



EAST HEALTH TRUST
primary health organisation

EAST HEALTH TRUST BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

EAST HEALTH TRUST BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Contents

Trust Directory	1
Auditor's Report	2 -3
Statement of Comprehensive Revenue and Expense	4
Statement of Financial Position	5
Statement of Changes in Net Assets / Equity	6
Statement of Cash Flows	7 -8
Notes to the Financial Statements	9 -16

East Health Trust Board

Trust Directory As at 30 June 2020

Registered Charity No	CC21764
Registered Office	260 Botany Road Howick Auckland
Trustees	J H Betteridge D P Bryant K Chiu R J Coleman B C A Hyland D Lee (retired April 2020) S Vance
Bank	ASB Bank Limited Auckland
Business Activity	Primary Health Organisation
Auditor	RSM Hayes Audit Auckland
Solicitors	Malloy Goodwin Harford Auckland

Independent Auditor's Report

To the Trustees of East Health Trust Board

Opinion

We have audited the financial statements of East Health Trust Board ("the Trust"), which comprise:

- The statement of financial position as at 30 June 2020;
- The statement of comprehensive revenue and expense for the year then ended;
- The statement of changes in net assets/equity;
- The statement of cash flows for the year then ended; and
- The notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 4 to 16 present fairly, in all material respects, the financial position of East Health Trust Board as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with 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 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 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 Trust.

Other information

The trustees are responsible for the other information. The other information comprises the Trust Directory on page 1 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible, on behalf of East Health 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 those charged with governance 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, on behalf of the Trust, 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 (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 decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the trustees, as a body. 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 Trust and the trustees as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'RSM'.

East Health Trust Board

**Statement of Comprehensive Revenue and Expense
For the Year Ended 30 June 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Revenue			
Revenue from Non-Exchange Transactions			
Provider Funding		17,465,774	16,686,902
Health Projects		5,725,129	4,982,942
Management Fees		684,249	689,219
Total Revenue		23,875,152	22,359,063
Direct Costs of Services			
Provider Funding		(17,465,774)	(16,687,991)
Health Projects		(5,982,021)	(4,581,246)
Management Fees		(561,084)	(565,177)
Total Direct Costs of Services		(24,008,879)	(21,834,414)
Gross Surplus		(133,727)	524,649
Expenses	3a	(317,375)	(301,383)
Operating Surplus / (Deficit)		(451,102)	223,266
Finance Income	4	87,749	107,061
Net Finance Income		87,749	107,061
Share of profit of associates	5	70,191	80,035
Total Surplus / (Deficit) for the year		(293,162)	410,362
Total Comprehensive Revenue and Expense for the year		(\$293,162)	\$410,362


The accompanying notes form part of and should be read in conjunction with the Financial Statements.

East Health Trust Board

**Statement of Financial Position
As at 30 June 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Current Assets			
Cash and Cash Equivalents		427,554	239,162
Short Term Deposits		2,566,796	3,048,488
Trade and Other Receivables from non-exchange transactions		276,232	157,617
		<hr/>	<hr/>
		3,270,582	3,445,267
Non Current Assets			
Investment in Associates	5	636,008	577,817
		<hr/>	<hr/>
		636,008	577,817
		<hr/>	<hr/>
		3,906,590	4,023,084
Total Assets			
<u>Liabilities</u>			
Current Liabilities			
Trade and Other Payables from non-exchange transactions		168,225	159,428
Payables to related parties	8	485,718	317,847
Accruals		9,500	9,500
		<hr/>	<hr/>
		663,443	486,775
		<hr/>	<hr/>
		663,443	486,775
Total Liabilities			
		<hr/>	<hr/>
		\$3,243,147	\$3,536,309
<u>Equity</u>			
Corpus		10	10
Retained Earnings		3,243,137	3,536,299
		<hr/>	<hr/>
		\$3,243,147	\$3,536,309

For and on behalf of the Board, who authorised the issue of these statements on 4th December 2020.



Trustee



Trustee

East Health Trust Board

**Statement of Changes in Net Assets / Equity
For the Year Ended 30 June 2020**

	Note	Corpus	Retained Earnings	Total Equity
<u>As at 1 July 2018</u>		10	3,125,937	3,125,947
Surplus for the year		-	\$410,362	\$410,362
Total comprehensive Revenue and Expense for the year		-	\$410,362	\$410,362
Balance at 30 June 2019		\$10	\$3,536,299	\$3,536,309
Deficit for the year		-	(293,162)	(293,162)
Total comprehensive Revenue and Expense for the year		-	(293,162)	(293,162)
Balance at 30 June 2020		\$10	\$3,243,137	\$3,243,147

The accompanying notes form part of and should be read in conjunction with the Financial Statements.

