, the clinical team leaders, and staff who make the service the success that it is. Two Pūkenga Kaiwhakahaere left our service towards the end of this financial year which has seen more changes. Service delivery is the essence of the organisation which is constantly evolving and extending as the community becomes more aware of who we are and what we do.

We are in both exciting and challenging times with new initiatives being considered and evaluated as we move forward. Two such initiatives were Te Matapihi – Rangatahi suicide prevention which was a pilot programme and ongoing funding is being sought, and Te Pae Oranga – a pilot programme establishing a Community / Iwi panel with the Police which is in its infancy. A presentation will occur at the AGM.

Finally, I wish to acknowledge the hard work and the dedication of fellow Directors in getting Te Piki Oranga to where it is today and look forward to furthering development as we move forward.

No reira,

Nga Manaakitanga

Jane du Feu
Chairperson

Meet the Board of Directors



Aroha Bond



Lauree Ashworth



Myra Dick



Keith Palmer



Antoinette Paul



Cathleen Walker



Kereopa Ratapu

Ngā Mema o te Poari
Board of Directors

Tumuaki Report

*Tenei te mihi tino mahara ki a tatou
kātoa, te komiti mātua o Te Piki Oranga,
ngā whānau, ngā hapū, ngā iwi o Te Tau
Ihu O Te Waka a Maui.*

This report covers our fourth year of operation. We have moved from establishment and consolidation to innovation and real health gain for Māori of Te Tau ihu o Te Waka a Maui. The DHB have shown their commitment and confidence by granting us an evergreen contract giving our kaimahi and business partners some security. We have become known in the business community and have accounts at all the outlets you would expect us to do business with. This would not be possible without the collective efforts of the Board, management team and kaimahi.



Anne Hobby

Grief and loss have touched us all this year. I acknowledge and farewell those who have passed. Everyone in Te Piki Oranga has stepped up to awhi those most directly affected.

I thank Michelle Edwards and Ripeka Houkamau for their service and contribution as Pūkenga Kaiwhakahaere of Whakatū (*Nelson*) and Wairau (*Blenheim*) respectively. The establishment years were challenging, and you made a significant contribution to Māori health.

The Board has grown in the past year with Ngāti Apa and Ngāti Koata becoming shareholders. The Directors work well together utilising everyone's skills and knowledge. They constantly ask the hard questions as they are determined to make a difference for our people, especially the most vulnerable. I thank them for their support and motivation, particularly our Chairperson Jane du Feu, who is never too busy to answer a call or act as a sounding board.

We reviewed the structure and accountabilities of the management team during the year and I am now confident that we have the right people in the right positions at a fair remuneration rate. I appreciate everyone's commitment to getting this right. I acknowledge Sonny Alesana, our Pou Taki who tirelessly works to infuse Tikanga into our organisation. Cultural development and competency are core to who we are as a Kaupapa Māori wellness service.

Te Piki Oranga has completed our first year as a full partner in the Top of the South Health Alliance (TOSHA) where the partners (Nelson Marlborough Health, Nelson Bays Primary Health, Marlborough Primary Health and Te Piki Oranga) are learning to work in a more inclusive and collaborative model. We welcome the emphasis on reducing health inequity for Māori and other vulnerable populations however this is painstaking and challenging work. This is also happening on the ground where there are many examples of our kaimahi working collaboratively with other services to achieve the best outcome for whānau. He waka eke noa.

Our services have matured, as demonstrated by our service delivery model (p.1), and the weaving of our services to best support whānau has improved. We have tales of whānau who came to the service for one issue and end up using at least two other services. Being able to draw support from a range of kaimahi really benefit whānau. Kaimahi go above and beyond what can be expected, and you can see this in our pānui, on our website or Facebook. Friends and whānau have contributed to improving our services by discussing any problems and giving us feedback.

