

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2018

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RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC DIRECTORY AS AT 30 JUNE 2018

| | |
|--------------------|--|
| Date of Formation | 18 May 2012 |
| Nature of Business | Connecting organisations with interest in health & wellbeing in the rural sector |
| Registered Office | 601 Middleton Road RD4 Waipukurau 4284 |
| Board Members | Dr Martin London (Chairperson) Professor Jane Mills (Deputy Chairperson) Bill Eschenbach (Treasurer) Craig Young (Secretary) Mark Eager (Other Executive Committee Member) Katie Milne Roger Parton Neil Bateup Rachel Pretorius Dr Chris Henry Cathy Brown Bill Nathan (Kaumaatua) |
| Chief Executive | Michelle Thompson |
| Auditor | Staples Rodway Audit Limited Level 6 95 Customhouse Quay Wellington 6011 |
| Bankers | Bank of New Zealand |

**RURAL HEALTH ALLIANCE AOTEAROA
NEW ZEALAND INC
AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

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RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC

STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2018

The Executive Committee and Management (the Board) of Rural Health Alliance Aotearoa New Zealand Inc. (RHAANZ), is responsible for ensuring the preparation and fair presentation of the performance report which comprises, the entity information, the statement of service performance and the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report.

The Board Members consider that the performance report of RHAANZ has been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Board believes that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Society.

The Board considers that it has taken adequate steps to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

The Board has pleasure in presenting the performance reports, set out on pages 6 to 11, for the year ended 30 June 2018.

The Board of Rural Health Alliance Aotearoa New Zealand Inc. authorised these financial statements for issue on 16 November 2018.

For and on behalf of the Board



Executive Committee Member

Date: 2018



Treasurer

Date: 2018

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC ENTITY INFORMATION AS AT 30 JUNE 2018

Legal Name of Entity

Rural Health Alliance Aotearoa New Zealand Inc

Type of Entity and Legal Basis

Incorporated Society with Charitable Status.

Registered Charity Number

CC48376

Purpose or Mission

To develop health and wellbeing policy for rural communities.

Structure

RHAANZ is an Incorporated Society with charitable status.

Each member organisation nominates an individual to the Representative Body. Up to 12 Representative Body members can be elected or appointed to Council (the governing body). Five Council members are then appointed to the Executive Committee which is a skills based group charged with ensuring the organisation works effectively, decisions are made in line with policy and oversees management of the chief executive.

Main Source of Cash and Resources

Membership levies and Government funding.

Main Methods Used by the Entity to Raise Funds

Government contracts and strategic partnerships.

Reliance on Volunteers and Donated Goods or Services

Board members currently provide their services free of charge.

Contact Details

Physical Address:

601 Middleton Road

RD4

Waipukurau 4284

Postal Address:

P O Box 82

Waipukurau 4242

Phone:

+64 0 21 234 7413

Website: www.rhaanz.org.nz

Facebook: www.facebook.com/ruralhealthalliancenz

Twitter: @ruralhealthnz

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

| | |
|---------------------------------|--|
| Description of Outcomes: | Advocacy to influence policy affecting the health and wellbeing of rural communities, providing networking and sharing of resources and expertise amongst members and delivering on our contractual obligations. |
|---------------------------------|--|

| Description of Contractual Outputs with Government | Actual This Year | Budget/Contract This Year | Actual Last Year |
|--|------------------|---------------------------|------------------|
| Contractual outputs – Ministry of Health Emergency Response to Support Rural Mental Health | | | |
| Deliver advanced suicide prevention workshops (Safe Hands, Safe Plans) for rural health and social service professionals around rural NZ | 20 | 20 | 12 |
| Continue to retain and support network of clinical champions to build linkages with rural support trusts across the country | 14 | 16 | 16 |
| Retain and support the medical director | 1 | 1 | 1 |
| Undertake an evaluation of the clinical champion programme | 1 | 1 | N/A |
| Undertake a collaborative needs project focused on rural youth | 1 | 1 | N/A |

| Additional Output measures | |
|--|--|
| Progressed the 5 priorities of our Rural Health Road Map | In partnership with our members we made good progress on the top 5 priorities of our Rural Health Road Map: Rural Wellbeing; Rural Connectivity; Rural Health Services; Rural Health Workforce and Rural Research & Policy. We were particularly proud of our advocacy which helped pave the way for the reinstatement of rural proofing across Government policy and our cross-Tasman research collaborations. It was also very pleasing to see our <i>Framework to Improve Mental Health and Addictions Outcomes in Rural NZ</i> being a reference document for the Government's review of mental health services. |
| Networked and shared expertise within our membership | We contributed to a range of national working groups, made submissions on topics relevant to rural health and wellbeing and issued a number of media releases. |
| Worked with our strategic partner, Bayer NZ, and strategic supporters to advance rural health and wellbeing | We extended our suicide prevention training to rural student groups – both those training in human and animal health - and into other community groups. We also ran a youth health challenge as part of the Health Hub at National Fieldays in Hamilton. |

This Statement is to be read in conjunction with the Notes to the Financial Statements.

