



2019 ANNUAL REPORT

PŪRONGO Ā-TAU



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



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

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.

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Greetings *He mihi*

E ngā mana, e ngā reo, e rau rangatira mā.

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

Tēnā hoki koutou i o tātou mate maha i ngā tōpito e whā o te motu, ōtira o te ao whānui tonu. Moe mai rā i te urunga tē taka, i te moenga tē whakaarahi.

He taonga nui ki a mātou, Te Pūrongo ā-Tau 2019 me ōna mahinga. Heoti anō, kei ngā rau e whai ake nei ko te whakaroanga o ngā mahi me ōna hua hei kōrerotanga mā koutou.

Ka mihi ki te hunga nā rātou ngā mahi o te tau i kōkiri tae rā anō ki te whakamutunga, tēnei te mihi atu. Ka mihi hoki ki ngā mema me ngā kaimahi o Te Whare Tohu Rata o Aotearoa e mahi nei i ngā mahi kia mana oranga taurite ai, he ahakoa ko wai, he ahakoa nō whea.

Nō reira e tuku atu nei tēnei Pūrongo ā-Tau i runga i te tai o Tangaroa kia tae atu ki te tai tangata.

Turuturu te kawa
Whakamana te kawa
Ko te kawa ora.
Ko te kawa nā wai?
Ko te kawa nā Tangaroa
Ka pipī ake i raro i ōna taranga
Eke panuku, eke Tangaroa
Haere mai te toki.

What we do *Te kaupapa*

We set and maintain education and quality standards and support our members to provide competent, equitable care to their patients.

Why we do it *Te aronga*

To improve health outcomes and reduce health inequities.

Roles

He tūranga

Board

(as at 31 March 2019)

Dr Samantha Murton

President and Chair

Dr Sue Crengle

Te Akoranga a Māui representative

Dr Lauren McGifford

Elected member

Dr Joseph Scott-Jones

Elected member

Dr Joanna Blakey

Elected member

Board meetings are also attended by Dr Chris Reid (ex officio as Chair of the National Advisory Council), Dr Jennifer Keys (Chair, Division of Rural Hospital Medicine Chapter Council) and Dr Lorraine Brooking (ex officio as Board Apprentice). Dr Reid, Dr Keys and Dr Brooking do not have voting rights at Board meetings.

Audit and Risk Committee

Dr Daniel McIntosh

Chair

Oct 2018 –

Dr Lauren McGifford

Dr Joanna Blakey

Dr Lorraine Brooking

Board apprentice

NB:

Anita Mazzoleni

Chair

Sep 2016 – Sep 2018

National Advisory Council

(as at 31 March 2019)

Dr Chris Reid (Chair) – Northland

Dr Katrina Kirikino – Te Akoranga a Māui

Dr Jess Blackwood – Te Akoranga a Māui

Dr Sue Tutty – Auckland

Dr Tangimoana Habib – Waikato / Bay of Plenty

Dr David Rodgers – Hawke's Bay

Dr Andrea Crichton – Wellington

Dr Rob Riley – Nelson / Marlborough

Dr Peter Gent – Otago

Dr Bill Grove – Southland

Dr Aniva Lawrence – Pacific Chapter

Dr Grahame Jelley – Rural General

Practitioners' Chapter

Dr Scott Wilson – Division of the Rural Hospital

Medicine Chapter

Dr Andrea Mogos – Registrars' Chapter

Dr Lachie Smith – Whanganui Sub-Faculty (ex officio)

Dr Martin Minnee – Manawatū Sub-Faculty (ex officio)

Quality Advisory Committee

Dr John Wellingham (Chair)

Dr Kunjay (KJ) Patel

Ms Rachel McAllum

Dr Rachel Mackie

Ms Rosalind Rowarth

Mr Matu Ihaka

Associate Professor Tim Kenealy

Education Advisory Group

Dr David Henry
Chair

Dr Lorraine Brooking
Appointed member

Dr Aisha Paulose
Appointed member

Dr Jenny Poskitt
Appointed member

Dr Tane Taylor
Appointed member

Dr Glenn Doherty
Appointed member

Dr Lauren McGifford
Board representative

Dr Phillipa Cross
Registrars' Chapter representative

Dr Maia Melbourne-Wilcox
Te Akoranga a Māui representative

NB:

Dr Annika Lam
Registrars' Chapter representative
Sep 2017 – Sep 2018

Dr Tim Phillips
Te Akoranga a Māui representative
Apr 2017 – Nov 2018

Farewell and thank you

We would like to acknowledge the following members who have made a significant contribution to the College, but have now stepped down from their roles:

Dr Tim Malloy
President
Aug 2013 – Sep 2018

Dr Mark Peterson
Board member (elected)
Nov 2014 – Jul 2018

Dr Joseph Scott-Jones
Board member (elected)
Jul 2016 – Jul 2019

Anita Mazzoleni
Board member (appointed)
Sep 2016 – Sep 2018

Dr Lorraine Brooking
Board apprentice
Nov 2017 – Apr 2019

Dr David Maplesden
Chief examiner (Written)
Nov 2005 – Mar 2019

Dr Chris Reid
National Advisory Council Chair and
Northland Faculty representative
Mar 2017 – May 2019

Dr Vanessa Souter
National Advisory Council Registrars'
Chapter representative
Jul 2017 – Jul 2018

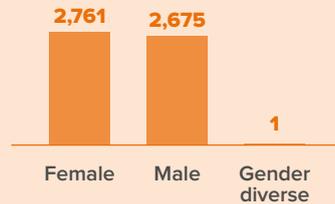
Dr Phil White
National Advisory Council Otago
Faculty representative
Oct 2016 – Oct 2018