Our services include:

CONTRACTS	FUNDER
Te Puna Hauora includes: Te Pou Taki (<i>Cultural Support</i>), Pūkenga Kaiwhakahaere (<i>Site Managers</i>), Pūkenga Atawhai (<i>Nurses</i>), Whānau Kaimahi-a-Iwi (<i>Social Workers</i>), Pūkenga Manaaki (<i>Community Navigators</i>)	Nelson Marlborough Health (NMH)
Māori Health Development, Oral Health Promotion	NMH
CAMHS – Clinical and Pūkenga Maanaki (Non-clinical)	NMH
Alcohol and Other Drugs Counsellors	NMH
Adult Mental Health – Pūkenga Manaaki support	NMH
Mental Health Flexi Fund: packages of care for mental health and AOD whānau	NMH
Tamariki Ora: Pūkenga Atawhai	NMH
Outreach Immunisation	NMH
Te Ha – Quit Smoking *	NMH
Koroua me Kuia Day Activity Programmes *	NMH
Lactation Consultation *	NMH
Cervical screening	Kimi Hauora Wairau
Māori Provider Development Fund	Ministry of Health
Tikanga Māori Motivational Programme	Community Corrections
Te Pae Oranga – Iwi/community panel *	NZ Police
Stoke Rangatahi Support at Richmond library*	Nelson City Council

** new service during the year*

Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Anne Hobby

Meet the Management Team



Sonny Alesana

Te Pou Taki/
Cultural Advisor
Rangatahi Pou Tangata/
Service Champion: Youth



Rossana Rogers

Kaipakihi Tautoko
Kaiwhakahaere/
Business Support – Finance/IT/ Communications



Lindi Rule

Quality
Kaiwhakahaere/
Quality Manager



Caroline Sainty

Kaiawhi Tumuaki me
Poari/PA to General
Manager and Board



Ratapu Hippolite

Kaipakihi
Kaiwhakahaere/
Business Support Manager



Ricky Carr

Pūkenga Kaiwhakahaere
(Wairau)/
Manager (Blenheim)
Koroua me Kuia Pou
Tangata/
Service Champion: Elderly



Mary Johnsen

Nehi Arahanga
(Wairau)/
Clinical Lead (Blenheim)



Karen Davidson

Pūkenga Kaiwhakahaere
(Whakatu)/
Manager (Nelson)
Pakeke Pou Tangata/
Service Champion: Adults



Dianne McDonald

Nehi Arahanga
(Whakatu)/
Clinical Lead (Nelson)



Lydia Mains

Pūkenga Kaiwhakahaere/
Manager (Motueka)
Pepe Tamariki Pou
Tangata/
Service Champion: Mothers and Babies



David Emerson

Nehi Arahanga/
Clinical Lead (Motueka)

Ngā Kaiwhakaooho *Management Team*



**Financial Reports
for the year ended 30 June 2018**



COMPANY DIRECTORY

As at 30 June 2018

DATE OF INCORPORATION: 18 December 2013
COMPANY NUMBER: 4863743

CHARITY REGISTRATION DATE: 13 August 2014
REGISTRATION NUMBER: CC50848

IRD NUMBER: 113-081-066

REGISTERED OFFICE: 281 Queen Street
Richmond, Nelson 7020

BUSINESS ADDRESS: 281 Queen Street
Richmond, Nelson 7020

NATURE OF BUSINESS: Health service

DIRECTORS:

A Bond	appointed Jul 2016
M Dick	appointed Jan 2014
J Du Feu	appointed Jan 2014
K Palmer	appointed Jan 2014
K Ratapu	appointed Jan 2014
C Walker	appointed Jan 2015
L Ashworth	appointed Jul 2016

SHAREHOLDERS:

Te Piki Oranga Ltd	50 shares
Whakatu Marae Committee Incorporated	10 shares
Te Kahui Hauora o Ngāti Koata Trust	10 shares
Whakatū Te Korowai Manaakitanga Trust	10 shares
Te Hauora o Te Āwhina Marae Limited	10 shares
Ngāti Apa Ki Te Ra Tō Trust	10 shares

BANKERS: BNZ

SOLICITORS: Stallard Law Limited

AUDITORS: Independent Auditors Limited



ANNUAL REPORT

for the year ended 30 June 2018

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

Annual report disclosures

A unanimous resolution was passed by the company pursuant to subsection 211(3) of the Companies Act 1993, that this annual report need not comply with paragraphs (a) and (e) to (j) of subsection 211(1) of the Act.