East Health Trust Board

Statement of Cash Flows
For the Year Ended 30 June 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
<u>Cash was received from:</u>			
Customers		23,751,364	22,514,773
Interest		93,931	108,400
Goods & Services Tax		-	15,807
		<hr/> 23,845,295	<hr/> 22,638,980
<u>Cash was applied to:</u>			
Suppliers & Employees		24,149,586	22,269,563
Goods & Services Tax		1,009	-
		<hr/> 24,150,595	<hr/> 22,269,563
Net cash received from / (applied to) operating activities		(305,300)	369,417
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
<u>Cash was received from</u>			
Dividends from associates	5	12,000	12,000
Proceeds from termination of term deposits		481,692	-
		<hr/> 493,692	<hr/> 12,000
<u>Cash was applied to:</u>			
Investments in term deposits		-	683,726
		<hr/> -	<hr/> 683,726
Net cash from / (applied to) investing activities		493,692	(671,726)
Net cash received (paid) for the year		<hr/> 188,392	<hr/> (302,309)
Cash and cash equivalent balance at 1 July		239,162	541,471
Cash and cash equivalent balance at 30 June		<hr/> \$427,554	<hr/> \$239,162

The accompanying notes form part of and should be read in conjunction with the Financial Statements.

East Health Trust Board

Statement of Cash Flows For the Year Ended 30 June 2020

RECONCILIATION OF NET SURPLUS TO CASH FLOWS FROM OPERATING ACTIVITIES

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Reported Surplus / (Deficit) for the year		(293,162)	410,362
Non-cash items: - Share of loss (profit) of associates	5	(70,191)	(80,035)
		<u>(363,353)</u>	<u>330,327</u>
Movements in working capital items:			
Accounts Receivable		(117,606)	157,049
Accounts Payable		176,668	(133,766)
Net GST		(1,009)	15,807
		<u>58,053</u>	<u>39,090</u>
Net cash received from operating activities		<u>(\$305,300)</u>	<u>\$369,417</u>

The accompanying notes form part of and should be read in conjunction with the Financial Statements

East Health Trust Board

Notes to the Financial Statements For the Year Ended 30 June 2020

1.0 Statement of Accounting Policies

Reporting Entity

The reporting entity is East Health Trust Board ("East Health Trust"). East Health Trust was established by trust deed dated 17 June 2003. It is a registered charity under the Charities Act 2005. DIA Charities Service Registration number CC21764.

These are the individual financial statements for East Health Trust.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the 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 that have been authorised for use by the External Reporting Board for Not-For-Profit entities. The trust is a public benefit not-for-profit entity and it is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE accounting standards and in doing so has taken advantages of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

Changes in Accounting Policy

There have been no changes in accounting policies.

All policies have been applied on bases consistent with those used in the prior year.

2.0 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 (a) *Basis of Measurement*

The financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments.

(b) *Functional and Presentational Currency*

The financial statements are prepared in New Zealand dollars (\$). All numbers presented have been rounded to the nearest dollar.

2.2 *Accounting for Associates*

Associates are entities over which the Trust has significant influence but not control, generally being a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investors share of the profit or loss after acquisition. Dividends received from associates are recognised as a reduction to the carrying amount of associates.

The Trust's share of the profit or loss of associates is recognised in profit or loss.

The board determines at each reporting date whether there is any evidence that the investment in the associate is impaired. Any such impairment is recognised in profit or loss.

East Health Trust Board

Notes to the Financial Statements For the Year Ended 30 June 2020

2.3 Financial Assets

The Trust classifies its investments in the following categories: financial assets at fair value through the profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. The board determines the classification of its investments at initial recognition and reconsiders this designation at every reporting date.

Financial assets at fair value through profit or loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of balance date.

The Trust does not have any financial assets classified as fair value through profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the trust provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those maturities greater than 12 months after balance date, which are classified as non-current assets.

The Trust's loans and receivables comprise trade and other receivables, short term deposits and cash and cash equivalents.

Held to maturity investments

Held to maturity investments are non-derivatives financial assets with fixed or determinable payments and fixed maturities that the trust's management has the positive intention and ability to hold to maturity.

The trust does not have any financial assets classified as held to maturity.

Available for sale financial assets

Available for sale financial assets are non-derivatives, principally equity securities, that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date.