Our members at a glance *Ō tātou mēma*

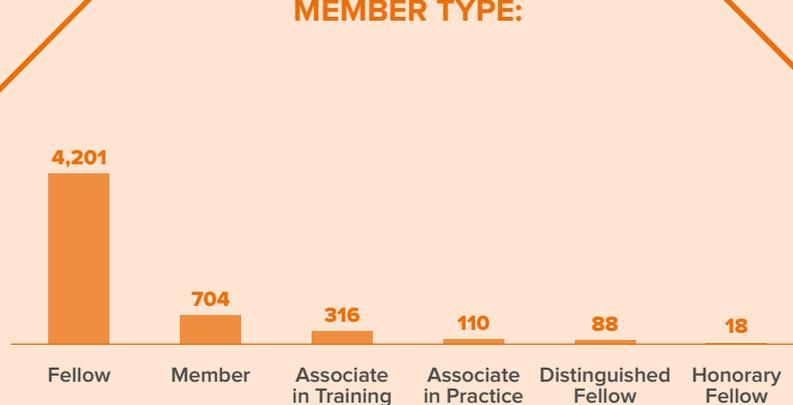
AS AT 31 MARCH 2019

5,437
MEMBERS

BY GENDER:



BY MEMBER TYPE:



BY FACULTY:

300
Overseas

217
Northland

1,624
Auckland

794
Waikato /
Bay of Plenty

166
Hawke's Bay

567
Wellington

BY SUB-FACULTY:

56
Tairāwhiti

1
Wairoa

120
Taranaki

44
Whanganui

139
Manawatū

BY CHAPTER:



TE
AKORANGA
A MĀUI –
MĀORI SPECIAL
REPRESENTATIVE
GROUP:

168

DIVISION OF
RURAL HOSPITAL
MEDICINE:

197

Statement of Strategic Intent

Te Rautaki

The Board reviewed and updated the College's Statement of Strategic Intent, clarifying our purpose, values and the priority work areas for the next five years.

What we're working on

Ngā hua

1

Support our members



The College represents New Zealand's general practice and rural hospital medicine workforce within our health sector and, internationally, within our professions. We provide a voice for our members, and we enable their views to be shared on issues that matter to them. We will partner with similar organisations to share knowledge and innovation.

2

Become a contemporary and sustainable organisation



We operate in a way that enables staff and members to remain current and adapt to a rapidly changing population and health system.

3

Improve health equity in New Zealand



We're committed to improving training and professional development programmes to ensure that GPs have the capacity and capability to effectively meet Māori patients' health needs. We are committed to addressing health inequities in all communities. We have a role to play in ensuring all our rural members (GPs and rural hospital doctors) can deliver quality primary health care for rural communities.

4

Education excellence



We'll provide world-class vocational training and continuing medical education activities.

5

Quality general practice



It's important for the College to set quality standards for general practice, and this includes developing and administering programmes to improve their workplace and clinical systems for the benefit of practices and patients.

President's report

Te pūrongo o te Tumu Whakarae

As I write this report, I am mindful that, if not for a serious health scare, this message would have been written by Dr Tim Malloy. Instead, due to his early retirement from the role of College President, I am holding the pen. I would like to start by thanking Tim for the huge contribution he has made to our College, the rural community, and the health sector as a whole. His voice for general practice has been consistent, persistent and insistent. I know that his words will continue to be heard in the halls of health for many years to come. Thank you, Tim.

The past 12 months have seen significant change for the College and within New Zealand. The Labour-New Zealand First Coalition Government initiated several significant pieces of work that affect general practice. The Government Inquiry into Mental Health and Addiction and the Health and Disability System Review have both provided valuable opportunities to have input into how the current health system could be adjusted to improve service deliverables and health outcomes.

It was heartening to see a substantial funding boost for mental health services in this year's Budget, and we were also pleased to see the stepped-care model we advocated for being supported. Delivering this care in general practices and other primary care settings is both practical and preferable.

This Government has a raft of proposed legislative changes on its agenda – notably around medicinal cannabis, euthanasia, and the Therapeutics Bill. These have called for careful consideration and appropriate responses, and we are grateful to all those who contributed to our submissions.

The College takes its advocacy role seriously, and while it's important to ensure all GPs' perspectives are considered, we are mindful of our duty to represent our members fairly and responsibly.

I consider the College to be the voice of GPs, the standard setter for general practice, and the most enthusiastic, positive supporter of our profession. Not only are GPs the heart of our community, but they're the heart of medicine.

Over the past few months, the Board and management have worked together to develop a five-year Statement of Strategic Intent (Te Rautaki). This seminal document articulates the Board's vision for the College. It sets aspirational goals that will guide the College staff in their work and help members understand our focus areas.

We have put equity at the heart of this strategy, and we make no apology for this. We are committed to addressing health inequities in all communities, and we have a role to play in ensuring all our rural members can deliver quality primary health care for rural communities. The College is committed to supporting the capacity of our members to ensure all patients are provided with the same level of quality care, regardless of ethnicity or location.

Linked to this is the need for appropriate workforce planning. The current GP shortage and looming retirement bubble has the potential to exacerbate primary care access issues. The College will continue to raise awareness of these issues, and share our workforce data with health sector decision makers, highlighting pressure points in rural communities and within high-needs populations.

As well as prioritising equity issues, the Statement of Strategic Intent contains strategies for supporting members, becoming a contemporary organisation, educational excellence and quality general practices. There is a lot of work going on in these areas – including the refresh of our CORNERSTONE® and Foundation Standard quality programme, and the revised recertification framework, which outlines members' CPD requirements. These projects require ongoing investment in technology and systems solutions to ensure members and practices can easily access the data and resources they need. The Board is aware that we need to keep investing in our College if we are to meet members' expectations.

This year we are reporting a deficit. There are a number of one-off costs that contributed to this position, and, although these are unlikely to be repeated, the Board and the Audit and Risk Committee have sought assurances from management that this situation will be rectified. The pathway back to creating annual surpluses will be through enhanced revenue, fair cost recovery, and fiscal prudence. By making a few sensible and reasonable changes, there is every expectation that the College will soon return to a modest surplus.