**RURAL HEALTH ALLIANCE AOTEAROA
NEW ZEALAND INC
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018**

| | 2018 | 2017 |
|--|-----------------|-------------------|
| | \$ | \$ |
| REVENUE | | |
| Donations | 1,526 | - |
| Conference Income | 2,864 | 6,440 |
| Membership Fees | 89,914 | 83,100 |
| Sponsorship & Annual Partnership Income | 82,208 | 38,692 |
| Workshops - Non GOVT Funded Suicide Prevention | 25,000 | - |
| Other Income | 53,224 | 13,111 |
| Interest Received | 88 | 302 |
| Funding & Research Grants | 3,000 | 55,000 |
| MoH Psychosocial Recovery Services | 50,000 | - |
| MoH Framework Income | - | 75,000 |
| MoH RMHI Income | 250,000 | 250,000 |
| TOTAL INCOME | 557,824 | 521,644 |
| Less | | |
| DIRECT COSTS | | |
| AgResearch Expenses | - | 25,345 |
| MoH RMHI - Clinical Champions | 21,290 | 11,875 |
| MoH RMHI - Medical Director | 19,738 | 24,087 |
| MoH RMHI - Suicide Prevention Workshops | - | 24,692 |
| MoH RMHI Discretionary | 11,917 | 17,279 |
| MoH Framework - Expert Advisory Group | - | 33,391 |
| MoH Framework - Regional Workshops | - | 8,980 |
| MoH Phase 2 Workshops | 81,349 | 55,363 |
| MoH Psychosocial Recovery Services | 41,435 | - |
| Workshops - Non GOVT Funded Suicide Prevention | 27,968 | - |
| Product Sale Purchases | 738 | - |
| | 204,435 | 201,012 |
| GROSS SURPLUS/(DEFICIT) | 353,389 | 320,632 |
| Less | | |
| Total Overheads (Per attached schedule) | 289,738 | 331,343 |
| NET OPERATING SURPLUS/ (DEFICIT) | 63,651 | (10,711) |
| NET SURPLUS/(DEFICIT) | \$63,651 | (\$10,711) |

This Statement is to be read in conjunction with the Notes to the Financial Statements.

**RURAL HEALTH ALLIANCE AOTEAROA
NEW ZEALAND INC
SCHEDULE OF OVERHEADS
FOR THE YEAR ENDED 30 JUNE 2018**

| | <i>Note</i> | 2018 \$ | 2017 \$ |
|--|-------------|-------------------|-------------------|
| OVERHEADS | | | |
| Audit Fees | | 4,500 | 5,595 |
| Bank Charges | | 176 | 256 |
| Management Services | | 226,800 | 260,411 |
| Communications | | 7,318 | 7,066 |
| ICT Services | | 4,479 | 1,429 |
| Conference & Event Expenses (Internal) | | 5,070 | 6,748 |
| Depreciation - Plant & Equipment | | 72 | 143 |
| Depreciation - Website | | 322 | 482 |
| Council Expenses | | 2,253 | 883 |
| Executive Committee Expense | | - | 6,123 |
| Freight & Courier | | 468 | 364 |
| General Expenses | | 135 | 850 |
| Insurance | | 2,280 | 2,029 |
| Legal - Deductible | | 4,912 | 1,462 |
| Printing, Stamps & Stationery | | 2,334 | 3,440 |
| Professional Fees | | 3,468 | 421 |
| Rent - Office | | 2,500 | - |
| Rural Festival Expenses | | 9,146 | 8,848 |
| Subscriptions | | - | 212 |
| Travel - National | | 9,267 | 12,083 |
| Travel - International | | 2,640 | 11,376 |
| Website & Social Media Expenses | | 1,599 | 1,122 |
| TOTAL OVERHEADS | | \$289,738 | \$331,343 |

This Statement is to be read in conjunction with the Notes to the Financial Statements.