For and on behalf of the Board who authorised these financial statements for issue on the date shown below.

Director: [Signature]
Dated: 21/9/18.
Chairperson

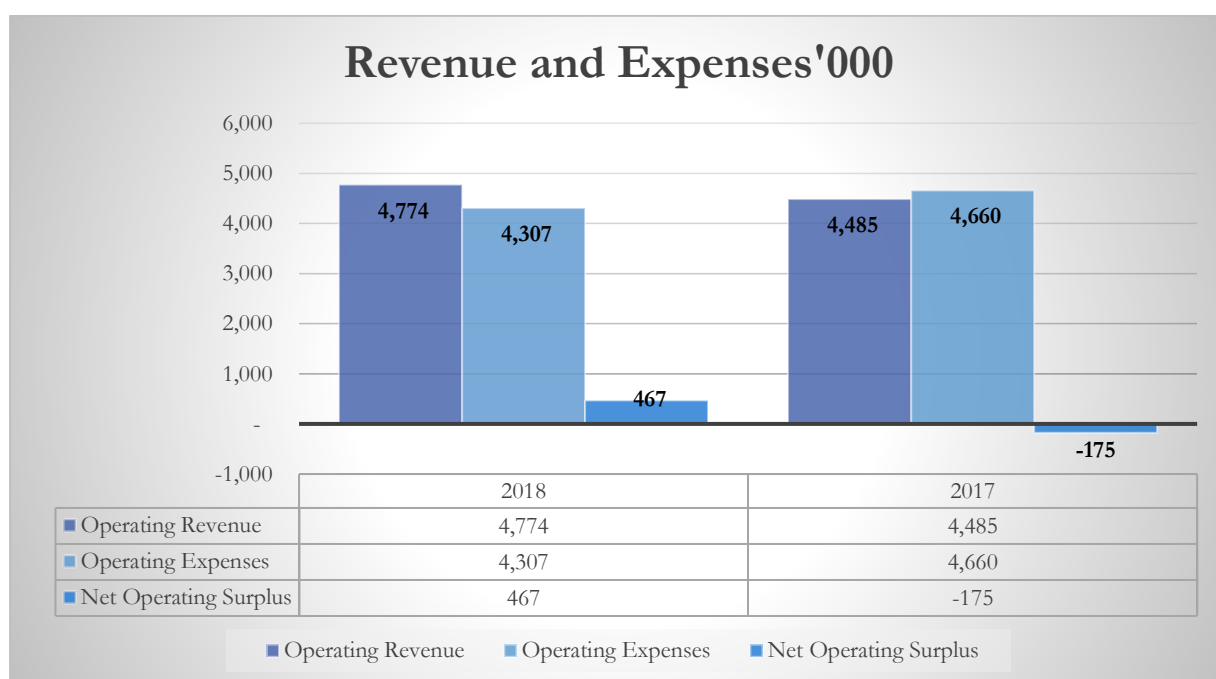
Director: [Signature]
Dated: 21/09/18
Deputy Chair



STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2018

		2018	2017
		\$	\$
Operating revenue	5	4,773,636	4,484,855
Operating expenses	6	4,306,969	4,660,048
Net operating surplus		466,667	(175,193)
Interest received		25,272	18,953
Net surplus for the period		491,939	(156,240)
Total comprehensive revenue and expense for the period		491,939	(156,240)