I am confident we can achieve this, and part of my confidence stems from our recent appointment of Lynne Hayman, as the College's new Chief Executive. Lynne has extensive executive and financial management experience, which will be a great advantage in her role. With Lynne at the helm, we will be able to steer the College in a positive direction and deliver the targets set in our Statement of Strategic Intent.

“

I consider the College to be the voice of GPs, the standard setter for general practice, and the most enthusiastic, positive supporter of our profession. Not only are GPs the heart of our community, but they're the heart of medicine.

”

Dr Samantha Murton
President

We have an exciting future ahead of us – and that includes showcasing our Kiwi GPs on the global stage when we host the WONCA Asia Pacific Region Conference in Auckland next April. I hope this is an opportunity many of our members will grasp with both hands.

I would like to thank and acknowledge all the GPs that help make our College a success. Whether you serve on a Faculty executive team, provide advice as a committee member, help deliver our General Practice Education Programme (GPEP), contribute to our submissions, or represent GPs on an advisory group, thank you for your contribution. The passion and commitment of our members never fails to astound me.

Finally, I would like to acknowledge the Chief Executive support we have had over the year as well as the massive effort from all the College staff. I'd like to thank Alan Isaac and Denise Church for their governance advice. And I'd like to recognise the tremendous contribution made by all our Board members, particularly outgoing Board members Tim Malloy, Jo Scott-Jones, Chris Reid and Lorraine Brooking. The College and the primary care sector have benefited from their expertise, passion and advocacy.



Dr Samantha Murton
MBChB, FRNZGP (dist.), PGDipGP, FAcadMED

President
Te Tumu Whakarāe

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





Significant milestones of the 2018/19 financial year *Ngā hua o te tau*

Representing our members

Submissions and advocacy

During the 2018/19 year, the College's Policy team ensured that the voice of GPs was included in legislative, policy and regulatory changes of interest to members.

The College's Policy team made more than 20 submissions on behalf of members to organisations such as the Ministry of Health, ACC and PHARMAC, as well as the Justice and Health Select Committees.

Of note were our submissions on the Government Inquiry into Mental Health and Addiction, the End of Life Choice Bill, and the Misuse of Drugs (Medicinal Cannabis) Amendment Bill. The Health and Disability System Review has also presented a unique opportunity to influence positive change within the broader health sector.

We would like to acknowledge and thank the members who took the time to provide input and help us prepare informed, representative feedback on these issues.

Workforce survey

Our 2018 workforce survey broke new records in terms of the number of members who participated. We took this as a sign that members are concerned about the GP workforce and support the College's use of workforce data in its policy and advocacy activities.



The [full survey reports](#) are available on the College website, but the findings again confirm that our workforce is ageing, and a large portion is set to retire soon. We note that reported burn-out rates are increasing. While most GPs work in practices owned by GPs, the percentage working in corporate-owned practices is increasing.

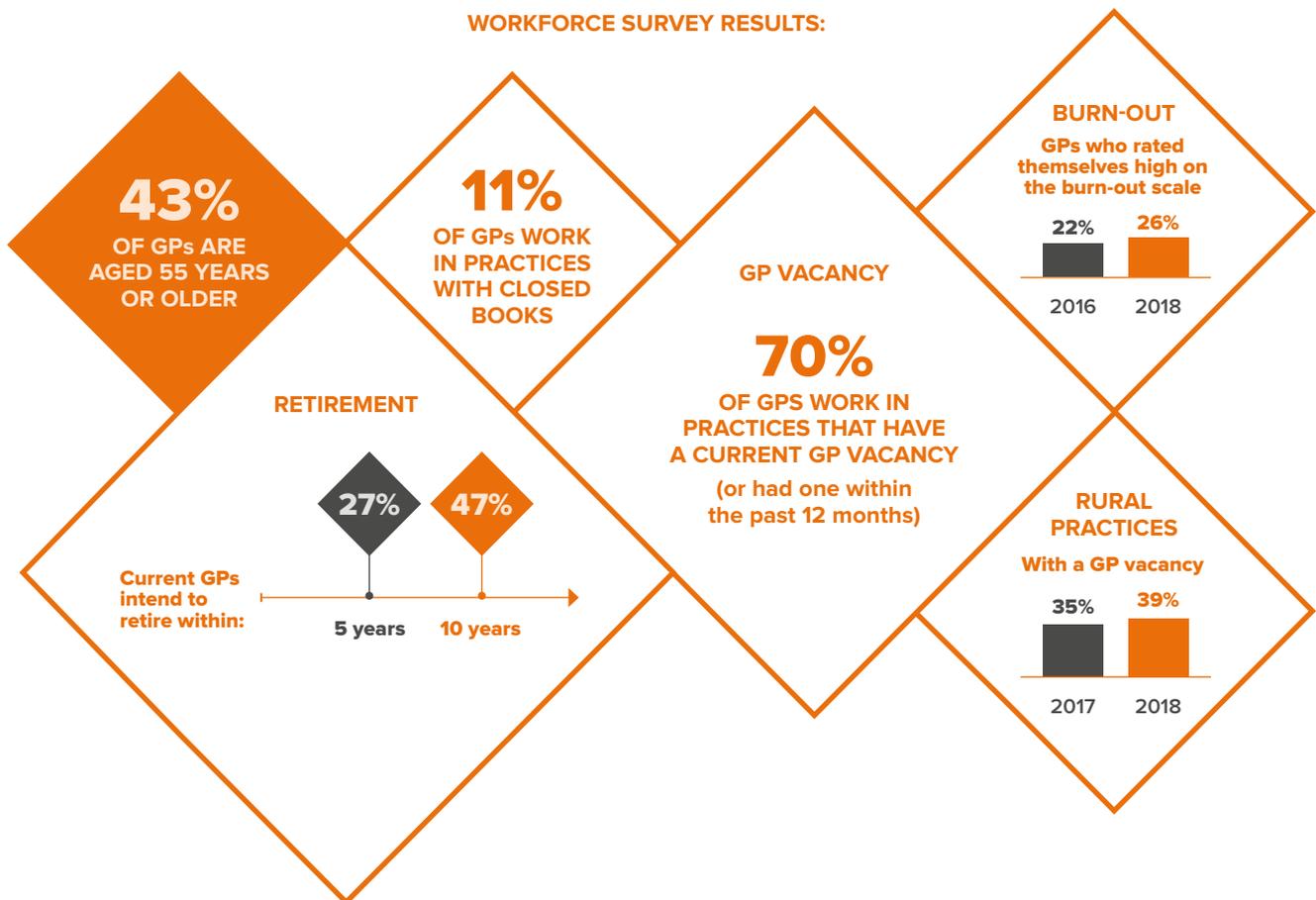
We know that nearly half the GPs who work in rural areas were trained overseas. However, it's interesting to note that most international medical graduates (76 percent) have lived in New Zealand for 11 years or more.