Purchases and sales of investments are recognised on trade date - the date on which the trust commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Investments in equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are recognised and subsequently carried at cost.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the trust has transferred substantially all the risks and rewards of ownership.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loan and receivables and held to maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value of financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of securities classified as available for sale are recognised in other comprehensive income, except for foreign exchange movements on monetary assets, which are recognised in profit or loss. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from investment securities.

**Notes to the Financial Statements
For the Year Ended 30 June 2020**

2.3 Financial Assets (continued)

The Trust assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with a maturity period of less than 90 days held at call with banks.

2.5 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy of financial recognition, and default or delinquency in payments (more than 30 days overdue) are considered objective evidence of impairment.

The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed and the reversal is recognised in profit or loss.

Subsequent recoveries of amounts written off are recognised in profit or loss.

2.6 Financial Liabilities

Trade and other payables

These amounts represent unsecured liabilities for goods and services provided to the trust prior to the end of the financial year which are unpaid. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. As trade and other payables are usually paid within 30 days, they are carried at face value.

2.7 Revenue recognition

Revenue is recognised to the extent that is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

**Notes to the Financial Statements
For the Year Ended 30 June 2020**

2.7 Revenue recognition (Continued)

Revenue from non-exchange transactions

Income from contract funding

Income from contract funding is recognised when received, unless there is a clear use or return condition. In this case, revenue is recognised when the conditions attached to the contract have been complied with. Where there are unfulfilled conditions of the contract, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Revenue from exchange transactions

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial assets to be the net carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.8 Goods and services tax

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

The net amount of GST recoverable from, or payable to, Inland Revenue, is included as part of receivables or payables in the statement of financial position.

2.9 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Carrying Value of Investments in Associates

The Trust assesses the carrying value in an equity investment shown in an associate to ensure it does not exceed its fair value. This determination requires significant judgement. In making this judgement the trust evaluates relevant factors such as cashflow, business outlook, financial health and any other relevant information available to the Trust.

East Health Trust Board

Notes to the Financial Statements For the Year Ended 30 June 2020

3. Income and Expenses	<u>2020</u>	<u>2019</u>
a) <u>Expenses</u>		
Administration	36,399	44,446
Audit Fees	10,137	10,285
Conference Expense	18,819	19,004
Governance - Clinical & Community	126,113	105,240
Insurance	2,788	2,777
Subscription	31,768	29,281
Trustees Remuneration	91,351	90,350
Total expenses	\$317,375	\$301,383

4. Net Finance Income	<u>2020</u>	<u>2019</u>
Interest income	87,749	107,061
Total Finance Income	\$87,749	\$107,061
Net finance income recognised in profit or loss	\$87,749	\$107,061

5. Investments in Associates

The trust has interests in the following associates:

Name	Principal Activity	Country of Incorporation	% equity interest	
			<u>2020</u>	<u>2019</u>
East Health Services Ltd	Administration of Health Funding	NZ	21.28%	21.28%

At 30 June 2018

Dividend received from associate	\$509,782
Share of (loss) or profit in associate	(12,000)
	80,035

At 30 June 2019

Dividend received from associate	\$577,817
Share of (loss) or profit in associate	(12,000)
	70,191

At 30 June 2020

East Health Service Ltd	\$509,782
	(12,000)
	80,035
	\$577,817
	(12,000)
	70,191
	\$636,008

6. Commitments for Expenditure

Capital Commitments

There is no committed capital expenditure at reporting date (Last Year: \$Nil).

7. Contingent Liabilities

There are no known contingencies at reporting date. (Last Year: \$Nil).

East Health Trust Board

Notes to the Financial Statements For the Year Ended 30 June 2020

8. Related Party Transactions and Balances

- a) R Coleman, B Hyland and D Lee are trustees and also operate as General Practitioners. They received funding from the trust on the same terms and conditions as all other general practitioners, through their respective medical practices.
- b) Health Improvement Group Limited is a related party as the company is 50% owned by East Health Services Ltd. The medical centre receives funding from the trust on the same terms and conditions as all other medical centres.
- c) Millhouse Medical Centre Limited is a related party as R Coleman is a director. The medical centre receives funding from the trust on the same terms and conditions as all other medical centres.
- d) Highland Park Medical Centre Limited and Marina Medical Centre are related parties as B Hyland is a director. The medical centre receives funding from the trust on the same terms and conditions as all other medical centres.
- e) Care Group Limited is a related party as B Hyland is a director and shareholder. R Coleman, D Lee and John Betteridge Medical Ltd are also shareholders in East Care Limited.
- f) J Betteridge, B Hyland and D Lee are directors of East Health Services Ltd. J Betteridge, B Hyland, D Lee and R Coleman are shareholders of East Health Services Ltd.
- g) Beachlands Medical Limited is a related party as L Hansen is a director. The medical centre receives funding from the trust on the same terms and conditions as all other medical centres.
- h) Key management are remunerated by the related party - East Health Services Ltd.