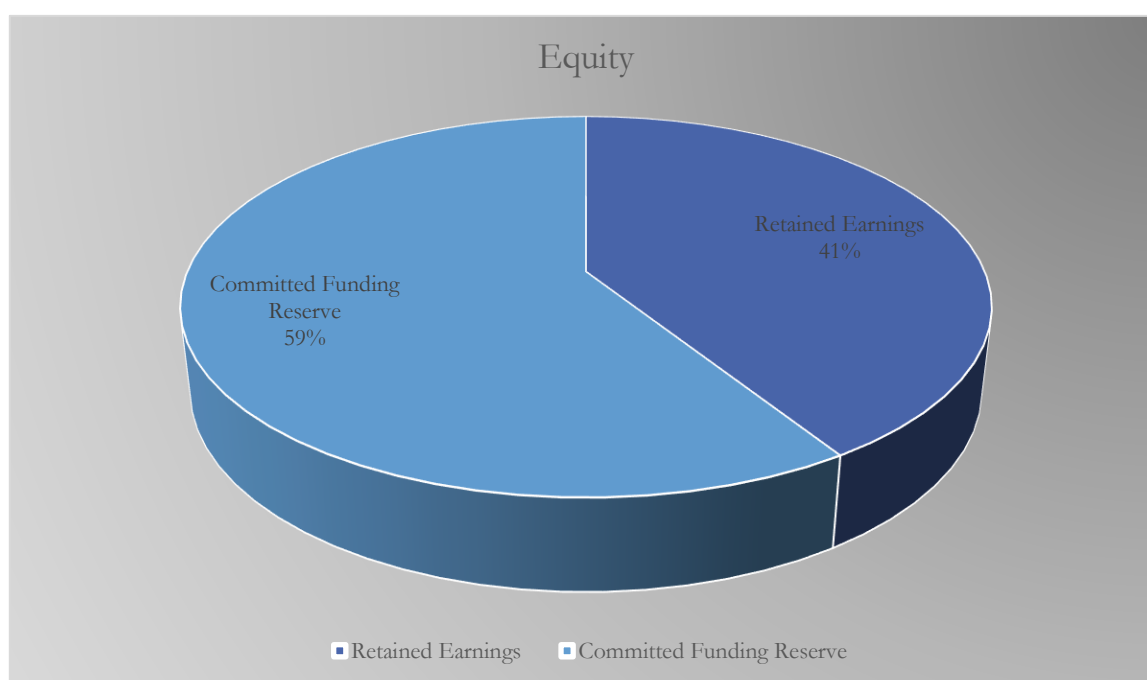
These statements are to be read in conjunction with the audit report and the notes to the financial statements



STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	2018 \$	2017 \$
Equity at beginning of year	936,227	1,092,467
Net surplus/(deficit) – Operation	217,439	74,227
Net surplus – Committed Funding Reserve	274,500	(230,467)
Total net surplus/(deficit) for the period	491,939	(156,240)
Total comprehensive income for the year	491,939	(156,240)
Retained Earnings	585,371	367,932
Committed Funding Reserve	842,795	568,295
Total Equity at end of year	1,428,166	936,227



These statements are to be read in conjunction with the audit report and the notes to the financial statements



STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		2018	2017
		\$	\$
Total Equity		1,428,166	936,227
Current Assets			
Cash and cash equivalents	8	405,791	493,384
Investments – term deposits	9	921,104	457,376
Trade and other receivables	10	516,746	449,038
		1,843,641	1,399,798
Non-current Assets			
Property, Plant and Equipment	11	176,630	189,992
Total Assets		2,020,271	1,589,790
Current liabilities			
Trade and other payables	12	76,240	85,932
Employee benefits	13	266,581	319,560
Income in advance		153,852	167,641
GST Payable		95,432	80,430
		592,105	653,563
Total Liabilities		592,105	653,563
Net Assets		1,428,166	936,227

These statements are to be read in conjunction with the audit report and the notes to the financial statements



STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	2018	2017
	\$	\$
Cash flows from operating activities		
Cash receipts from customers	4,699,825	4,423,738
Interest received	21,033	18,953
Cash paid to suppliers	(1,083,170)	(1,145,406)
Cash paid to employees	(3,214,755)	(3,370,596)
Movement in GST ¹	(12,326)	(83,620)
Net cash flows from operating activities	410,607	(156,930)
Cash flows from investing activities		
Disposal, maturity of investments	457,175	254,887
Purchase of investments	(900,000)	(700,000)
Purchase of property, plant and equipment	(55,375)	(113,516)
Net cash flows from investing activities	(498,200)	(558,629)
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of period	493,384	1,208,943
Cash and cash equivalents at end of period	8 405,791	493,384

These statements are to be read in conjunction with the audit report and the notes to the financial statements



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

1. REPORTING ENTITY

Te Piki Oranga Limited (TPO) is an incorporated company registered under the Companies Act 1993 and was incorporated on 18 December 2013. The company commenced trading on 1 July 2014. The company is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

Charitable Status

TPO was registered under the Charities Act 2005 with the Charities Commission on 13 August 2014, registration number CC50848.

2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime examples have been adopted.

TPO qualifies as a Tier 2 reporting entity as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure and is required by its rules to prepare general purpose financial statements.

B. MEASUREMENT BASIS

The financial statements have been prepared on a historical cost basis.

C. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars which is TPO's functional and presentational currency.

3. USE OF JUDGEMENTS AND ESTIMATES

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

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

A. JUDGEMENTS

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- Revenue recognition - non-exchange revenue (conditions vs restrictions)

B. ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Any assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2018 have been detailed in the applicable notes and accounting policies of the financial statements.

C. CHANGES IN ACCOUNTING POLICIES

There were no changes to accounting policies in the period.

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by TPO.

Changes to TPO's accounting policies are outlined in Note 18.

The significant accounting policies of TPO are detailed below.

A. REVENUE

Revenue is recognised when the amount of revenue can be measured reliably, and it is probable that economic benefits will flow to TPO and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to TPO's revenue streams must also be met before revenue is recognised.

i. Revenue from exchange transactions Service fees

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. The stage of completion is assessed by reference to patient notes.

Amounts received in advance for services provided in future periods are recognised as a liability until such time as the service is provided.

ii. Revenue from non-exchange transactions

Non-exchange transactions are those where TPO receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no

(or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to TPO's non-exchange transactions revenue streams must also be met before revenue is recognised.

Management Services and Primary Care Contract Income

Revenue from Ministry of Health contracts is recognised as the milestones outlined in those contracts are achieved. Unless otherwise agreed between the parties, any underspending of contract income is to be applied to future commitments of TPO to those

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

contracts rolling over. Only the amounts required to be returned at balance date that is enforceable is treated as a liability, the balance is included in equity. At the termination of any contract, remaining funds held as committed funding liability will either be transferred to retained earnings or be refunded by TPO to the organisation providing the funding depending on what the parties have agreed.

Grants, Donations, Legacies and bequests

The recognition of non-exchange revenue from Grants, Donations, Legacies and bequests depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are "conditions" specifically require TPO to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the "conditions" are satisfied.

Stipulations that are "restrictions" do not specifically require TPO to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

B. FINANCE INCOME

Interest is recognised in the statement of comprehensive revenue and expense as it accrues, using the effective interest rate method.

C. FINANCIAL INSTRUMENTS

TPO initially recognises financial instruments when TPO becomes a party to the contractual provisions of the instrument.

TPO derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by TPO is recognised as a separate asset or liability.

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

TPO also derecognises financial assets and financial liabilities when there have been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, TPO has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

TPO classifies financial assets into the following categories: loans and receivables.

TPO classifies financial liabilities into the following categories: fair value through surplus or deficit, and amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies below.

i. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses (refer Note 4(d)).

Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

ii. Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise cash and cash equivalents (bank overdrafts) and payables.