Seventy percent of GPs said they had worked in a practice that either had a current GP vacancy or had had one within the past 12 months. This problem is worse in rural areas.

Eleven percent said they work in a practice with closed books, meaning new patients in those areas may find it difficult to see a GP.

The survey results inform our advocacy work and help us identify workforce pressure points.

WORKFORCE SURVEY RESULTS:



Health equity

Health equity continues to be a key focus for the College. Our commitment to raising awareness and providing support to under-represented or under-resourced populations continued in 2018.

One of the most significant pieces of work undertaken this past year was our submission for the Government's Health and Disability System Review. Our submission identifies several barriers to accessing health care in New Zealand, including cost, geographic location and racism. We make 10 recommendations for overcoming these.

Our overarching message is that health equity must be at the centre of any redesign of the health and disability system. We assert it is unacceptable that different groups of New Zealanders, particularly Māori, Pasifika, rural and high-needs patients, should receive lower standards of care or face higher barriers to access, than other members of our community.

Our submission has been shared with the Minister of Health and all key primary health sector leaders.

Rural update

We were particularly pleased to help our rural hospital members celebrate 10 years since the inception of the Division of Rural Hospital Medicine Chapter. The Division holds its own Medical Council of New Zealand accreditation as a vocational education and advisory body for the vocational scope of rural hospital medicine. This year we were pleased to welcome 22 doctors onto the Division's teaching programme and to award Division of Rural Hospital Medicine Fellowship to three doctors at the completion of their training.

We also helped celebrate those who make a significant contribution to the health of rural communities via the presentation of the Eric Elder Memorial Award to Dr Graeme Fenton, and we helped facilitate the second Rural Research Day held by the Rural General Practitioners' Chapter.



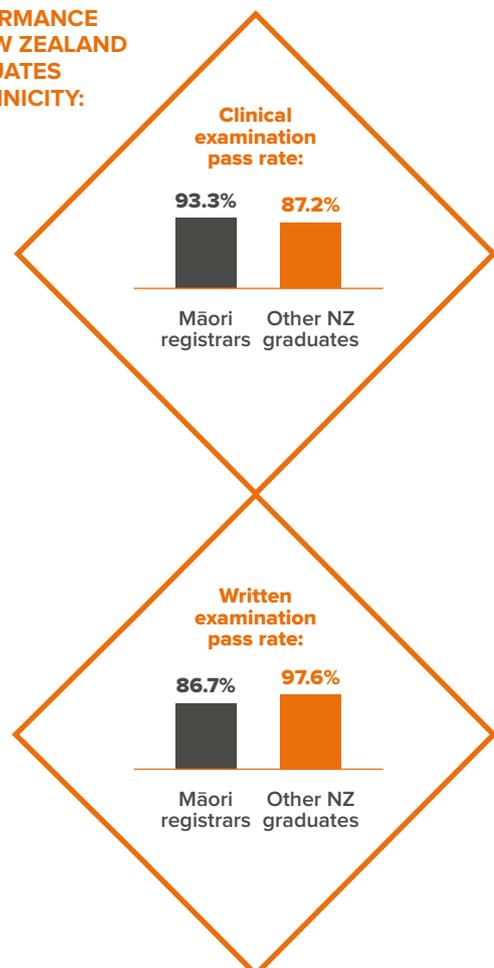


Commitment to Māori Strategy

As part of its continued commitment to the principles of Te Tiriti o Waitangi, the College has reviewed and improved its Māori Health Day training for GPEP registrars. Our 2018 workforce survey found that just four percent of GPs identify as Māori, well below the 15 percent of Māori that make up New Zealand's population.

However, we are heartened to see that when we focus on our younger doctors (those aged 40 years and under), the percentage identifying as Māori increases to 8.5 percent. This suggests efforts to build our Māori workforce are taking hold. This past year we were also pleased to see 18 Māori doctors joining our specialist training programme, and we note that our Māori registrars continue to do well in the GPEP examinations.

