



The Royal New Zealand  
College of General Practitioners  
Te Whare Tohu Rata o Aotearoa

---

# ANNUAL REPORT

2 0 1 8



The Royal New Zealand  
College of General Practitioners  
**Te Whare Tohu Rata o Aotearoa**

Published by The Royal New Zealand College of General Practitioners, New Zealand, 2018.

ISSN 2624-0491 (Print)

ISSN 2624-0505 (Online)

© The Royal New Zealand College of General Practitioners, New Zealand, 2018.

The Royal New Zealand College of General Practitioners owns the copyright of this work and has exclusive rights in accordance with the Copyright Act 1994.

In particular, prior written permission must be obtained from The Royal New Zealand College of General Practitioners for others (including business entities) to:

- copy the work
- issue copies of the work, whether by sale or otherwise
- show the work in public
- make an adaptation of the work as defined by the Copyright Act 1994.



# CONTENTS

<b>Mission</b>	<b>2</b>
<b>Purpose</b>	<b>2</b>
<b>Vision</b>	<b>2</b>
<b>The Board</b>	<b>4</b>
<b>National Advisory Council</b>	<b>4</b>
<b>Leadership Team</b>	<b>4</b>
<b>Our members at a glance</b>	<b>5</b>
<b>Strategic Pillars</b>	<b>10</b>
<b>Report from the President and Chief Executive</b>	<b>12</b>
<b>The Royal New Zealand College of General Practitioners Group Financial Statements</b>	<b>18</b>
Audit report	<b>19</b>
Consolidated statement of comprehensive revenue and expenses	<b>21</b>
Consolidated statement of changes in net assets/equity	<b>21</b>
Consolidated statement of financial position	<b>22</b>
Consolidated statement of cash flows	<b>23</b>
Notes to the group financial statements	<b>24</b>
<b>The Royal New Zealand College of General Practitioners Research and Education Charitable Trust Financial Statements</b>	<b>38</b>
Audit report	<b>39</b>
Statement of comprehensive revenue and expenses	<b>41</b>
Statement of financial position	<b>42</b>
Statement of changes in net assets/equity	<b>42</b>
Statement of cash flows	<b>43</b>
Notes to the financial statements	<b>44</b>





## MISSION

The Royal New Zealand College of General Practitioners is a professional body and postgraduate educational institute that sets standards for general practice, providing research, assessment, ongoing education, advocacy and support for general practitioners and general practice.

## PURPOSE

To demonstrate the enduring value offered by general practice and general practitioners in a rapidly changing environment by leading and supporting members and general practice to ensure high quality, equitable care is offered to all patients.

General practitioners are doctors who are vocationally registered or who are currently in general practice vocational training. They are able to provide the comprehensive range of services included in the scope of general practice and, with the requisite skills for each location, may work in rural, small town, urban or hospital settings.

## VISION

New Zealand members of the British College of General Practitioners established a local Council in 1955. In 1973, it became a separate entity, and in 1979, it was granted permission to use 'Royal', becoming The Royal New Zealand College of General Practitioners.

The College seeks to have:

- a healthy sustainable general practitioner workforce;
- healthier New Zealanders through high quality general practice care; and
- a strong College supporting vibrant general practice.





## THE BOARD

(AS AT 31 MARCH 2018)

Dr Tim Malloy (President)  
Dr Sue Crengle (Te Akoranga a Māui representative)  
Dr Lauren McGifford (Elected member)  
Dr Joseph Scott-Jones (Elected member)  
Dr Joanna Blakey (Elected member)  
Ms Anita Mazzoleni (Appointed member)  
Dr Mark Peterson (Appointed member)

Board meetings are also attended by Dr Chris Reid (ex officio as Chair of the National Advisory Council) and Dr Lorraine Brooking (ex officio as Board apprentice). Neither Dr Reid nor Dr Brooking has voting rights.

## LEADERSHIP TEAM

(AS AT 31 MARCH 2018)

Helen Morgan-Banda (Chief Executive)  
Terina Moke (General Manager, Learning)  
Katie Mathison (General Manager, Membership)  
Dr Richard Medlicott (Medical Director)  
Keriatu Stuart (Tumuaki Māori)  
Michael Thorn (General Manager, Policy)  
Kelvin Wong (General Manager, Corporate)  
Kate Wang (General Manager, Quality)  
Anita Langlands (Human Resources Manager)

## NATIONAL ADVISORY COUNCIL

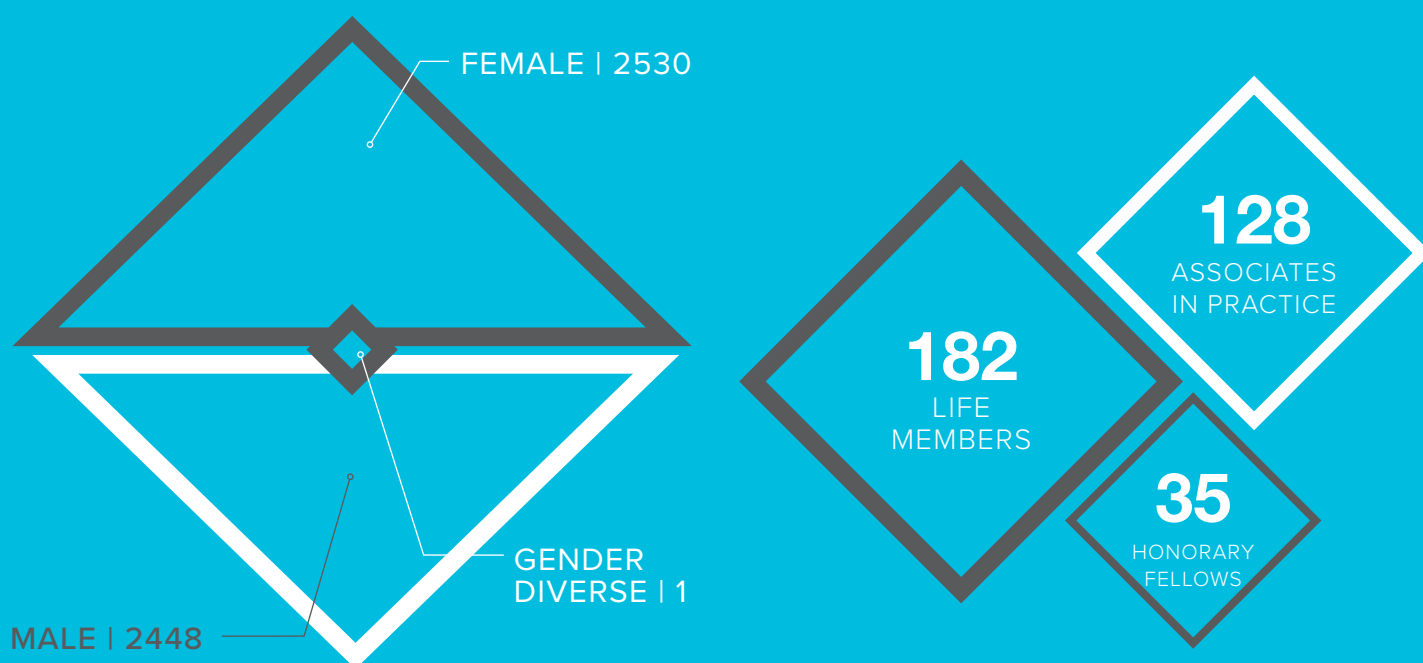
(AS AT 31 MARCH 2018)

Dr Chris Reid – Northland (Chair)  
Dr Sarah Sciascia – Te Akoranga a Māui  
Dr Katrina Kirikino – Te Akoranga a Māui  
Dr Maryann Heather – Pacific Chapter  
Dr Stephen Main – Division of Rural Hospital Medicine  
Dr Vanessa Souter – Registrars and Associates in Practice Chapter  
Dr Grahame Jelley – Rural General Practitioners' Chapter  
Dr Chandrakanth Jayaraman – Auckland  
Dr Bronwyn Campbell – Waikato / Bay of Plenty  
Dr David Rodgers – Hawkes Bay  
Dr Andrea Crichton – Wellington  
Dr Liz Scott – Nelson/Marlborough  
Dr Ben Hudson – Canterbury  
Dr Phil White – Otago  
Dr Bill Grove – Southland