D. IMPAIRMENT OF NON-DERIVATIVE FINANCIAL ASSETS

A financial asset not subsequently measured

at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to TPO on terms that TPO would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in TPO, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

i. Financial assets classified as loans and receivables

TPO considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

In assessing collective impairment TPO uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

E. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially measured at cost, except those acquired through a non-exchange transaction which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost, less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment is generally the purchase price, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost amounts of property, plant and equipment, less any assigned residual value, on a diminishing value basis over the expected useful economic lives of the assets concerned.

The estimated useful lives/diminishing value depreciation rates are:

Computer, equipment and plant	
3- 15 years	16 - 67%
Motor Vehicles	
6 - 8 years	30%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

F. GOODS AND SERVICE TAX (GST)

All amounts are shown exclusive of Goods and Services Tax (GST), except for trade receivables and trade payables that are shown inclusive of GST. The statement of cash flows is also prepared on a GST exclusive basis.

G. LEASES

TPO has operating leases. Operating leases are not recognised in TPO's statement of financial position. Payments made under these leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

H. IMPAIRMENT OF ASSETS

i. Property, Plant and Equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through use or sale. An impairment loss is recognised for the amount by which

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

the asset's carrying amount exceeds its recoverable amount.

Impairment losses are recognised in the statement of comprehensive revenue and expense, unless an asset has previously been revalued, in which case, the impairment loss is recognised as a reversal to the extent of any revaluation reserves, with any excess recognised in the statement of comprehensive revenue and expense.

ii. Receivables

Receivables are assessed for impairment at each balance date. If there is evidence of impairment, an impairment loss is recognised in the statement of comprehensive revenue and expense.

I. EMPLOYEE BENEFIT LIABILITIES

A provision for employee entitlements is recognised for benefits earned by employees but not paid at reporting date. Employee benefits include salaries, wages, annual leave and company leave.

All employee benefits are expected to be settled within one year and have been measured at their nominal amount.

J. INCOME TAX

TPO is wholly exempt from New Zealand income tax, having fully complied with all statutory conditions for this exemption.

5. REVENUE	2018	2017
	\$	\$
Management Services	116,997	126,957
Primary Care Contract Services	4,656,639	4,357,898
	4,773,636	4,484,855
<u>Other</u>		
Interest	25,272	18,953
TOTAL REVENUE	4,798,908	4,503,808

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

6. EXPENSES	2018	2017
	\$	\$
Administration		
Accounting Fees	56,220	56,000
Audit Fees	5,744	5,345
Total Accounting and Audit	61,964	61,345
Depreciation	68,737	68,220
Information Technology	78,767	89,144
Building Rental	192,485	185,984
Other Office & Organisation Expenses	134,596	226,092
Total Office & Organisation Expenses	474,585	569,440
Board Expenses	12,037	20,127
Board Meeting Fees	45,000	33,655
Total Board Expenses	57,037	53,782
Wages and Salaries	322,098	264,270
Health & Safety	654	2,030
Kiwisaver (Employer Contribution)	10,774	8,676
Travel and Accommodation	5,976	1,446
Other Staffing Costs	20,481	25,184
Total Staffing Expenses	359,983	301,606
Contracts – Wages and Salaries	3,166,955	3,422,507
Contracts – Others	186,445	251,368
Total Primary Care Services	3,353,400	3,673,875
TOTAL OPERATING EXPENSES	4,306,969	4,660,048

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

7. SHARE CAPITAL

	Issued	Paid up
Ordinary shares		
As at 30 June 2018	100	-

All issued shares have a nominal value of \$1, equal voting rights and share equally in dividends and surplus on winding up.

8. CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
BNZ Current Account	84,293	36,445
BNZ Savings Account	320,053	456,011
Petty Cash	1,445	928
TOTAL CASH AND CASH EQUIVALENT	405,791	493,384

There are no restrictions over any of the cash and cash equivalents balances held by TPO.