PERFORMANCE OF NEW ZEALAND GRADUATES BY ETHNICITY:



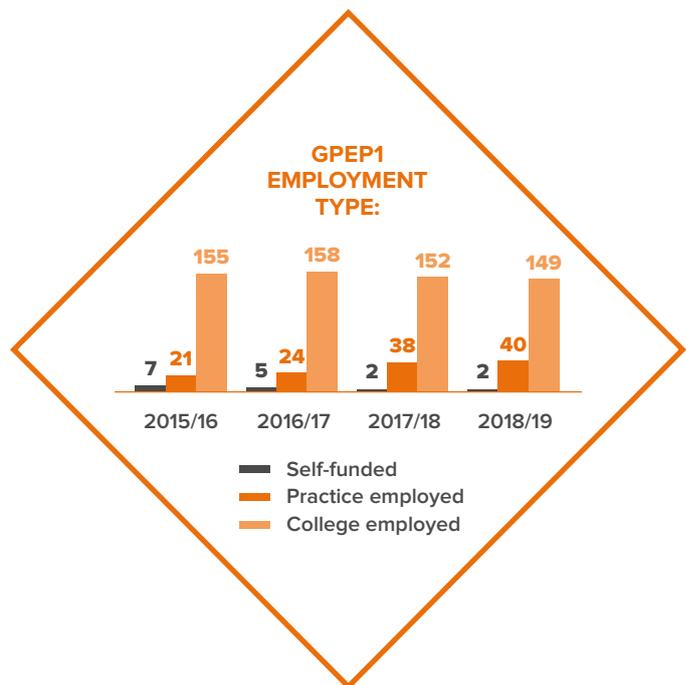
Learning

General Practice Education Programme

In 2018, 191 registrars joined the College's General Practice Education Programme (GPEP). Not only does this 36-month postgraduate course provide hands-on, GP-led learning, but it marks the beginning of a vocational career as a GP and a long and collegial relationship between the registrars, their GP colleagues, and the College.

TO RUN OUR GENERAL PRACTICE EDUCATION PROGRAMME, WE NEED:

GPEP1	22	Regional medical educators
	16	Small group facilitators
	169	In-practice teachers
	4,480	Hours of learning seminars (8 hours per session x 40 weeks x 14 regions)
9,600	Medical educator hours (12 hours per week x 40 weeks x 20 MEs)	
14,560	GP teacher hours (182 active GPEP1 registrars x 2 hours per week x 40 weeks)	
GPEP2/3	34	Learning group medical educators
	28	Visiting medical educators
	9	Dual medical educators
FELLOWSHIP	1	Censor in Chief
	7	Censors
	13	Assessors

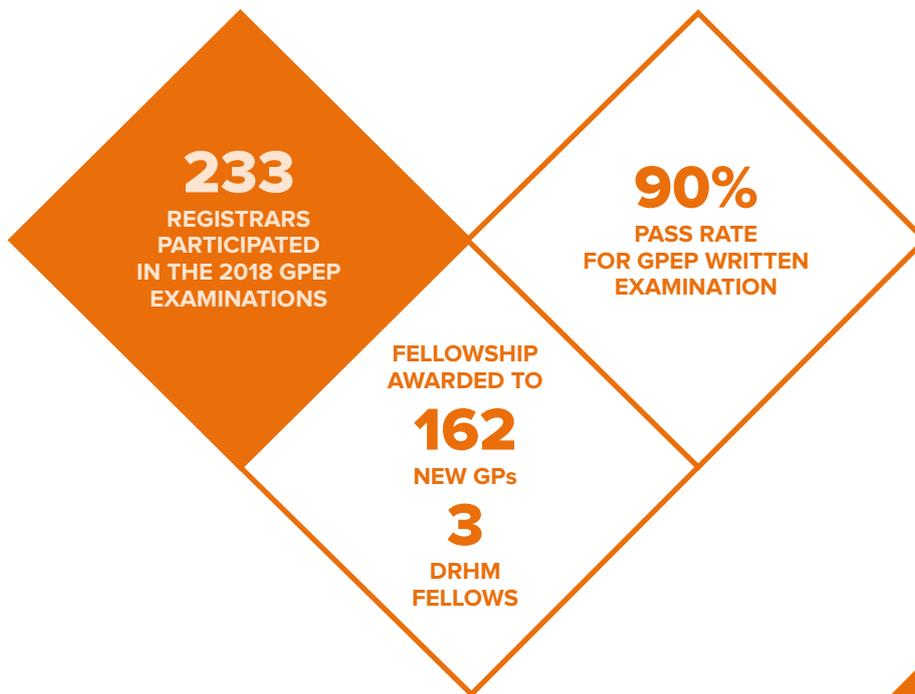


Feedback from our annual registrar examination survey was positive about the College's communication, staff, and registration process.

With the help of our hard-working GP teachers and medical educators, 233 registrars were able to participate in their GPEP1 examinations in late 2018. The pass rate for the clinical examination was 72.64 percent and the pass rate for the written examination was 90.69 percent. Female registrars outperformed male registrars in the clinical and written examination, and New Zealand graduates outperformed international medical graduates. Performance of Māori registrars remains very high, in both the clinical and the written examinations.

TO RUN OUR GPEP EXAMINATIONS, WE NEED:

40	Actors
40	Examiners
10	Clinical cases
10	Senior examiners
8	Staff
6	Examination days
2	Chief examiners



We were also pleased to award Fellowship to the 162 doctors who successfully completed their training. This is a wonderful achievement, one of which we are very proud.

We are currently working alongside Health Workforce New Zealand as part of a planned review of the GPEP programme. This work will continue throughout 2019. We also intend to review the GPEP curriculum again in 2019, to ensure it is fit for purpose and future-focused. Medical Council of New Zealand accreditation of the GPEP programme is due in 2024, so we will be starting preparation for this next year, undertaking a self-assessment gap analysis as the first step.

IN A RECENT SURVEY OF FIRST-YEAR REGISTRARS:



“

Those involved with delivering our General Practice Education Programme can all take credit for the part they play in helping train our next generation of caring, compassionate and accomplished GPs. The pass rate of our trainees gives me a great deal of confidence in our ability to continue building the GP workforce of the future.

”

Dr Peter Fleischl
Censor in Chief

The College continues to proactively review its IT needs. From a Learning team perspective, that will result in an upgraded learning management system, and potentially a new examination management system.