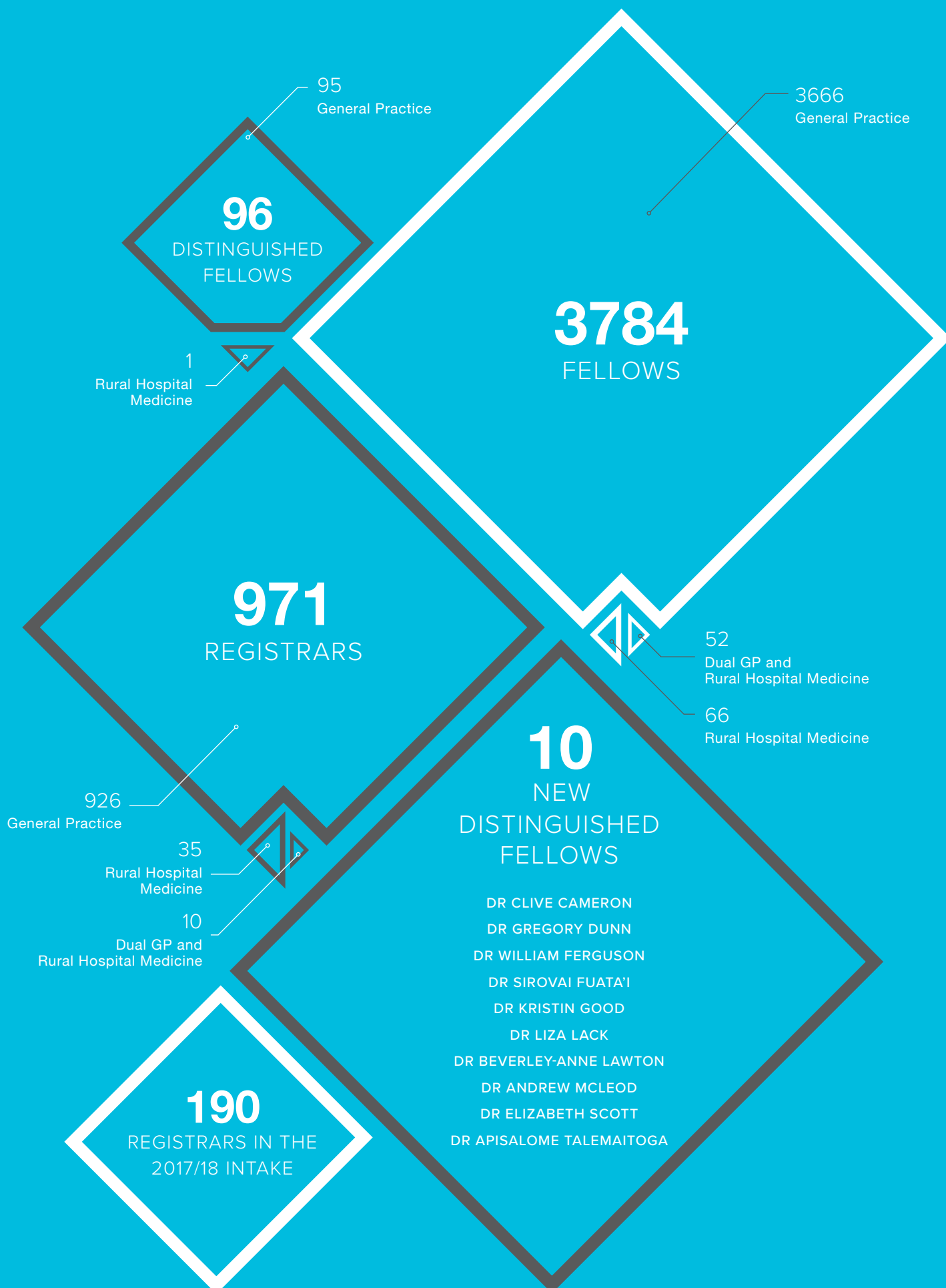
## OUR MEMBERS AT A GLANCE

(AS AT 31 MARCH 2018)