The following transactions were carried out with related parties:

i)	Sales of goods and services	<u>2020</u>	<u>2019</u>
	Health Improvement Group Ltd	3,931	2,350
	Beachlands Medical Ltd	2,288	668
	Millhouse Medical Centre Ltd	2,222	706
		<u>\$8,441</u>	<u>\$3,724</u>
j)	Management fee from Associates		
	East Health Services Ltd	561,084	565,177
		<u>\$561,084</u>	<u>\$565,177</u>
k)	Purchases of goods and services		
	Millhouse Medical Centre Ltd	1,746,206	1,519,361
	Beachlands Medical Ltd	1,503,159	1,232,580
	Highland Park Medical Centre Ltd	1,377,250	1,227,610
	Marina Medical	825,601	780,302
	East Health Services Ltd	3,139,534	2,811,716
	Health Improvement Group Ltd	3,947,000	3,489,952
		<u>\$12,538,750</u>	<u>\$11,061,521</u>

East Health Trust Board

Notes to the Financial Statements For the Year Ended 30 June 2020

8. Related Party Transactions and Balances (Continued)	<u>2020</u>	<u>2019</u>
m) Trustees Remuneration		
During the year the board approved the following remuneration for the trustees:		
J H Betteridge	11,140	10,000
D P Bryant	11,140	10,900
K Chiu	11,140	10,900
R J Coleman	11,140	11,200
B C A Hyland	14,175	11,800
D Lee	21,142	25,250
S Vance	11,474	10,300
	<u>\$91,351</u>	<u>\$90,350</u>
n) Trade Receivables from related parties		
Health Improvement Group Ltd	128	128
Beachlands Medical Ltd	128	64
Millhouse Medical Centre Ltd	64	64
	<u>\$320</u>	<u>\$256</u>
Payables to related parties		
Health Improvement Group Ltd	21,748	7,915
East Health Services Ltd	409,602	280,102
Beachlands Medical Ltd	20,038	10,571
Highland Park Medical Centre Ltd	14,916	9,834
Marina Medical	10,624	4,476
Millhouse Medical Centre Ltd	8,790	4,949
	<u>\$485,718</u>	<u>\$317,847</u>
<p>The receivables from related parties arise mainly from sale transactions and are due the month after the date of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties.</p> <p>The payables to related parties arise mainly from purchase transactions and are due the month after the date of purchase. The payables bear no interest.</p>		
o) Associates		
Dividends received during the year		
East Health Services Ltd	\$12,000	\$12,000

East Health Trust Board

**Notes to the Financial Statements
For the Year Ended 30 June 2020**

9. Financial asset and liability categorisation

	Loans & Receivables
Financial Assets	
30-Jun-20	
Cash & Cash Equivalents	427,554
Short Term Deposits	2,566,796
Trade & Other Receivables	276,232
	\$3,270,582
30-Jun-19	
Cash & Cash Equivalents	239,162
Short Term Deposits	3,048,488
Non-current Bank Deposit	-
Trade & Other Receivables	157,617
	\$3,445,267
	At Amortised Cost
Financial Liabilities	
30-Jun-20	
Trade & other payables	\$168,225
30-Jun-19	
Trade & other payables	\$159,428

10. Impact of Covid-19 / Going Concern

In March 2020, the World Health Organisation designated Covid -19 to be a global pandemic, threatening the health and well-being of large numbers of people across multiple countries. In response, the New Zealand government enforced lockdown restrictions at various levels from late March to early June 2020, and again in August 2020 and introduced a range of public health measures.

During these times East Health continued as an essential health service, and undertook additional Covid-19 testing and health response functions. Accordingly, additional government funding was received related specifically to Covid-19 related expenditure. However, the Trust also provided additional support to medical practices within the network from its own reserves contributing to the deficit recorded in the current year.

Nevertheless, the trustees continue to closely monitor the situation and based on forecasted future funding and the level of reserves are satisfied that preparing the financial statements on a going concern basis is appropriate.

11. Events after the reporting period

There are no events subsequent to balance date that require disclosure.