Medical Director

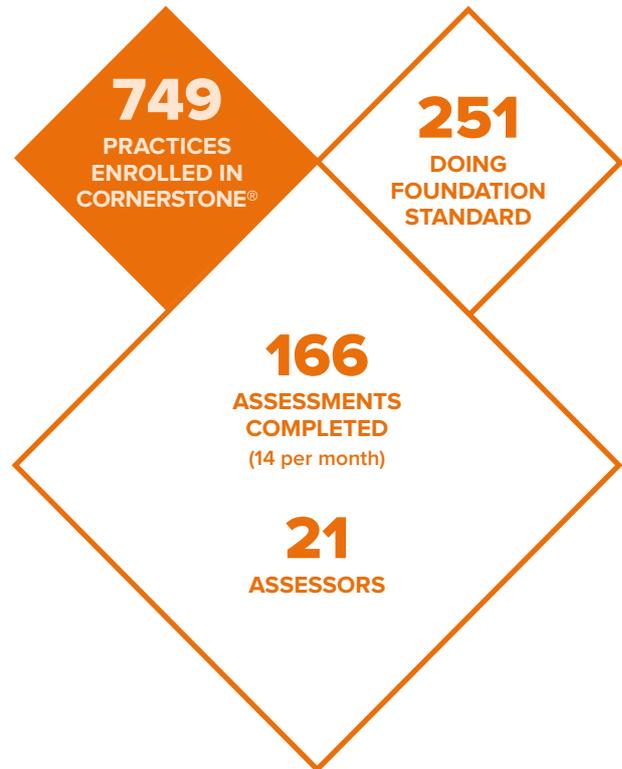
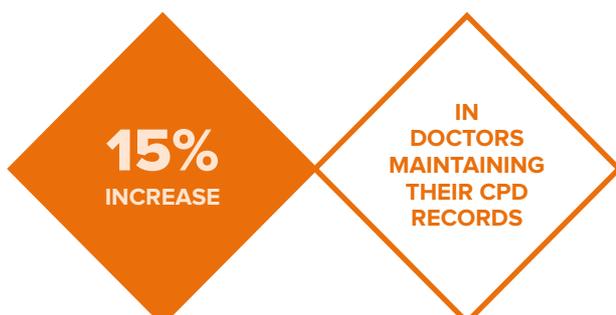
This past year, Medical Director Dr Richard Medicott has been involved with many different aspects of the College's work. One of his key roles is to provide advice within the College as to how various sector changes may impact working GPs. Externally, he has represented the College at stakeholder meetings with ACC, PHARMAC, Patients First, the Choosing Wisely campaign, NZTA's impaired driving campaign, and the Health Benefit of Good Work group. He has also been the voice and face of GPs whenever the media requests a College or GP comment on clinical topics.

Continuing professional development

Many College Fellows will be aware the Medical Council of New Zealand is reviewing its requirements for doctors' recertification. This has been a lengthy process, to which the College actively contributed by providing the Council with practical and best practice suggestions.

The College has worked hard to respond to members' needs and has redeveloped its continuing professional development (CPD) web pages and created new, more intuitive support resources with the goal of helping members more easily meet their CPD obligations. This has included a range of online user guides, a CPD FAQ resource and a self-assessment quiz.

The College has taken a more active approach to communicating with members regarding these initiatives and their CPD requirements. From mid-2018, CPD audits show an average of 61 percent of doctors were maintaining up-to-date records – up 15 percent from the previous year.



Quality

The College continues to set the quality standard for primary care. As of March 2019, 749 practices were enrolled in the CORNERSTONE® programme, and an additional 251 were in the Foundation Standard programme. During the period 1 April 2018 to 31 March 2019, our CORNERSTONE® assessors undertook 166 external assessments, averaging 14 assessments per month.

Following member and sector feedback, in July 2018 the College embarked on an ambitious project to simplify and update the Foundation Standard and CORNERSTONE® quality programme.

With the help of a dedicated design team and input from members, practice managers, PHOs and other quality leads, a new conceptual design was developed and approved by the Board in December 2018.

The new design is modular, allowing practices to select which criteria to work towards, according to their needs and priorities. It will be trialled throughout 2019, with the goal of rolling it out nationally in 2020.

Membership

WONCA

In 2020 the College will host the WONCA Asia Pacific Region Conference in Auckland. Not only will this put our College on the world stage, but it will allow our members to connect with and learn from their international colleagues. Our health system is the envy of many, and we are excited to showcase our work and our members' expertise to our global counterparts and to share in their knowledge too. We hope members will seize this opportunity and join us in Auckland next April.

GP18

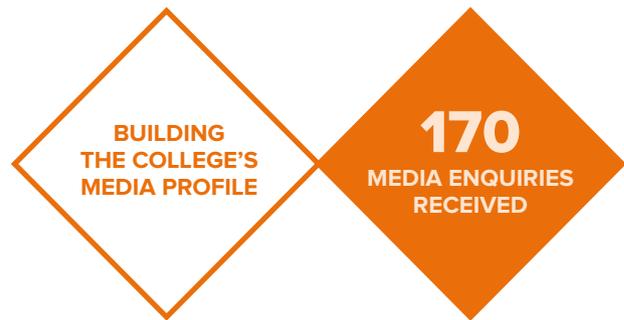
Every year the College hosts an annual conference, and by all accounts the 2018 conference held at the Aotea Centre in Auckland was a great success. More than 600 delegates came to hear from local and international experts, including diversity expert Dr Camara Jones and WONCA president Prof. Amanda Howe. In total there were 43 speakers sharing their knowledge and inspiring attendees.

The Fellowship and Awards Ceremony is always a highlight of the conference, and 2018 was no exception. More than 60 new Fellows crossed the stage to receive their Fellowship certificates, and we also awarded Honorary Fellowships to Dr Amanda Oakley and Prof. Peter Crampton. Several other prizes were presented, including eight Distinguished Fellowships given to members who have made significant contributions to the College and their communities.