**RURAL HEALTH ALLIANCE AOTEAROA
NEW ZEALAND INC
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

| | 2018 | 2017 |
|---|------------------------|--------------------------|
| | \$ | \$ |
| Net Surplus After Tax | 63,651 | (10,711) |
| Total recognised revenues & expenses | <u>63,651</u> | <u>(10,711)</u> |
| EQUITY AT START OF YEAR | (10,711) | - |
| EQUITY AT END OF YEAR | <u><u>\$52,940</u></u> | <u><u>(\$10,711)</u></u> |

This Statement is to be read in conjunction with the Notes to the Financial Statements.

**RURAL HEALTH ALLIANCE AOTEAROA
NEW ZEALAND INC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

| | <i>Note</i> | 2018 \$ | 2017 \$ |
|----------------------------------|-------------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Bank Accounts | 2 | 55,386 | 23,081 |
| GST Refund Due | | 5,126 | - |
| Accounts Receivable | | 37,818 | 35,246 |
| Total Current Assets | | <u>98,330</u> | <u>58,327</u> |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 3 | 714 | 1,108 |
| Total Non-Current Assets | | <u>714</u> | <u>1,108</u> |
| TOTAL ASSETS | | 99,045 | 59,436 |
| CURRENT LIABILITIES | | | |
| GST Due for payment | | - | 74 |
| Accounts Payable | | 31,368 | 7,968 |
| Other Payables | | 6,000 | 37,200 |
| BNZ Credit Card - 72 | 2 | 737 | 5,157 |
| Income Received in Advance | | 8,000 | 19,748 |
| Total Current Liabilities | | <u>46,105</u> | <u>70,147</u> |
| TOTAL LIABILITIES | | 46,105 | 70,147 |
| NET ASSETS | | <u>\$52,940</u> | <u>(\$10,711)</u> |
| Represented by; EQUITY | | <u>\$52,940</u> | <u>(\$10,711)</u> |

This Statement is to be read in conjunction with the Notes to the Financial Statements.

**RURAL HEALTH ALLIANCE AOTEAROA
NEW ZEALAND INC
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

| | <i>Note</i> | 2018 \$ | 2017 \$ |
|--|-------------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash was provided from: | | | |
| Receipts from Customers | | 490,192 | 423,446 |
| Interest Received | | 88 | 302 |
| Sundry Received | | 53,224 | 13,111 |
| Net GST Paid | | - | 6,260 |
| | | <u>543,504</u> | <u>443,119</u> |
| Cash was applied to: | | | |
| Payments to Suppliers | | 501,579 | 544,735 |
| Net GST Paid | | 5,200 | - |
| | | <u>506,779</u> | <u>544,735</u> |
| Net Cash Flow / (Outflow) from Operating Activities | | <u>36,725</u> | <u>(101,616)</u> |
| Net Increase / (Decrease) in Cash Held | | 36,725 | (101,616) |
| Opening Bank Balance | | 17,924 | 119,540 |
| BALANCE AT END OF YEAR | | <u><u>\$54,649</u></u> | <u><u>\$17,924</u></u> |
| Represented by: | | | |
| BNZ Business First On-Call | | 39,468 | 11,387 |
| BNZ Non-Profit Account | | 15,918 | 11,695 |
| BNZ Credit Card - 72 | | (737) | (5,157) |
| | | <u><u>\$54,649</u></u> | <u><u>\$17,924</u></u> |

This Statement is to be read in conjunction with the Notes to the Financial Statements.

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Rural Health Alliance Aotearoa New Zealand Inc is incorporated under the Incorporated Societies Act 1908 and is registered under the Charities Act 2005. Its purpose is to provide solutions and influence policy affecting the health and wellbeing of rural communities.

Statutory Basis of Preparation

Rural Health Alliance Aotearoa New Zealand Inc is a Not for Profit entity.

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not for Profit) on the basis that the entity does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the entity will continue to operate in the foreseeable future.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are applied in these financial statements.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

(a) **Functional and Presentation Currency**

These financial statements are presented in New Zealand dollars (\$). New Zealand dollars is the functional currency for its operations.

(b) **Revenue Recognition**

Receipt of membership, conference, and sponsorship income

Income from membership, conference, and sponsorship is recognised by receipt of income at balance date.

Interest Revenue

Interest revenue is recorded as it is earned during the year.

(c) **Bank Accounts and Cash**

Bank accounts and cash comprise cash on hand, and savings accounts held at call with banks.

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(d) Property, Plant and Equipment

The entity has the following classes of fixed assets;

| | |
|-----------------|----------|
| Other Equipment | 50.0% DV |
| Website | 33.3% DV |

All property, plant and equipment are recorded at cost less accumulated depreciation.