9. INVESTMENTS – TERM DEPOSITS

	2018 \$	2017 \$
Term Deposits	921,104	457,377
TOTAL INVESTMENTS	921,104	457,377

10. TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
Trade receivables	496,424	427,399
Allowance for impairment	-	-
Net trade receivables	496,424	427,399
Sundry receivables	20,322	21,639
TOTAL TRADE AND OTHER RECEIVABLES	516,746	449,038

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

II. PROPERTY, PLANT AND EQUIPMENT

	2018 \$	2017 \$
Leasehold Improvements		
Cost	28,273	27,873
Accumulated depreciation	12,220	8,475
Loss on Disposal	-	-
Net book value	16,053	19,398
Depreciation expense	3,745	4,377
Furniture & Fittings		
Cost	77,547	77,070
Accumulated depreciation	28,737	20,134
Loss on Disposal	-	-
Net book value	48,810	56,936
Depreciation expense	8,603	9,113
Computer Equipment		
Cost	244,522	212,480
Accumulated depreciation	181,364	144,006
Loss on Disposal	517	-
Net book value	63,158	68,474
Depreciation expense	42,889	39,194

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

11. PROPERTY, PLANT AND EQUIPMENT (CONT.)

	2018 \$	2017 \$
Plant & Equipment		
Cost	39,321	33,847
Accumulated depreciation	21,467	15,210
Loss on Disposal	-	-
Net book value	17,854	18,637
Depreciation expense	42,889	39,194
Motor Vehicle		
Cost	47,820	41,437
Accumulated depreciation	17,065	14,890
Loss on Disposal	1,158	-
Net book value	30,755	26,547
Depreciation expense	7,243	8,385
TOTAL FIXED ASSETS NET BOOK VALUE	176,630	189,992

12. TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
Trade payables	63,143	70,191
Sundry payables	13,097	15,741
TOTAL TRADE AND OTHER PAYABLES	76,240	85,932

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

13. EMPLOYEE BENEFITS LIABILITY

	2018	2017
	\$	\$
Salary and wages accrual	105,181	122,927
Sundry payables	161,400	196,633
TOTAL EMPLOYEE BENEFITS LIABILITY	266,581	319,560

14. SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise agreed between the parties, any underspending of primary care contract income is to be applied to future commitments of TPO to those contracts rolling over. The amounts required to be returned at balance date that is enforceable is treated as a liability.

15. RELATED PARTY TRANSACTIONS

Identity of related parties

A. Whakatu Marae Committee Incorporated (WMCI)

WMCI has a 10% shareholding in TPO. WMCI provides TPO with office space. The terms and conditions are governed by a lease agreement. Other expenses mainly relate to the leasing of office space.

TRANSACTIONS BETWEEN TPO AND WMCI	2018	2017
	\$	\$
Revenue recognized by TPO	-	-
Expenses recognized by TPO		
Building rental	50,000	49,857
Other operating expenses	5,366	7,448
Balance owed by TPO		
Expenses	6,036	-

B. Whakatu Te Korowai Manaakitanga Trust (WTKMT)

WTKMT has a 10% shareholding in TPO. WTKMT provides TPO with office space. The terms and conditions are governed by a lease agreement. Other expenses mainly relate to the leasing of office space.

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

TRANSACTIONS BETWEEN TPO AND WTKMT	2018	2017
	\$	\$
Revenue recognized by TPO	-	-
Expenses recognized by TPO		
Building rental	-	-
Other operating expenses	-	-
Balance owed by TPO		
Expenses	-	-

C. Te Hauora o Te Āwhina Marae Limited (THTAM)

THTAM has a 10% shareholding in TPO. THTAM provides TPO with office space. The terms and conditions are governed by a lease agreement. Other expenses mainly relate to the leasing of office space.

TRANSACTIONS BETWEEN TPO AND THTAM	2018	2017
	\$	\$
Revenue recognized by TPO	-	-
Expenses recognized by TPO		
Building rental	42,372	42,372
Other operating expenses	150	1,150
Balance owed by TPO		
Expenses	-	-

D. Ngāti Koata Trust

Ngāti Koata Trust has a 10% shareholding in TPO.