Member outreach

The College invested time and personnel to help run or host a number of member events throughout the year, including Faculty continuing medical education (CME) sessions, AGMs, and conference support. The Chief Executive also undertook a regional roadshow, meeting College members, registrars, PHOs, DHBs and mayors in centres like Levin, New Plymouth, Whanganui, Gisborne, Northland, and the West Coast¹.

¹ GM Membership stood in for the Chief Executive.



Faculties continue to deliver high-quality CME events in conjunction with collegial activities. Highlights include the Northland Faculty's ever-popular Great Russell Conference, Hawke's Bay Faculty contributing to the Hawke's Bay Primary Care Symposium 2018, and the Southland and Otago Faculty's CME weekend, which was held at the remote Borland Lodge.

The Auckland Faculty once again hosted more than 200 people to complete the Auckland Round the Bays run – making it one of the biggest teams at the event.

The College also attended all the key primary care conferences held during 2018/19, including the Goodfellow Symposium, National Rural Health Conference, GP CME North and GP CME South. These events attracted over 2500 delegates (many of whom are College members) who engaged with the College team at our exhibition stand, asking questions and giving us valuable feedback on important issues like CPD requirements and our new quality programme.

REGIONAL ROADSHOW SESSIONS:

Doctor wellbeing sessions, with Dr Lucy O'Hagan

Auckland, Gisborne, Palmerston North, Whanganui, Wellington, Blenheim and Invercargill

Future technology for primary care, with Arturo Pelayo

Auckland, Whanganui, Nelson, Central Otago, Invercargill

The College has been steadily building its media profile and this year received 170 media enquiries.

Specialist name change

During the 2018 AGM, a motion was passed requesting that the College consider changing the title ‘general practitioner’ to ‘specialist general practitioner’ or ‘GP consultant’. The purpose was to differentiate College Fellows from non-vocationally registered doctors who work as generalists.

A working group, led by Dr Jim Vause, was formed to investigate the legal implications, members’ appetite for change, and the public’s likely response. Dr Vause presented the group’s recommendations during the April 2019 Board meeting, and the Board agreed the College would:

- further investigate the feasibility of changing the Fellowship qualification (FRNZCGP)
- encourage eligible international medical graduates to apply to be admitted to GPEP or have their international qualifications recognised
- add a question regarding member support for changing general practitioner to “specialist general practitioner” or similar in the 2020 Workforce Survey.

Financial reports

Pūronga pūtea

The Royal New Zealand College of General Practitioners

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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 and its subsidiary The Royal New Zealand College of General Practitioners Research and Educations Charitable Trust (together the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 26 to 48, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2019, and its consolidated financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards.

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 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 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 are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the Group or to cease operations, or have 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 financial statements.

A further description of our responsibilities for the audit of the 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.

The logo for Deloitte Limited, featuring the company name in a stylized, cursive script.

Wellington, New Zealand
19 June 2019

Consolidated Statement of Comprehensive Revenue & Expenses

FOR THE YEAR ENDED 31 MARCH 2019

	NOTES	GROUP 2019 \$000	GROUP 2018 \$000
REVENUE			
Contract revenue		21,395	22,468
Membership subscriptions		4,384	4,177
Fees		3,827	3,996
Finance revenue	1	539	512
Faculties' and Chapters' revenue	2	571	551
Other revenue	3	734	486
TOTAL REVENUE		31,450	32,190
EXPENSES			
Salaries – Registrar employees		12,921	13,743
Salaries – College employees		6,504	5,770
Educators and other contractors		5,681	5,699
ICT costs		834	900
Travel and accommodation		1,222	1,259
Occupancy		593	637
Faculties' and Chapters' expenses	2	543	430
Other operating expenses	4	3,701	3,526
TOTAL EXPENSES		31,999	31,964
NET COMPREHENSIVE REVENUE & EXPENSES		(549)	226

The accompanying notes on pages 36 to 48 are to be read in conjunction with these Financial Statements.

Consolidated Statement of Changes in Net Assets/Equity

FOR THE YEAR ENDED 31 MARCH 2019

	GROUP 2019 \$000	GROUP 2018 \$000
Opening balance at 1 April 2018	7,886	7,660
Net comprehensive revenue and expenses for the year	(549)	226
Total Comprehensive revenue and expenses	(549)	226
MEMBERS' FUNDS AT 31 MARCH 2019	7,337	7,886

The accompanying notes on pages 36 to 48 are to be read in conjunction with these Financial Statements.

Consolidated Statement of Financial Position

AS AT 31 MARCH 2019

	NOTES	GROUP 2019 \$000	GROUP 2018 \$000
CURRENT ASSETS			
Cash and cash equivalents	7	7,534	5,541
Short term deposits	8	1,859	4,800
Managed fund	9	5,939	5,575
Accounts receivable		1,099	1,031
Prepayments		229	232
NON CURRENT ASSETS			
Plant and equipment	5	358	469
Intangible assets	6	341	225
TOTAL ASSETS		17,359	17,873
LIABILITIES			
Accounts payable		658	841
Employee entitlements		224	370
Income in advance	11	7,891	7,675
Goods and services tax		716	705
NON CURRENT LIABILITIES			
Income in advance	11	533	396
TOTAL LIABILITIES		10,022	9,987
NET ASSETS		7,337	7,886
MEMBERS' FUNDS			
College accumulated funds		5,174	5,825
Faculties' & Chapters' accumulated funds	10	2,163	2,061
TOTAL MEMBERS' FUNDS		7,337	7,886

These Financial Statements were approved for issue by the Board on 19 June 2019.