### OUR MEMBERS

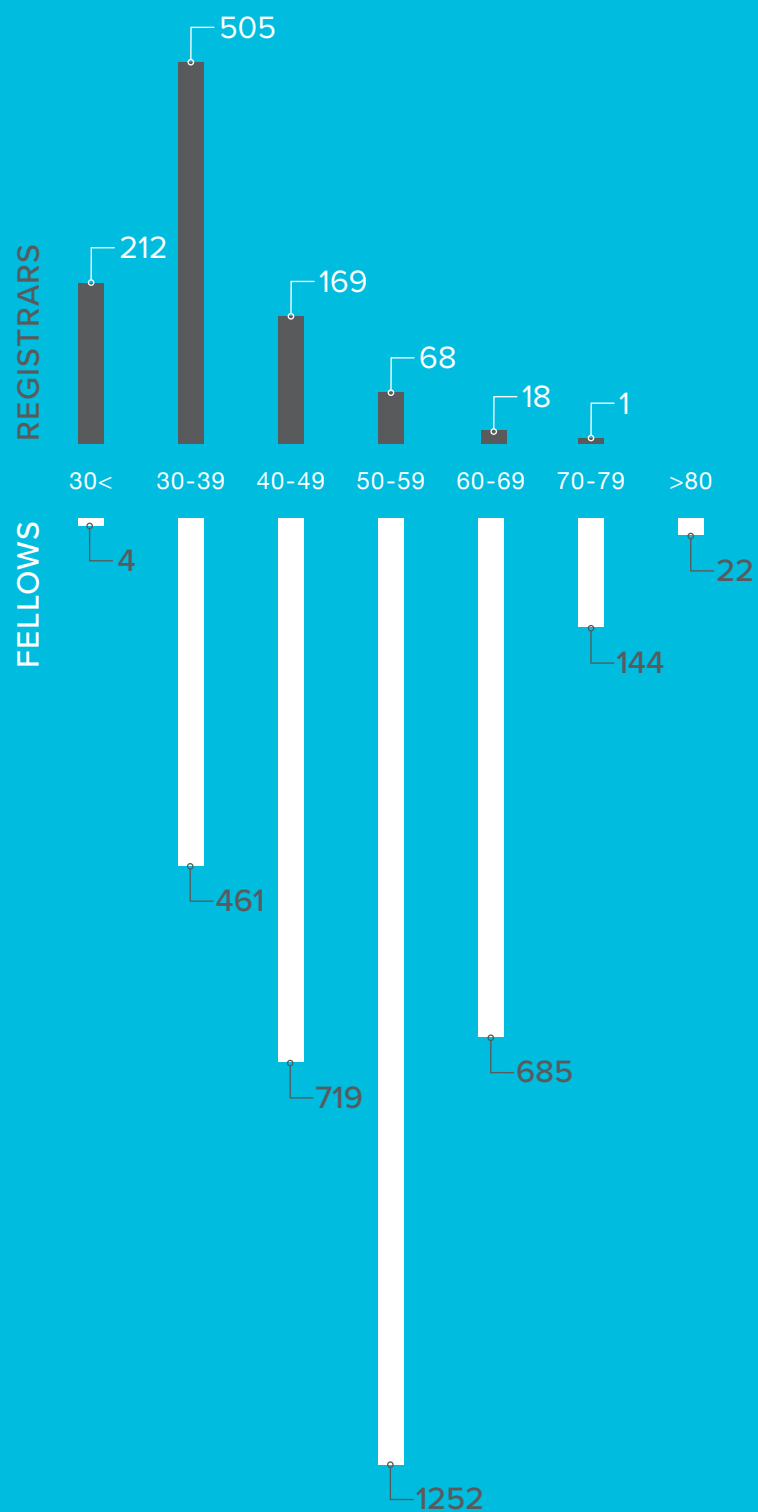


## ACTIVE MEMBERS BY CATEGORY

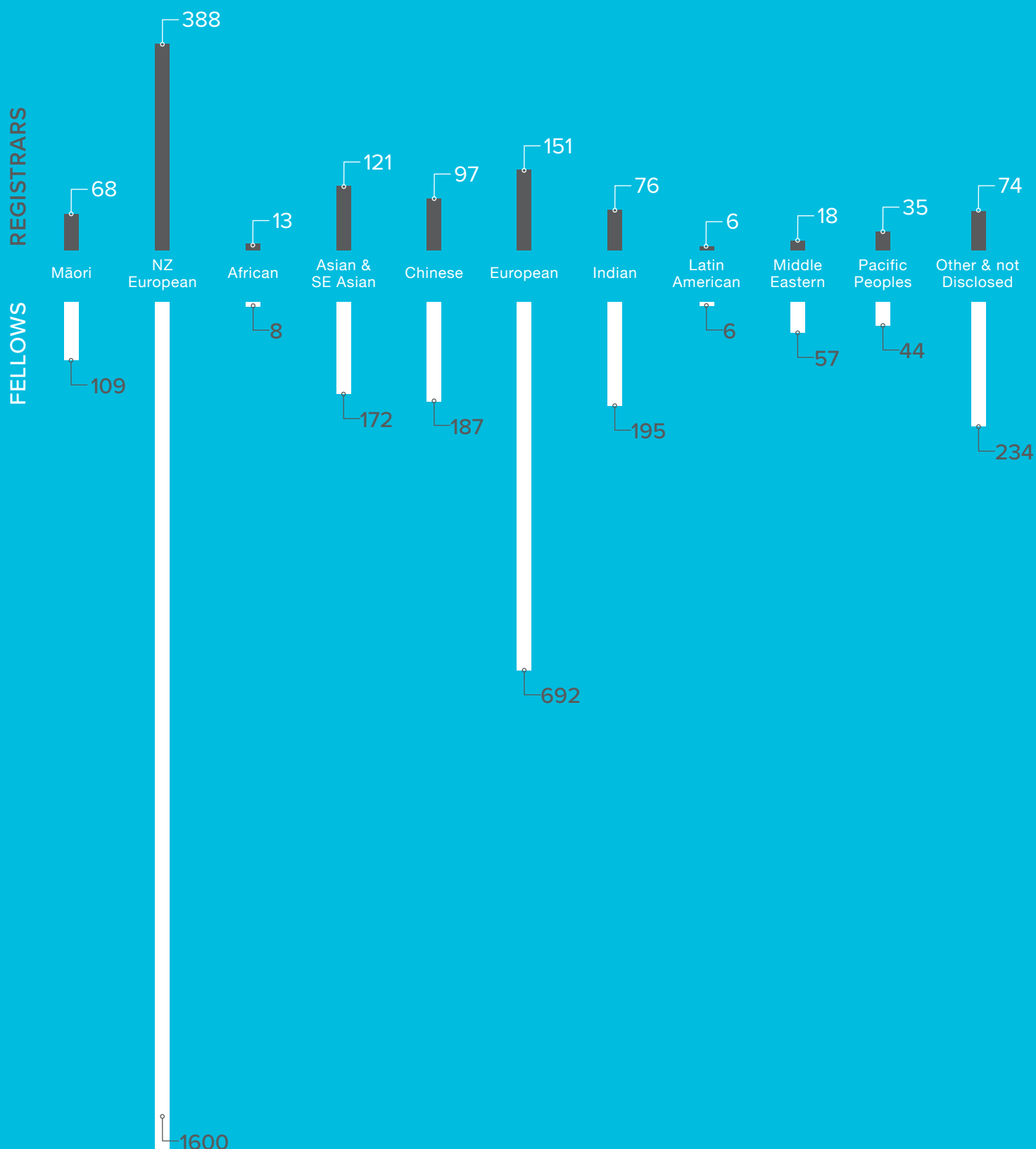




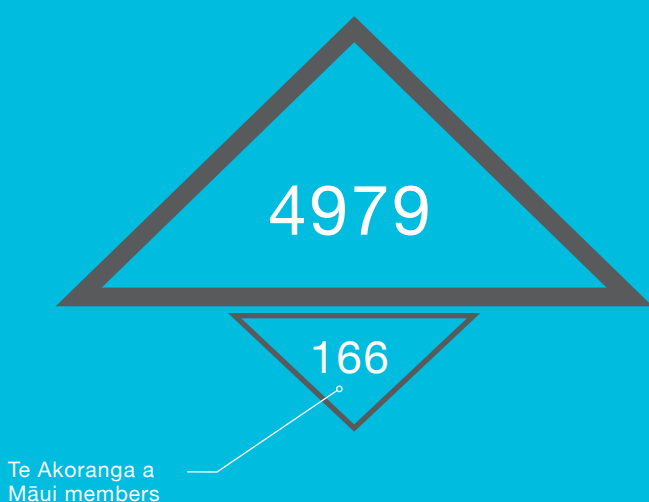
## AGE PROFILES OF REGISTRARS & FELLOWS



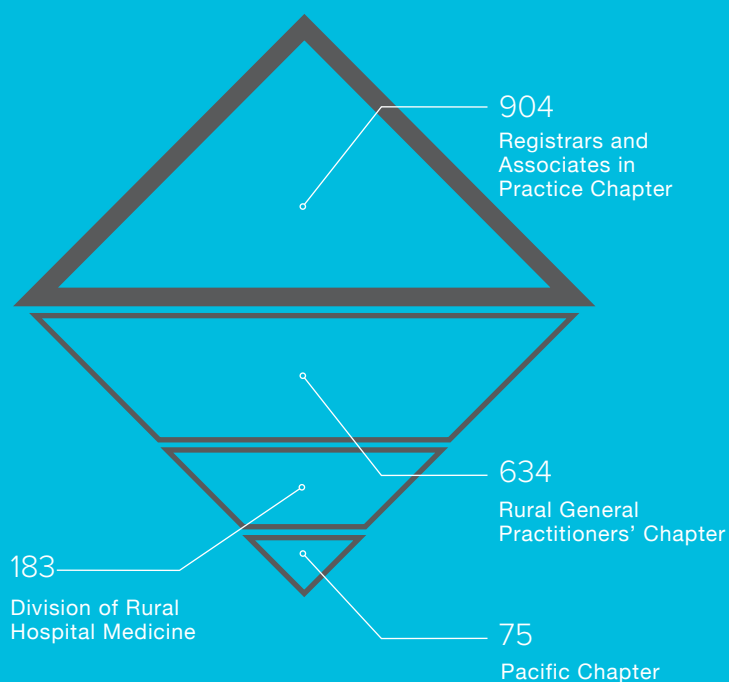
## ETHNICITY PROFILES OF REGISTRARS AND FELLOWS