TRANSACTIONS BETWEEN TPO AND NKT	2018	2017
	\$	\$
Revenue recognized by TPO	-	-
Expenses recognized by TPO	-	-
Balance owed by TPO	-	-

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

E. Ngāti Apa Ki Te Ra To Trust

Ngāti Apa Ki Te Ra To Trust has a 10% shareholding in TPO.

TRANSACTIONS BETWEEN TPO AND NKT	2018 \$	2017 \$
Revenue recognized by TPO	-	-
Expenses recognized by TPO	-	-
Balance owed by TPO	-	-

F. Key management personnel remuneration

The entity classifies its key management personnel into one of two classes:

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body

All members of the governing body are paid meeting fees. The meeting fees are ordinarily \$400 per meeting but increase to \$600 per meeting if the duration exceeds 4 hours. The chair is also paid honoraria, totaling \$15,000 for the period. Senior executive officers and chief operating officers are employed as employees of the entity, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and fulltime-equivalents' (FTE's) for Senior executive officers and Chief operating officers in each class of key management personnel is presented below:

	2018 \$'000/individuals	2017 \$'000/individuals
Members of the governing body	34/6 people	34/6 people
Senior executive and chief operating officers	121 / 1FTE	110 / 1FTE

No legal consulting fees (2017: NIL) were paid to member of the governing body for the provision of expert legal advice for a specific matter outside of the scope of their normal duties.

No close family members of key management personnel are employed by TPO on normal employment terms.

Jane Du Feu is a director of TPO and also an officer of WMCI. Jane Du Feu received honoraria payments and some limited meeting fees from TPO for her chair position.

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

16. OPERATING LEASES

Property

TPO has a number of lease agreements for premises in Motueka, Richmond, Nelson and Blenheim.

The future non-cancellable minimum lease payments of property leases as lessee at reporting date are detailed in the table below:

	2018 \$	2017 \$
Less than one year	182,905	88,842
Between one and five years	197,240	-
	-	-
	380,145	88,842

The leases normally run between one and three years, some with an option to renew after that period.

Other Operating Leases

TPO has several lease agreements for motor vehicles, photocopiers and software.

The future non-cancellable minimum lease payments of other operating leases as lessee at reporting date are detailed in the table below:

	2018 \$	2017 \$
Less than one year	182,310	99,017
Between one and five years	219,495	106,720
	-	-
	380,145	88,842

The leases normally run for a period up to five years.

17. COMMITMENTS AND CONTINGENCIES

As at 30 June 2018, TPO had no capital commitments and TPO is not aware of any contingent liabilities (2017: Nil).

The notes should be read in conjunction with the financial statements and audit report



STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

18. EVENTS AFTER REPORTING DATE

No material events have occurred subsequent to the reporting date that require disclosure or adjustments to be made to the 30 June 2018 financial statements (2017: none).





Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Te Piki Oranga Limited

Report on the Financial Reports

Opinion

We have audited the financial reports of Te Piki Oranga Limited, ("the Company"), which comprises the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of cash flows and the statement of changes in equity for the year then ended, and statement of accounting policies (including significant notes to the financial report).

In our opinion, the accompanying financial reports present fairly, in all material respects, the financial position of the Company as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE RDR) issued by the New Zealand Accounting Standards Board.

Basis of Opinion

We conducted our audit of the statements of financial performance, financial position, changes in equity, cash flows, accounting policies and notes to the financial report in accordance with International Standards of Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described the *Auditor's Responsibilities for the Audit of the Financial Reports* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in the Company.

Responsibilities of Those Charged with Governance for the Financial Reports

Those charged with governance are responsible on behalf of the Company for the preparation and fair presentation of the financial reports in accordance with PBE RDR, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial reports that are free from material misstatement, whether due to fraud or error.

In preparing the financial reports, those charged with governance are responsible on behalf of the Company for assessing the Company'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 those charged with governance either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports 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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial reports.

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

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

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Independent Auditors Ltd

INDEPENDENT AUDITORS LTD
NELSON

21 September 2018



Where to find us

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