



This is the 2nd full financial year of operation under our Limited Partnership business ownership model and the first year with newly appointed independent auditors William Buck Christmas Gouwland. We are pleased to receive an unqualified audit report.

During the year we sadly said farewell to some wonderful staff who have served us well over many years. Sarah Robinson and Wendy Hayes were amongst our longest serving team members and definitely missed. Thankfully they are still available to fill in from time to time. Dr Ivan Gannaway made the decision to leave KMC to become a locum doctor.

I would like to recognise and also thank our Board members, who diligently represent and serve our share holder interests. They provide their time and experience to support this essential medical service in our South Kaipara region. This year we said farewell to two of our founding Directors - Olive Rudolph (December 2015) and Dr. Maryanne Gane (February 2016). Maryanne was instrumental in the business acquisition project in 2012 and her experience was invaluable to the KMC business and Board assisting with a successful transition of the business into its new ownership in 2013. Dr Aimee England has joined the Board representing the Doctor shareholder interests. We are also fortunate to have co opted Glenn Wilcox to the Board as a representative of Ngati Whatua. Te Runanga o Ngati Whatua confirmed his appointment in June 2016 for a 12 month term.

We would like to sincerely thank all of the staff for their loyal and professional contribution to the KMC business over the last financial year to 30 June 2016. It should be noted that the additional hours of cover contributed from our committed staff ensured continuity of our services and hours even when we were short staffed. However, this meant fewer holidays were taken and contributed to our higher than normal holiday leave accruals and loss this year. We appreciate the support of our community and patients over this challenging period.

It is important to recognise achievements and in particular we note:

- We now have a full complement of staff including 6 Doctors.
- The increase to 6 phone lines combined with Hazel and Carol joining our reception team relieved pressure on all staff and improve patient access, especially mornings.
- Improved server performance through moving e-mails into the cloud increased efficiency and speed of MedTech.
- We now have 400 patients registered on Manage My Health (MMH) with a target of enrolling 2000 in our sights.
- Dr. Aimee England achieved Fellowship, Dr. Hollie Shine returned from maternity leave and we welcomed Dr Anuj Gupta to our dedicated team.
- KMC was invited by ProCARE and joined a small group of GP practices to participate in the Kare Project seeking to improve health outcomes for at risk elderly patients.
- Our first and very successful cervical screening collaboration with Te Ha nurses achieved a very good turnout from our enrolled at risk Maori patients.

- Total Revenue increased by 2.6% compared to the previous year but unfortunately unplanned higher locum costs and placement fees and high annual leave accruals, denied us a profit again this year.

The SKMC Limited Partnership (trading as the Kaipara Medical Centre) recorded a net loss of \$20,900 reducing overall equity from \$287,784 to \$266,890. This loss is represented by an annual increase in Professional Fee income of 2.6% to \$2,151,006 and expenses up by 4% from \$2,105,799 to \$2,192,094. The one off search and placement costs for a Doctor appointment, ongoing debtors and increased holiday leave accruals denied us a profitable result.

Overall, the business is tracking in the right direction. Cash on hand at balance date was \$36,000 as opposed to the -\$12,000 in 2015. This reduces our need to draw on our Overdraft facility with ASB Bank which is guaranteed by the Health Trust.

Debtors remain at a higher than acceptable level and our approach to this is once again under review. We continue to appreciate the support of the Health Trust which provides a fund to assist with our genuine hardship cases and recently a very generous donation from local residents has been received and greatly appreciated. As a registered charitable trust such donations can be acknowledged with a receipt that is tax deductible.

The Health Trust has also provided generous access and support once again to the Ron Staples Fund which assisted the purchase of two key pieces of equipment during this financial year. A telephone system (\$17,000) and a specialist piece of equipment known as a diathermy (\$2,800) to assist with safety for minor surgery. With financial services supported by the Health Trust hub, we can be assured that sound systems and processes are in place, Xero is fully operational and wages and leave accruals can be monitored more closely on an actual basis.

Looking forward, we are already 2 months into the new financial year. The heavy load of appointments has been catered for with an additional 22 hours per week from our Doctors who have worked longer hours to increase our available appointments. This has been much appreciated by our patients. Spring is definitely in the air.

We are very pleased with our 2020 strategic plan and big goals that has incorporated discussion and feedback from staff through an open consultation process. Our business plan details how we plan to work towards these goals in the 2017 financial year.

Our community should be aware that the Ministry of Health is reviewing the Very Low Cost Access (VLCA) policy that provides funding to allow enrolled KMC patients a basic \$18.00 per appointment fee (effective 1 September). Previously \$17.50. This may change at some time in the future as we expect this funding assistance may be attached to those who most need it as opposed to the GP Practise and all of its patients.

Some specific areas of focus and attention in this financial year include:

1. Our purpose – *“to improve the health & happiness of our South Kaipara Community”*. This sits alongside our Vision which shares that of the Health Trust our majority shareholder - *“to be the healthiest rural community in New Zealand”*
2. The development of a Maori Health Plan in conjunction with the WDHB and Te Ha
3. Steps taken towards being recognised as a rural health centre of excellence through ongoing professional development and an increased patient centric approach.
4. Increased electronic efficiency so that our team has smart systems to support their effort, including encouraging patients to enrol in our patient portal (Manage My Health).
5. Reduced leave accruals now that we are fully staffed
6. A profit and 5% dividend to shareholders

On behalf of the Board, and Senior Management

Sincerely

Dianne Kidd
Chairman

Richard Reid
Business Manager