## MEMBERS<sup>1</sup> OF THE COLLEGE

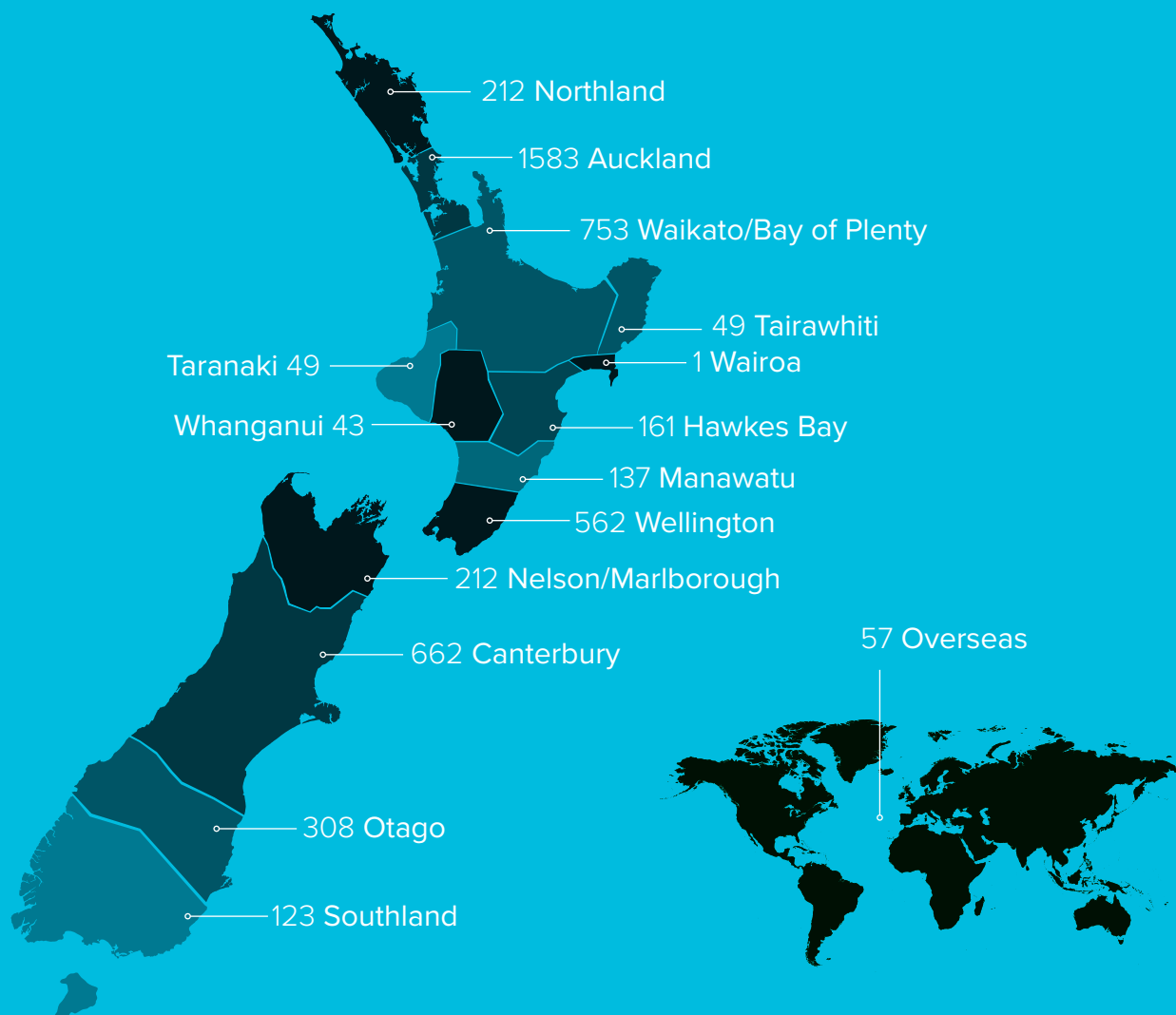


## MEMBERS BY CHAPTER



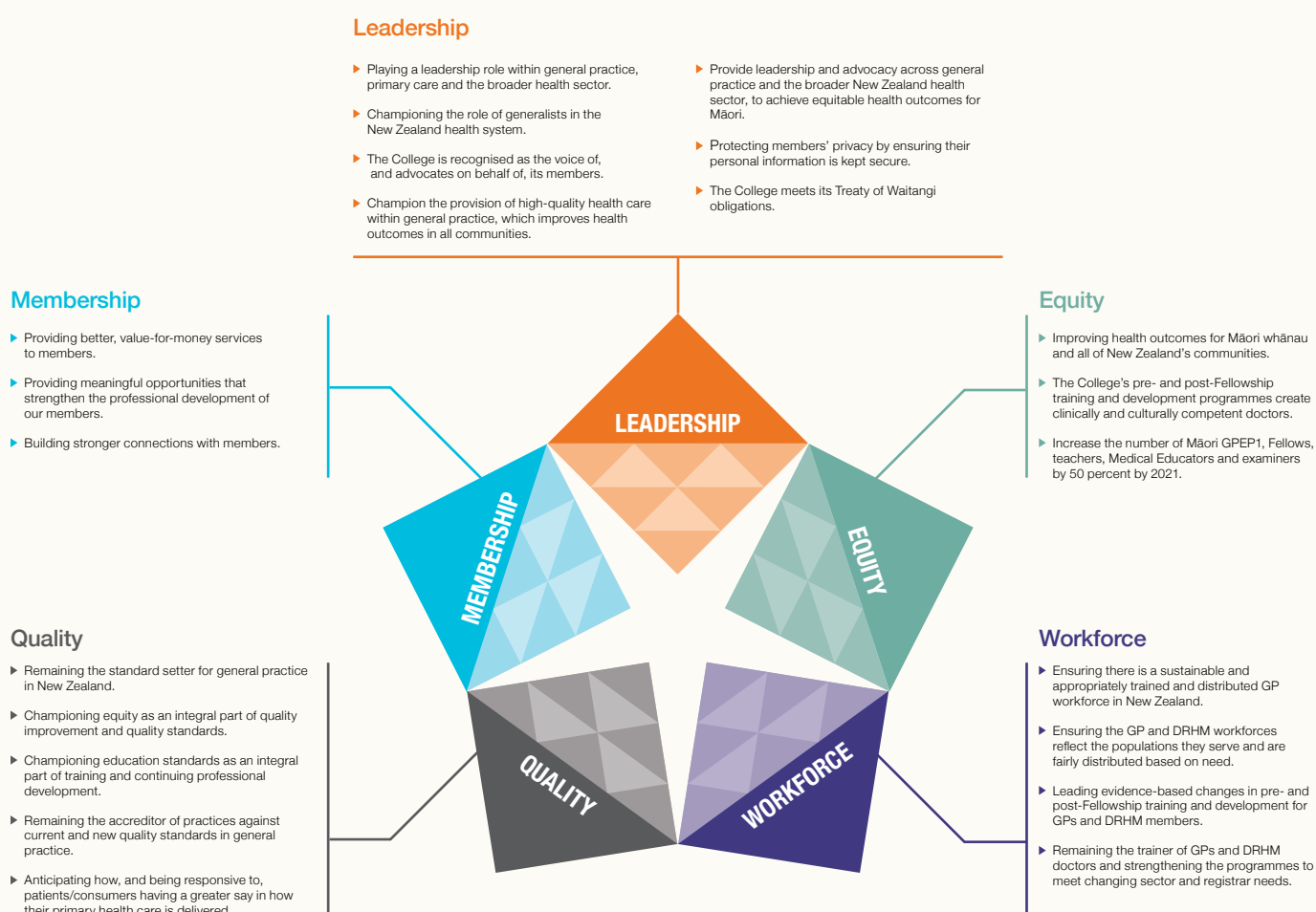
<sup>1</sup> This includes Registrars, Fellows, Associates in Practice and Members

## MEMBERS BY FACULTY



## STRATEGIC PILLARS

The College's role as a membership organisation that provides leadership in general practice and primary care is built upon five strategic pillars: Leadership, Membership, Quality, Workforce and Equity, each of which is supported by specific outcomes and activities.



Over the past year, the College has focused on:

- ensuring there is a sustainable, appropriately trained and distributed GP workforce in New Zealand;
- remaining the quality standard setter for New Zealand general practice;
- advocating for members and improving services for them;
- improving health outcomes for Māori whānau and all of New Zealand's communities; and
- playing a leadership role within general practice, primary care and the broader health sector

## 2017/18 HIGHLIGHTS

### Advocacy requires patience.

After several months of work, the College has achieved four workforce, funding and medicines outcomes that can be unequivocally claimed as a result of its advocacy efforts on behalf of members.

In line with the strategy set by the Board, these results were achieved by the College team in their everyday roles and budgets – no special project teams or expenses were incurred to achieve these results.

---

**“The College needs to train 300 GPs a year just to maintain the current GP-to-patient ratio of 74 FTE GPs per 100,000 New Zealanders.”**

“This Government has promised to increase the number of GP training places, and it will honour that promise.”

– *Hon Dr David Clark, Minister of Health*  
(Hansard, 21 February 2018)

---

**“We need a primary health care funding review that considers the current inequity of subsidised GP visits.”**

“Funding – how financial resources applied to health funding could be altered to provide greater flexibility in allocation, better transparency of return on investment, better support innovation in service mix/design and investment in key enablers, and reduce inequities through targeting those in need.”

– *The New Zealand Health and Disability System review terms of reference,*  
*Office of the Director-General of Health,*  
*14 June 2018*

---

**“LIUS (levonorgestrel intrauterine systems) should be funded in the community for contraception (where other alternatives have been trialled without success); endometriosis; and heavy menstrual bleeding without restriction.”**

“It is recommended that LIUS be listed with a high priority for contraception, community-based treatment of endometriosis and for the treatment of heavy menstrual bleeding.”

– *PHARMAC Pharmacology and Therapeutics Advisory Committee (PTAC)*

---

#### **Shared care in the prescribing of clozapine**

The College triage committee collaborated with the Royal Australian and New Zealand College of Psychiatrists and the Equally Well collaborative to create a clear statement of where responsibilities lie in the shared care of patients prescribed this medication, supported by a [bpac<sup>nz</sup>](#) article.

## REPORT FROM THE PRESIDENT AND THE CHIEF EXECUTIVE

### Leadership

For the College, 2017 was the year of advocacy for GPs and for our patients, continuing the foundations laid by the *GP – Heart of the Community, Kāinga Tupu* campaign, launched in 2016.

The 2017 General Election presented an opportunity to engage with politicians on issues that were important to members. To achieve the biggest impact, it was decided to focus all efforts on two key priorities: GP trainee numbers and improving access to patients for whom cost is a barrier.

The College has repeatedly forecast a shortage of GPs as many of our members intend to retire during the next decade. And yet in 2017, the College was forced to turn away more than 40 qualified applicants for the General Practice Education Programme because of a lack of government training funds. This was an inexplicable situation that needed to be addressed.

In the lead-up to the 2017 General Election, The Royal New Zealand College of General Practitioners and others successfully put the case for changes to general practice funding on the front pages of newspapers around the country.

Ministry of Health figures show half a million low-income Kiwis chose not to visit a GP because of cost. The College supports a funding system that is sustainable and equitable. This is not currently the case. A funding review and policy change would be required to reduce the inequities of the current system.

To build awareness of these two issues, the College engaged with politicians from all parties. Meetings were held with the then Minister of Health, Dr Jonathan Coleman, a political debate on primary health care was held in June 2017, and our digital postcard campaign resulted in the College presenting more than 350 GPs' messages to the Minister of Health about their workload stresses and concerns for their patients.

This work resulted in ongoing national media coverage, scrutiny of the existing funding shortfalls, and high-profile pre-election policy announcements from both the National and Labour political parties.

Our work continued post-election with a Briefing to the Incoming Minister outlining the current situation and the College's workforce forecasts.



## Quality

The College had a busy year in its role as the quality standard setter for general practice. It assisted more than 270 practices achieve Foundation Standard certification prior to the Ministry of Health's deadline of 1 July 2017 for all general practices to be either certified to Foundation Standard or accredited to the CORNERSTONE® programme.

As of March 2018, 748 practices were enrolled in the CORNERSTONE® programme (an increase of 78 on the previous year), and an additional 300 were in the Foundation Standard programme.

The College started a Quality webinar series for practices, aligned with indicators and criteria in Aiming for Excellence, to provide support to practices to achieve and maintain Foundation Standard certification and CORNERSTONE® accreditation. The webinars have been a huge success and have attracted large audiences and positive feedback.

Later in the year, the College received unfavourable feedback about the value of the CORNERSTONE® programme, which was then confirmed by independent qualitative research undertaken to assess practices' perceptions and experiences of the programme.

The research report noted that practices who have completed several four-year CORNERSTONE® cycles have lower satisfaction with the programme than those that had recently achieved accreditation. Although many practices reported they had benefited from introducing quality systems, over time, the workload associated with maintaining their accreditation status was now higher than the value they felt they were receiving from it.

The College has taken practices' feedback and the research report's finding seriously, and our planning to revamp the College's quality framework was well-advanced by the end of March 2018.

## Membership

The 2017 Conference for General Practice was held in Dunedin and was attended by 495 delegates. It featured keynote speakers Professor David Haslam, Chair of the UK National Institute for Health and Care Excellence; his namesake Professor David Haslam, Chair of the National Obesity Forum; and Tim Kelsey, CEO of the Australian Digital Health Agency.

The Conference programme featured its usual wide-ranging mix of interesting research presentations on current issues. In response to 22 percent of GPs reporting burn-out in the College workforce survey, a self-care seminar day was held as an adjunct to the Conference for General Practice. This was popular, being attended by 110 GPs. We would like to formally thank the Otago Faculty for their involvement in organising this excellent event and hosting us all so superbly.