Depreciation of property, plant and equipment has been calculated at the maximum rates permitted by the Income Tax Act 2007. The rates used are shown on the Schedule of Depreciation attached.

(e) Payables and Accrued Expenses

Payables and accrued expenses are measured at the amount owned.

(f) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis. All amounts are stated exclusive of GST with the exception of accounts receivable and accounts payable which are stated GST inclusive. The entity is registered at the Inland Revenue Department for GST purposes.

(g) Income Tax

Rural Health Alliance Aotearoa New Zealand Inc (the Society) is a registered charity and is not subject to income tax.

(h) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

Changes in Accounting Policies

There have been no changes to the accounting policies during the financial year.

2. BANK ACCOUNTS

| | 2018 | 2017 |
|----------------------------|------------------------|------------------------|
| | \$ | \$ |
| BNZ Business First On-Call | 39,468 | 11,387 |
| BNZ Non-Profit Account | 15,918 | 11,695 |
| TOTAL BANK ACCOUNTS | <u><u>\$55,386</u></u> | <u><u>\$23,081</u></u> |

There was no overdraft as at balance date nor was any facility arranged.

A VISA credit card with a limit of \$20,000 held. At year end \$737 was in use.

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3. PROPERTY, PLANT & EQUIPMENT

| | 2018 | 2017 |
|--|-------------|--------------|
| | \$ | \$ |
| Other Equipment | | |
| Opening Carrying Value | 143 | 286 |
| Depreciation | (72) | (143) |
| Closing Carrying Value | <u>71</u> | <u>143</u> |
| Website | | |
| Opening Carrying Value | 965 | 1,447 |
| Depreciation | (322) | (482) |
| Closing Carrying Value | <u>643</u> | <u>965</u> |
| Total Property, Plant & Equipment | <u>714</u> | <u>1,108</u> |

4. COMMITMENTS AND CONTINGENCIES

Rural Health Alliance Aotearoa New Zealand Inc has no capital commitments at 30 June 2018 (2017: Nil). At balance date there are no contingent liabilities (2017: \$10,711)

5. SUBSEQUENT EVENTS

There have been no subsequent events that may affect these financial statements. (2017: Nil).

6. RELATED PARTIES

During the year there was a related party transaction of \$2,000 from Rural Canterbury PHO Trust to help keep RHAANZ afloat throughout the period.

7. MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

Rural Health Alliance Aotearoa New Zealand (RHAANZ) had negative equity at the end of the 2017 financial year. Following the Government's decision to turn down a funding bid for core service provision in April 2018, the board determined RHAANZ was no longer in a position to deliver on the Ministry of Health's Emergency Response to Support Rural Mental Health contract. Notice to this effect was given to the Ministry and the board commenced a review of its strategic direction and organisational structure.

During this time, some members made voluntary contributions to give the board the necessary time to chart a new direction, and as a result the organisation recorded a year-end surplus for the 2018 financial year.

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN CONT.

Since balance date, members have indicated support for the new direction and structure and have agreed to pay a further year's membership levies. As the ability to continue to operate as a going concern is dependent on continued member support, there is a material uncertainty in relation to going concern. While this is still a modest revenue base, the board believes that RHAANZ will be able to operate within the available resources into the foreseeable future and therefore the financial statements for the current period have continued to be prepared on a going concern basis. If RHAANZ was unable to continue to operate for the foreseeable future, this may result in assets being realised and liabilities being discharged at values that differ from those recorded at balance date.

RURAL HEALTH ALLIANCE AOTEAROA NEW ZEALAND INC DEPRECIATION SCHEDULE FOR THE YEAR ENDED 30 JUNE 2018

| Asset | Cost Price | Book Value 1-Jul-2017 | Additions Disposals | Gain/Loss on Disposal | Capital Profit | ---- Depreciation ---- Mth Rate \$ | Accum Deprec 30-Jun-2018 | Book Value 30-Jun-2018 |
|------------------------|--------------|-----------------------|---------------------|-----------------------|----------------|---------------------------------------|--------------------------|------------------------|
| OTHER EQUIPMENT | | | | | | | | |
| Laptop | 529 | 143 | | | | 12 50.0% DV | 72 | 458 |
| Sub-Total | 529 | 143 | | | | | 72 | 458 |
| WEBSITE | | | | | | | | |
| Website | 3,125 | 966 | | | | 12 33.3% DV | 322 | 2,481 |
| Sub Total | 3,125 | 966 | | | | | 322 | 2,481 |
| TOTAL | 3,654 | 1,109 | | | | | 394 | 2,939 |

This Statement is to be read in conjunction with the Notes to the Financial Statements.