Faculties around the country continued to deliver high-quality continuing medical education (CME) events. Highlights included the well-attended Northland Faculty's Great Russell Conference, the Nelson Faculty's AGM and CME workshop, the Wellington Faculty's mental health workshops, and the 2017 Digital Summit held in Wellington. All College Faculties and Chapters continue to look at exciting formats to deliver high-quality events to members.



## Workforce

The College's General Practice Education Programme (GPEP) saw an increased number of applicants in 2017, which is a positive sign for the future of general practice. The College accepted 192 GPEP registrars onto the three-year programme but unfortunately, for the first time in some years, had to turn away 40 qualifying applicants due to a lack of funded places.

The College also commissioned an independent review of the College's examination processes and rules. The reviewer observed the clinical exams for two days and conducted face-to-face and telephone interviews with key written and clinical exam stakeholders.

The report's author commended the quality of the clinical and written exams and reported they were in line with international practices and standards. He also highlighted the collegial and constructive organisational culture among the College's exam team. Areas to improve included clarifying the reciprocal responsibilities of the College and exam candidates and also reviewing the information technology used to organise and support the exams.



## Equity

Following the launch of the Māori Strategy, *He Ihu Waka, He Ihu Whenua, He Ihu Tangata*, the Māori and Health Equity team, supported by Te Akoranga a Māui, has been focused on achieving the Strategy's three outcomes:

1. Increase the number of Māori general practitioners;
2. Determine and enable a culturally and clinically competent general practitioner workforce; and
3. Provide leadership and advocacy across the primary health sector to achieve equitable health outcomes for Māori.

By 31 March 2018, the number of Māori general practitioners had increased from 162 to 177 overall. There are now 109 Māori Fellows, which is an 88 percent increase on the 2016 total of 58<sup>1</sup>. However, the College did not reach its goal of 22 percent of the total annual GPEP1 training intake being Māori; instead the number was 7 percent.

The team has been reworking the GPEP1 Māori Health Day programme, content and resources into a two-part module system. The first part comprises training modules that can be completed throughout the year, both online and during the weekly education seminars.

The second part is hosted on a marae and includes tikanga, correct pronunciation and increasing registrars' knowledge and skills in te reo Māori, and role-playing Māori clinical cases. The revamped Māori Health Day will be implemented during the second half of 2018, and the online parts of the modules will be made available to Fellows of the College in 2019.

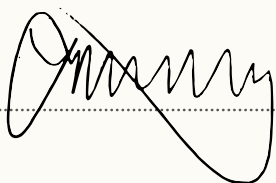
The Māori and Health Equity team has also contributed to the College's advocacy efforts in the past 12 months, particularly around reviewing the primary care funding formulas so that assistance is targeted to those in need.

<sup>1</sup> Annual Report, 2016. Since 2016, we have improved our methodology in how we record ethnicity.

## Votes of thanks

Our thanks go to the current Board members, the College team, our medical educators and teachers, examiners and assessors, and the many members who represent the College on numerous working groups and committees for all your hard work and commitment in the past year.

And to our College members and colleagues, thank you very much for your support during the year.

A handwritten signature in black ink, appearing to read 'Tim Malloy', written over a horizontal dotted line.

DR TIM MALLOY  
PRESIDENT

A handwritten signature in black ink, appearing to read 'Helen Morgan-Banda', written over a horizontal dotted line.

HELEN MORGAN-BANDA  
CHIEF EXECUTIVE

THE ROYAL NEW ZEALAND COLLEGE OF GENERAL PRACTITIONERS

# GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



# Audit Report



## Independent Auditor's Report

### To the Members of The Royal New Zealand College of General Practitioners

#### Opinion

We have audited the financial statements of The Royal New Zealand College of General Practitioners (the 'College') and its subsidiary The Royal New Zealand College of General Practitioners Research and Education Charitable Trust (together the 'group'), which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of comprehensive revenue and expenses, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 21 to 37, present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2018, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group 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 the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Other information

The Board is responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report, and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

#### Board's responsibilities for the consolidated financial statements

The Board is responsible on behalf of the group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board is responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.



**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7>

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Members, as a body. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Wellington, New Zealand  
29 June 2018

This audit report relates to the consolidated financial statements of The Royal New Zealand College of General Practitioners (the 'College') and its subsidiary (the 'group') for the year ended 31 March 2018 included on the entity's website. The Board is responsible for the maintenance and integrity of the entity's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 29 June 2018 to confirm the information included in the audited consolidated financial statements presented on this website.

## Consolidated Statement of Comprehensive Revenue & Expenses

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group 2018 \$000	Group 2017 \$000
<b>REVENUE</b>			
Ministry of Health contract revenue		22,468	21,048
Membership subscriptions		4,177	4,109
Fees	1	3,996	3,225
Finance revenue	2	512	577
Faculties' and Chapters' revenue	3	551	437
Other revenue	4	486	532
<b>TOTAL REVENUE</b>		<b>32,190</b>	<b>29,928</b>
<b>EXPENSES</b>			
Salaries - Registrar employees		13,743	12,366
Salaries - College employees		5,770	5,543
Educators and other contractors		5,699	5,370
ICT costs		900	1,018
Travel and accommodation		1,259	1,163
Occupancy		637	589
Faculties' & Chapters' expenses	3	430	292
Other operating expenses	5	3,526	3,204
<b>TOTAL EXPENSES</b>		<b>31,964</b>	<b>29,545</b>
<b>NET COMPREHENSIVE REVENUE &amp; EXPENSES</b>		<b>226</b>	<b>383</b>

## Consolidated Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 31 MARCH 2018

	Group 2018 \$000	Group 2017 \$000
Opening balance at 1 April 2017	7,660	7,277
Net comprehensive revenue & expenses for the year	226	383
<b>MEMBERS' FUNDS AT 31 MARCH 2018</b>	<b>7,886</b>	<b>7,660</b>

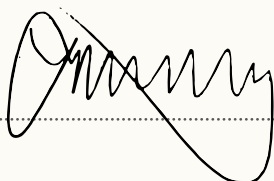
.....  
The accompanying notes form part of, and should be read in conjunction with, these financial statements

# Consolidated Statement of Financial Position

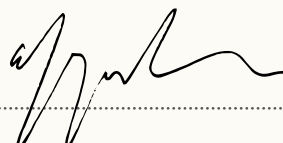
AS AT 31 MARCH 2018

	Notes	Group 2018 \$000	Group 2017 \$000
<b>ASSETS</b>			
Cash and cash equivalents	6	2,541	3,343
Short term deposits	6	7,800	10,075
Managed funds	6	5,575	3,314
Accounts receivable		1,031	1,417
Prepayments		232	144
Plant and equipment	7	469	571
Intangible assets	8	225	311
<b>TOTAL ASSETS</b>		<b>17,873</b>	<b>19,175</b>
<b>LIABILITIES</b>			
Accounts payable		841	1,260
Employee entitlements		370	314
Income in advance	9	8,071	9,071
Goods and services tax		705	870
<b>TOTAL LIABILITIES</b>		<b>9,987</b>	<b>11,515</b>
<b>NET ASSETS</b>		<b>7,886</b>	<b>7,660</b>
<b>MEMBERS' FUNDS</b>			
College accumulated funds		5,825	5,789
Faculties' & Chapters' accumulated funds	10	2,061	1,871
<b>TOTAL MEMBERS' FUNDS</b>		<b>7,886</b>	<b>7,660</b>

These financial statements were approved for issue by the Board on 29 June 2018.



DR TIM MALLOY  
PRESIDENT



MS ANITA MAZZOLENI  
CHAIR - AUDIT AND RISK COMMITTEE

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

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2018

	Group 2018 \$000	Group 2017 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contract revenue	21,537	19,904
Finance revenue	512	577
Other revenue	5,337	5,319
Membership subscriptions	4,177	4,108
Payment to suppliers and employees	(32,260)	(28,978)
<b>Net cash flows from operating activities</b>	<b>(697)</b>	<b>930</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(107)	(71)
Purchase of intangible assets	(12)	(337)
Transfer of cash into managed funds	(2,261)	(2,271)
<b>Net cash flows from investing activities</b>	<b>(2,380)</b>	<b>(2,679)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,077)</b>	<b>(1,749)</b>
Cash and cash equivalents at beginning of year	13,418	15,167
<b>Cash and cash equivalents at end of year</b>	<b>10,341</b>	<b>13,418</b>
Cash and cash equivalents at 31 March consists of:		
Cash and cash equivalents	2,541	3,343
Short term deposits	7,800	10,075
<b>TOTAL</b>	<b>10,341</b>	<b>13,418</b>

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

# NOTES TO THE GROUP FINANCIAL STATEMENTS

## Statement of Accounting Policies

### REPORTING ENTITIES

The financial statements presented are those of The Royal New Zealand College of General Practitioners (the College) and its subsidiary The Royal New Zealand College of General Practitioners Research and Education Charitable Trust (the Trust), collectively referred to as the Group.

All Group entities are incorporated as Charitable Trusts, registered under the Charitable Trusts Act 1957 and are Registered Charities under the Charities Act 2005.

The overall goal of the College and Group is to improve the health of all New Zealanders through high quality general practice care.

### BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with *Public Benefit Entity International Public Sector Accounting Standards* (PBE IPSAS) and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions, have been adopted. The Group is deemed a public benefit entity for financial reporting purposes and has been established to achieve its overall goal rather than a financial return.

The Group qualifies as a Tier 2 reporting entity due to having between \$2m and \$30m operating expenditure in the two previous reporting periods. The group's expenses have increased beyond \$30m in the current year which means they will no longer qualify for Tier 2 reporting. Therefore, the group will transition to Tier 1 in the next financial year.

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments which are measured at fair value. All dollar values are presented in New Zealand dollars rounded to the nearest thousand.

The financial statements were authorised for issue by the Board on 29 June 2018.



## Specific Accounting Policies

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

### A. // BASIS OF CONSOLIDATION

Consistent accounting policies are employed in the preparation and presentation of the Group financial statements. In preparing the Group financial statements, all inter-entity balances and transactions are eliminated on consolidation.

#### **Subsidiaries**

Subsidiaries are entities over which the College has the power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. Group financial statements are prepared by combining the financial statements on a line-by-line basis.

#### **Joint venture**

The College has Patients First Limited which is a joint venture with General Practice New Zealand Incorporated, and has not been equity accounted in the consolidated financial statements.

The Patients First Limited constitution specifically prohibits any dividends or other monetary distributions to be made to its shareholders and therefore the value of the investment in the joint venture is not distributable to the College, and has not been equity accounted in the consolidated financial statements.

### B. // FINANCE INCOME

Finance income comprises interest income on financial assets, foreign exchange gains and losses and fair value gains on financial assets at fair value through surplus or deficit. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign currency movements are in a net gain or net loss position.

### C. // FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the College's Statement of Financial Position when the College becomes a party to the contractual provisions of the instrument. The College shall offset financial assets and financial liabilities if the College has a legally enforceable right to set off recognised amounts and interest and intend to settle on a net basis. Financial assets are classed as either cash, loans and receivables or held to maturity.

### D. // MANAGED FUNDS

Managed funds are recognised at fair value on the College's Statement of Financial Position, with any gains/losses recognised through the Statement of Comprehensive Revenue & Expenses.

### E. // LOANS AND RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate. Bad debts are written off in the period in which they are identified.

#### F. // CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of less than one year that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash at bank and short term deposits.

#### G. // TERM DEPOSITS

For the purposes of the Statement of Cash Flows, funds invested longer than one year are classed as term investments and are held to maturity.

#### H. // PLANT AND EQUIPMENT

All items of plant and equipment are shown at cost less accumulated depreciation to date, with the exception of the President's chain of office, which has been incorporated at an independent valuation dated November 1991 and the College gowns which are recorded at cost. Cost includes the value of consideration exchanged, or fair value in the case of donated or subsidised assets, and the costs directly attributable to bringing the item to working condition for its intended use.

Subsequent expenditure relating to an item of plant and equipment is capitalised to the initial costs of the item when the expenditure increases the economic life of the item or where expenditure was necessarily incurred to enable future economic benefits to be obtained. All other subsequent expenditure is expensed in the period in which it is incurred.

#### I. // DEPRECIATION

The annual rates of depreciation applicable are based on the estimated useful lives as follows:

- Office Equipment 4 - 10 years
- Furniture & Fittings 5 - 10 years
- Computer Equipment 2 - 4 years

#### J. // INTANGIBLE ASSETS

Licenses and software are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 4-5 years. The estimated useful lives are reviewed at the end of each reporting period.

#### K. // SUBSCRIPTIONS RECEIVABLE

Subscriptions receivable are recognised at amortised cost using the effective interest method less any impairment. Bad debts are written off in the period in which they are identified.

#### L. // TAXATION

All Group entities are registered Charities and are therefore exempt from income taxation.

#### M. // GOODS AND SERVICES TAX (GST)

These financial statements have been prepared on a GST exclusive basis except accounts receivable, accounts payable and accrued expenses where applicable include GST.

#### N. // LEASES

There are no assets acquired via finance leases. The College leases buildings. Operating lease payments, where the lessors effectively retain all the risks and benefits of ownership of the leased items, are included in the Statement of Comprehensive Revenue & Expenses in equal installments over the lease term.

#### O. // ACCOUNTS PAYABLE

Trade and other payables represent the liabilities for goods and services provided to the College prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days, are non-interest bearing and are initially recognised at their fair value and subsequently at amortised cost.

#### P. // EMPLOYEE ENTITLEMENTS

All employee benefits of the College that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, plus annual leave earned and accrued to, but not taken at balance date.

#### Q. // REVENUE RECOGNITION

Revenue is recognised on the following basis:

##### i. MEMBERS' SUBSCRIPTIONS

Income received from members' subscriptions is allocated proportionally over the period to which they relate. Amounts owed that are due to the College and Group for past years' memberships are shown under current assets net of allowance for impairment.

##### ii. CONTRACT AND OTHER REVENUE

Contract revenue is recognised by reference to the stage of completion of service by the College and Group. Amounts received in advance of the service being provided are deferred and recognised as Income in Advance.

##### iii. FEE REVENUE

**CORNERSTONE®** programme fees are recognised in proportion to programme costs being incurred over the life of the programme. As such, revenue is recognised when a practice's annual self-assessment is reviewed and also upon the completion of the final assessment.

**Fellowship** fee revenue is recognised to costs being incurred. As such, revenue is recognised when a Fellowship visit is arranged and also upon the completion of the assessment.

**Foundation Standard** fees are recognised over the life of the programme in proportion to programme costs being incurred.

**Examination** fee revenue is recognised upon completion of the examinations.

**GPEP2/3** training fee revenue is recognised on a straight line basis over the training period

#### IV. INTEREST INCOME

Interest income is recognised in the period in which the interest is earned.

#### V. DIVIDENDS

Income from dividends is recognised when the Groups' right to receive payment is established, and the amount can be reliably measured.

Revenue is considered to be exchange revenue in accordance with PBE IPSAS 9 – *Revenue from Exchange Transactions*. There is no non-exchange revenue.

## R. // CASH FLOWS

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Revenue & Expenses. The following are the definitions of the terms used in the cash flow statement:

### i. OPERATING ACTIVITIES

Operating activities include all transactions and other events that are not investing or financing activities.

### ii. INVESTING ACTIVITIES

Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

### iii. CASH AND CASH EQUIVALENTS

Cash includes coins and notes both local and foreign currency, demand deposits and other highly liquid investments readily convertible into cash and includes all call investments as used by the College and the Group as part of their day-to-day cash management.

## 1. Fee Revenue

	Group 2018 \$000	Group 2017 \$000
Cornerstone fees	1,355	576
Clinical & written exams	851	745
Fellowship assessments	342	371
Foundation standard	194	204
GPEP2/3 programme	934	827
Other fees	320	502
<b>TOTAL FEE REVENUE</b>	<b>3,996</b>	<b>3,225</b>

## 2. Finance Revenue

	Group 2018 \$000	Group 2017 \$000
Interest	232	293
Gain on managed fund	280	284
<b>TOTAL FINANCE REVENUE</b>	<b>512</b>	<b>577</b>

### 3. Faculties' and Chapters' Revenue and Expenses

	Group 2018 \$000	Group 2017 \$000
Membership levies	485	354
Interest income	43	26
Sundry income	23	57
<b>TOTAL FACULTIES' AND CHAPTERS' REVENUE</b>	<b>551</b>	<b>437</b>

Faculties' and Chapters' revenue and expenses are analysed as below:

	Revenue 2018	Expenses 2018	Surplus/ (Deficit) 2018	Revenue 2017	Expenses 2017	Surplus/ (Deficit) 2017
	\$000	\$000	\$000	\$000	\$000	\$000
Auckland Faculty	109	96	13	104	64	40
Northland Faculty	36	38	(2)	31	24	7
Waikato Faculty	53	28	25	50	33	17
Tairāwhiti Faculty	2	-	2	-	-	-
Wellington Faculty	41	18	23	35	13	22
Hawkes Bay Faculty	11	8	3	13	7	6
Nelson Faculty	13	8	5	13	12	1
Taranaki Faculty	9	-	9	9	-	9
Whanganui Faculty	4	1	3	6	-	6
Manawatu Faculty	11	5	6	10	-	10
Canterbury Faculty	43	50	(7)	41	39	2
Otago Faculty	20	28	(8)	20	24	(4)
Southland Faculty	8	2	6	7	11	(4)
Pacific Chapter	11	4	7	10	1	9
Te Akoranga a Māui	36	48	(12)	36	26	10
Rural General Practitioners' Chapter	16	10	6	50	8	42
Rural Hospital Generalists' Chapter	187	83	104	61	28	33
The Registrars' Chapter	11	3	8	11	2	9
<b>TOTAL INCLUDING COLLEGE CONTRIBUTION</b>	<b>621</b>	<b>430</b>	<b>191</b>	<b>507</b>	<b>292</b>	<b>215</b>
Less College Contribution	(70)	-	(70)	(70)	-	(70)
<b>NET REVENUE AND EXPENSES</b>	<b>551</b>	<b>430</b>	<b>121</b>	<b>437</b>	<b>292</b>	<b>145</b>

Please note, the table above uses rounding and may differ slightly from the total.

## 4. Other Revenue

	Group 2018 \$000	Group 2017 \$000
Rental income	16	15
Event and other income	470	517
<b>TOTAL OTHER REVENUE</b>	<b>486</b>	<b>532</b>

## 5. Other Operating Expenses

	Notes	Group 2018 \$000	Group 2017 \$000
Depreciation of plant and equipment	7	208	184
Amortisation of intangibles	8	92	33
Directors' fees		274	245
Audit fees - external		29	33
Audit fees - internal		32	-
Accounting, taxation and legal fees		109	120
Conferences and seminars		700	593
Cornerstone expenses		1,084	896
Information delivery		238	263
Loss on asset disposal		1	1
Grants		19	51
Other committee fees		128	70
Sundry operating expenses		612	715
<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>3,526</b>	<b>3,204</b>

## 6. Cash and Cash Equivalents

	Group 2018 \$000	Group 2017 \$000
Cash at bank and in hand	2,541	3,343
Short-term deposits	7,800	10,075
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>10,341</b>	<b>13,418</b>

The carrying value of cash and cash equivalents approximate their fair value.

Cash and cash equivalents includes income in advance of \$8,071,000 (2017: \$9,071,000) which arises due to the in-advance nature of the funding for the College's training and employment contracts.

The carrying value of the managed funds as at March 2018 is \$5,575,000 (2017: \$3,314,000).



## 7. Plant and Equipment

MOVEMENTS FOR PLANT AND EQUIPMENT ARE AS FOLLOWS:

	Office equipment	Furniture and fittings	Computer equipment	TOTAL
Cost or Valuation	\$000	\$000	\$000	\$000
Balance at 1 April 2017	38	540	389	967
Additions	18	17	73	108
Disposals	-	-	(4)	(4)
<b>BALANCE AT 31 MARCH 2018</b>	<b>56</b>	<b>557</b>	<b>458</b>	<b>1,071</b>

	Office equipment	Furniture and fittings	Computer equipment	TOTAL
Accumulated depreciation	\$000	\$000	\$000	\$000
Balance at 1 April 2017	21	139	237	397
Depreciation expense	7	98	103	208
Disposals	-	-	(3)	(3)
<b>BALANCE AT 31 MARCH 2018</b>	<b>28</b>	<b>237</b>	<b>337</b>	<b>602</b>

There are no restrictions on title of Plant and Equipment, nor are there any contractual commitments for the acquisition for such assets.

## 8. Intangible Assets

MOVEMENTS FOR INTANGIBLE ASSETS ARE AS FOLLOWS:

	Computer Software
Cost or Valuation	\$000
Balance at 1 April 2017	1,376
Additions	6
Disposals	(501)
<b>BALANCE AT 31 MARCH 2018</b>	<b>881</b>

	Computer Software
Accumulated amortisation	\$000
Balance at 1 April 2017	1,065
Amortisation expense	92
Disposals	(501)
<b>BALANCE AT 31 MARCH 2018</b>	<b>656</b>

There are no restrictions on title of Intangible Assets, nor are there any contractual commitments for the acquisition for such assets.

## 9. Income in Advance

	Group 2018	Group 2017
	\$000	\$000
Ministry of Health contract revenue	5,286	5,926
Cornerstone fees	1,763	2,263
Fellowship assessment fees	119	101
GPEP2/3 programme	751	708
Other fees in advance	152	73
<b>TOTAL INCOME IN ADVANCE</b>	<b>8,071</b>	<b>9,071</b>

## 10. Faculties' and Chapters' Accumulated Funds

	2018	Surplus/ (Deficit) 2018	2017	Surplus/ (Deficit) 2017
	\$000	\$000	\$000	\$000
Auckland Faculty	505	13	490	40
Northland Faculty	79	(2)	82	7
Waikato Faculty	243	25	218	17
Tairāwhiti Faculty	6	2	4	-
Wellington Faculty	244	23	221	22
Hawkes Bay Faculty	73	3	70	6
Nelson Faculty	29	5	25	1
Taranaki Faculty	73	9	64	9
Whanganui Faculty	39	3	35	6
Manawatu Faculty	83	6	77	10
Canterbury Faculty	112	(7)	121	2
Otago Faculty	137	(8)	143	(4)
Southland Faculty	55	6	48	(4)
Pacific Chapter	25	7	18	9
Te Akoranga a Māui	49	(12)	62	10
Rural General Practitioners' Chapter	41	6	70	42
Rural Hospital Generalists' Chapter	219	104	82	33
The Registrars' Chapter	49	8	41	9
	<b>2,061</b>	<b>191</b>	<b>1,871</b>	<b>215</b>

## 11. Operating Lease Commitments

Non-cancellable operating lease rentals are payable as follows:

	2018	2017
	\$000	\$000
No later than one year	481	481
More than one year less than 5 years	1,923	1,923
More than 5 years	721	1,202

The College leases premises under operating leases. The premises leases are for up to 9 years. No leases contain contingent rental payments. The College has a right to renewal in September 2024.

## 12. Financial Instruments

The College holds a number of financial instruments in the course of its normal activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the accounting policies.

### FAIR VALUE

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the College's accounting policies.

### LIQUIDITY RISK

The Group manages its liquidity risk by managing cash flows and ensuring that adequate liquid funds are available at all times.

### CREDIT RISK

Financial instruments which potentially subject the College to credit risk consist of bank balances, managed funds and short term bank deposits and accounts receivable. The College does not require collateral or security to support financial instruments. The College's bank and short-term deposit accounts are with ANZ, BNZ and Westpac. Accounts receivable predominately comprise invoiced fees for services provided to members and are considered fully recoverable.

### INTEREST RATE RISK

Financial instruments which potentially subject the College to interest rate risk consist of bank balances and short term bank deposits. Interest rate risk is limited by investing funds in term deposits for period where these funds are not required for liquidity purposes.

The table below shows the carrying amount of the Group's financial assets and financial liabilities:

	Carrying Amount (\$000)			
	Financial assets		Financial liabilities	Total as at 31 March 2018
	Fair Value	Loans and receivables	Amortised cost	
<b>Substantially measured at fair value</b>				
<b>Securities:</b>				
Cash	-	-	-	-
Bonds - New Zealand	478	-	-	<b>478</b>
Bonds - Overseas	1,158	-	-	<b>1,158</b>
Property - New Zealand	455	-	-	<b>455</b>
Equity - New Zealand	-	-	-	-
Equity - Overseas	2,885	-	-	<b>2,885</b>
<b>Substantially not measured at fair value</b>				
Cash and cash equivalents (assets)	599	10,341	-	<b>10,940</b>
Receivables	-	1,031	-	<b>1,031</b>
Payables	-	-	(841)	<b>(841)</b>
	<b>5,575</b>	<b>11,372</b>	<b>(841)</b>	<b>16,106</b>

	Carrying Amount (\$000)			
	Financial assets		Financial liabilities	Total as at 31 March 2017
	Fair Value	Loans and receivables	Amortised cost	
<b>Substantially measured at fair value</b>				
<b>Securities:</b>				
Cash	-	-	-	-
Bonds - New Zealand	518	-	-	<b>518</b>
Bonds - Overseas	472	-	-	<b>472</b>
Property - New Zealand	174	-	-	<b>174</b>
Equity - New Zealand	784	-	-	<b>784</b>
Equity - Overseas	1,248	-	-	<b>1,248</b>
<b>Substantially not measured at fair value</b>				
Cash and cash equivalents (assets)	118	13,418	-	<b>13,536</b>
Receivables	-	1,417	-	<b>1,417</b>
Payables	-	-	(1,255)	<b>(1,255)</b>
	<b>3,314</b>	<b>14,835</b>	<b>(1,255)</b>	<b>16,894</b>

## 13. Segment Reporting

The Group operates in one segment, Primary Care Education and Advocacy in New Zealand.

## 14. Related Party Transactions

The College has a related party relationship with the Trust, its Members of the Board and Executive Management.

### i // RELATED PARTY TRANSACTIONS

	2018 \$000	2017 \$000
Members' levies paid to the Trust	44	45
Patients First Limited	60	31

### ii // KEY MANAGEMENT REMUNERATION

The Group classifies its key management as:

- Members of the Board
- Executive management team, including the Chief Executive

Members of the Board are paid Board fees and, where applicable, representation fees. The Executive management team is employed as employees of the Group on standard employment terms.

The aggregate level of Board fees and representation fees paid to Executive personnel is presented below:

	Board Fees 2018 \$000	Representation Fees 2018 \$000	Board Fees 2017 \$000	Representation Fees 2017 \$000
Dr Tim Malloy	53	45	50	45
Dr Mark Peterson	26	-	26	5
Dr Sue Crengle	26	-	25	2
Dr Lauren McGifford	26	-	25	-
Dr Jo Scott-Jones	26	-	17	-
Ms Anita Mazzoleni	26	-	15	-
Dr Jo Blakey	18	-	-	-
Dr Apisalome Talemaitoga	8	-	25	2
Mr David Moore	-	-	9	-
Dr Rochelle Phipps	-	-	8	-
	209	45	200	54

The College also has contracts with many of its members including Members of the Board for provision of services. These are conducted on standard commercial arms' length terms.

	Remuneration 2018 \$000	Number of Individuals 2018	Remuneration 2016 \$000	Number of Individuals 2017
Executive management	1,171	6.5	1,038	6

## 15. Reconciliation of the Surplus for the period with Net Cash Flows from Operating Activities

	Group 2018 \$000	Group 2017 \$000
<b>Net surplus for the year</b>	226	383
<b>Add non-cash items:</b>		
Amortisation	92	33
Depreciation	208	184
Loss on disposal	1	1
<b>Movements in working capital</b>		
Accounts receivable	386	(320)
Prepayments	(87)	(32)
Accounts payable	(414)	121
Employee entitlements	56	96
GST payable	(163)	139
Income in advance	(1,000)	325
<b>Net cash inflow from operating activities</b>	<b>(695)</b>	<b>930</b>

## 16. Investment in Joint Venture

The College has Patients First Limited which is a joint venture with General Practice New Zealand Incorporated.

	Number of shares	Percentage Held		Balance Date
		2018	2017	
Patients First Limited	2,000	50%	50%	31 March

The Patients First Limited joint venture is not accounted for in the Group's consolidated financial statements.

Patients First Limited's constitution specifically prohibits any dividends or other monetary distributions to be made to its shareholders and therefore the value of the investment in the joint venture is not distributed to the College.

As at 31 March 2018 (2017: nil), Patients First Limited had no contingent assets or liabilities.

Patients First Limited changed their balance date to 31 March 2018 in order to align to the Group's balance date. They previously had a balance date of 30 June.

## 17. Contingencies

The Group has no contingent liabilities as at 31 March 2018 (2017: nil).

## 18. Subsequent Events

There were no material subsequent events after the balance date.

THE ROYAL NEW ZEALAND COLLEGE OF GENERAL PRACTITIONERS

# RESEARCH AND EDUCATION CHARITABLE TRUST FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



# Audit Report



## Independent Auditor's Report

### To the Trustees of The Royal New Zealand College of General Practitioners Research and Education Charitable Trust

#### Opinion

We have audited the financial statements of The Royal New Zealand College of General Practitioners Research and Education Charitable Trust (the 'Trust'), which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive revenue and expenses, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 41 to 46, present fairly, in all material respects, the financial position of the Trust as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Trust 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 the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Other information

The Trustees are responsible on behalf of the Trust for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

#### Trustees' responsibilities for the financial statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.



**Auditor's responsibilities  
for the audit of the  
financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Trustees, as a body, in accordance with Section 8(b) of the Trust Deed. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Wellington, New Zealand  
5 July 2018

This audit report relates to the financial statements of The Royal New Zealand College of General Practitioners Research and Education Charitable Trust (the 'Trust') for the year ended 31 March 2018 included on the entity's website. The Trustees are responsible for the maintenance and integrity of the entity's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 5 July 2018 to confirm the information included in the audited financial statements presented on this website.

# Statement of Comprehensive Revenue & Expenses

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018	2017
<b>REVENUE</b>			
Levy revenue	4	43,888	45,061
Interest received		6,592	2,540
<b>TOTAL REVENUE</b>		<b>50,480</b>	<b>47,601</b>
<b>EXPENSES</b>			
Audit fees	1	500	500
Other expenses		45	850
<b>Summer Students</b>			
University of Otago		10,000	-
H Wallace		-	5,000
<b>Specific Grants</b>			
O Currie		2,000	-
F Doolan-Noble		-	3,000
B Gray		-	5,000
L Gray		-	5,000
R Keenan		-	5,000
L Lack		-	2,500
S Pullon		6,850	-
L Rolfe		-	5,000
J Rowe		-	1,619
J Scott-Jones		-	5,115
K Thorne		-	1,500
University of Otago		-	5,000
H Wallace		-	5,000
J Young		-	2,615
<b>TOTAL EXPENSES</b>		<b>19,395</b>	<b>52,699</b>
<b>NET COMPREHENSIVE REVENUE &amp; EXPENSES</b>		<b>31,085</b>	<b>(5,098)</b>

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

## Statement of Financial Position

AS AT 31 MARCH 2018

	Notes	2018	2017
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	50,371	243,631
Short term investments		300,000	74,708
Accrued income		1,827	197
<b>TOTAL CURRENT ASSETS</b>		<b>352,198</b>	<b>318,537</b>
<b>LIABILITIES</b>			
Audit fee payable	1	500	500
Goods and services tax		5,550	2,973
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,050</b>	<b>3,473</b>
<b>NET ASSETS</b>		<b>346,148</b>	<b>315,063</b>
<b>ACCUMULATED FUNDS</b>		<b>346,148</b>	<b>315,063</b>

## Statement of Changes In Net Assets/Equity

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
Opening balance at 1 April 2017	315,063	320,161
Net comprehensive revenue and expenses for the year	31,085	(5,098)
<b>ACCUMULATED FUNDS AT 31 MARCH 2018</b>	<b>346,148</b>	<b>315,063</b>

These financial statements were approved by the Board of Trustees on 5 July 2018.



DAVID RODGERS  
TRUSTEE



BEN HUDSON  
TRUSTEE

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

## Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Levy revenue	43,888	45,061
Receivables	-	-
Interest received	4,962	2,573
Payments to suppliers	(545)	(1,394)
Grants	(18,850)	(51,349)
GST refund/(paid)	2,577	(3,333)
<b>Net cash flows from operating activities</b>	<b>32,032</b>	<b>(8,442)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>32,032</b>	<b>(8,442)</b>
Cash and cash equivalents at beginning of year	318,339	326,781
<b>Cash and cash equivalents at end of year</b>	<b>350,371</b>	<b>318,339</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## Statement of Accounting Policies

### REPORTING ENTITIES

The Royal New Zealand College of General Practitioners Research and Education Trust (the Trust) is a Charitable Trust registered under the Charitable Trusts Act 1957 and is a registered Charity under the Charities Act 2005. The primary activity of the Trust is to encourage, foster and maintain the highest possible standards of learning skill and conduct in general medical practice in the interests of the best possible patient care in New Zealand.

The financial statements are for the year ended 31 March 2018 and were authorised for issue by the Trustees on 5 July 2018.

### BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with *Public Benefit Entity International Public Sector Accounting Standards* (PBE IPSAS) and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions, have been adopted. The Trust is deemed a public benefit entity for financial reporting purposes as this has been established to achieve its overall goal rather than a financial return.

For consistency of financial reporting with the Group the Trust adopts the Tier 2 reporting entity standards.

## Specific Accounting Policies

The significant accounting policies used in the preparation of these financial statements are summarised below:

### A. // CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of less than one year that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash at bank and short term deposits.

### B. // FOREIGN CURRENCIES

Transactions in foreign currencies are recorded in New Zealand dollars by applying the exchange rates ruling at the date of the transaction.

### C. // ACCOUNTS RECEIVABLE

Accounts receivable are recognised at the original invoice amount less impairment losses.

### D. // ACCOUNTS PAYABLE

Trade and other payables represent the liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days.

### E. // REVENUE RECOGNITION

Revenue is recognised on the following bases:

#### i LEVIES

Income received from members of The Royal New Zealand College of General Practitioners is allocated proportionally over the period to which they relate.

#### ii INTEREST INCOME

Interest income is recognised in the period in which the interest is earned.

Revenue is considered to be exchange revenue in accordance with PBE IPSAS 9 – *Revenue from Exchange Transactions*. There is no non-exchange revenue.

### F. // GOODS AND SERVICES TAX

All amounts are shown exclusive of Goods & Services tax (GST), except for receivables and payables which are shown inclusive of GST.

## 1. Audit Fees

The fee for the audit of the financial statements is \$500 (2017: \$1,000, however \$500 was borne by the College).

## 2. Cash and Cash Equivalents

	2018	2017
Cash at bank and in hand	50,371	243,631
Short-term deposits	300,000	74,708
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>350,371</b>	<b>318,339</b>

The carrying value of cash and cash equivalents approximate their fair value.

## 3. Segment Reporting

The Trust operates in one segment, Primary Care Education and Research in New Zealand.

## 4. Related Party Transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

The Trust has a related party relationship with The Royal New Zealand College of General Practitioners (the College) and its Trustees.

Decisions on grant applications from Trustees and College staff are treated identically to all other applications and are subject to the same evaluation criteria. Decisions on grant applications associated with a Trustee are completed with that Trustee removed from the meeting.

### Transactions with related parties

	2018	2017
Levies received from the College	43,888	45,061
Grants paid to Trustees of the Trust		
J Scott-Jones	-	5,115
Grants paid to employees of the College		
L Lack	-	2,500

## 5. Contingencies

The Trust has no contingent liabilities as at 31 March 2018 (2017: Nil).

## 6. Subsequent Events

There were no material subsequent events after the balance date.













**GP**

Heart of the community  
**Kāinga Tupu**