Dr Samantha Murton
President



Dr Daniel McIntosh
Chair – Audit and Risk Committee

The accompanying notes on pages 36 to 48 are to be read in conjunction with these Financial Statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2019

	NOTES	GROUP 2019 \$000	GROUP 2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Contract revenue		21,821	21,828
Finance revenue		164	512
Other revenue		4,991	4,803
Membership subscriptions		4,384	4,177
Payment to suppliers and employees		(32,008)	(32,267)
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	(648)	(947)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(85)	(108)
Purchase of intangible assets		(215)	(6)
(Deposits)/receipts of funds into term deposits		2,941	200
Transfer of cash into managed funds		-	(2,016)
NET CASH FLOWS FROM INVESTING ACTIVITIES		2,641	(1,930)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,993	(2,877)
Cash and cash equivalents at beginning of year		5,541	8,418
CASH AND CASH EQUIVALENTS AT END OF YEAR		7,534	5,541
Cash and cash equivalents at 31 March consists of:			
Cash and cash equivalents		7,534	5,541
Short term deposits		-	3,000
TOTAL		7,534	8,541

The accompanying notes on pages 36 to 48 are to be read in conjunction with these Financial Statements.

Statement of Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2019

Reporting Entities

The consolidated 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.

Statement of Compliance

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 that have been authorised for use by the External Reporting Board for not-for-profit entities. 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.

For the purposes of complying with NZ GAAP, the College is a public benefit not-for-profit entity and is applying Tier 1 not-for-profit PBE IPSAS as it has expenditure of more than \$30 million. This report is in compliance with Tier 1 not-for-profit PBE Standards. The College has transitioned from a Tier 2 not-for-profit to a Tier 1 not-for-profit and this is the first year in which disclosures in these financial statements have complied with the requirements of Tier 1 not-for-profit PBE Standards. This has not resulted in any recognition or measurement changes, but has required more extensive disclosures in the notes to consolidated financial statements.

These consolidated 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 consolidated financial statements were authorised for issue by the Board on 19 June 2019.

Changes in Accounting Policy

For the year ended 31 March 2019, there have been no changes to accounting policies.

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 a joint venture, Patients First Limited, with General Practice New Zealand Incorporated.

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 consolidated 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 financial assets at fair value through surplus or deficit.

D. Managed funds

Managed funds are recognised at fair value on the College's consolidated Statement of Financial Position, with any gains/losses recognised through the consolidated 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 consolidated Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of less than three months 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 consolidated Statement of Cash Flows, cash and cash equivalents consist of cash at bank and short term deposits with an original maturity of less than 3 months.

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. 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 2–4 years
- Computer Equipment 5–10 years

J. Intangible assets

Licences 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. Impairment

We review the carrying values of plant and equipment and intangible assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are recognised as expenditure in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

L. Fair value of financial instruments

The recognition and measurement of the College's financial instruments require management estimation and judgement.

Financial instruments that are measured subsequent to the initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The fair value hierarchy is:

Level 1 inputs: Derived from quoted prices in active markets for identical assets or liabilities.

Level 2 inputs: Either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs other than quoted prices included in Level 1.

Level 3 inputs: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments recognised on the College's balance sheet at fair value have been values within Level 2 of the valuation methodology hierarchy on the basis that the fair value is determined with reference to prices which are observable, but not directly quoted given the fund is unitised. There have been no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended 31 March 2019 (2018: Nil).

M. Taxation

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

N. Goods and services tax (GST)

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

O. 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 instalments over the lease term.

P. 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.

Q. 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.

R. Revenue recognition

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

Revenue is recognised on the following bases:

(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 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 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. The remaining revenue for each contract is recognised on a straight line basis over the life of the contract.

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 Group's right to receive payment is established, and the amount can be reliably measured.

Q. 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.

S. Significant judgement and estimates

In applying the College's accounting policies, management continually evaluates judgments, estimates and assumptions based on historical experience and other factors, including expectations of future events that may have an impact on the College. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ under different conditions from when the judgments, estimates and assumptions were made. Significant judgments, estimates and assumptions made by management in the preparation of this financial report are described below:

Income in advance – Detailed disclosure is included in accounting policies above.

HWNZ audit – The College have made no provision in relation to this audit. See Note 20 for further details.

T. Standards issued not yet effective

There are no standards that are issued not yet effective that will have a material impact on the College's financial statements. All standards will be applied when they are effective.

PBE IPSAS 35: Consolidated Financial Statements (effective for periods beginning on or after 1 January 2019)

This standard supersedes PBE IPSAS 6: Consolidated and separate financial statements. This standard clarifies when control is present over another entity based on three elements: power of that entity, rights to variable benefits or exposure to variable benefits from involvement with that entity and ability to use the power over that entity in order to affect those benefits.

PBE IPSAS 36: Investment in Associates and Joint Ventures (effective for periods beginning on or after 1 January 2019)

This standard supersedes PBE IPSAS 7: Investments in Associates. All investments in joint ventures and investment in associates shall be accounted for using the equity method.

PBE IPSAS 37: Joint Arrangements (effective for periods beginning on or after 1 January 2019)

This standard supersedes PBE IPSAS 8: Interests in Joint Ventures. PBE IPSAS 37 classifies joint ventures as being either joint operations or joint ventures. Whether the joint arrangement is a joint operation or a joint venture is determined based on the rights and obligations of the parties' under the arrangement. All joint ventures are required to be proportionately consolidated.

PBE IPSAS 38: Disclosure of interests in other entities (effective for period beginning on or after 1 January 2019)

This standard establishes disclosure objectives and specifies the minimum disclosures that an entity must provide to meet those objectives.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2019

1. FINANCE REVENUE

	GROUP 2019 \$000	GROUP 2018 \$000
Interest	164	232
Gain on managed funds held at fair value	375	280
TOTAL FINANCE REVENUE	539	512

2. FACULTIES' AND CHAPTERS' REVENUE AND EXPENSES

The College's Faculties are set up to work locally to further the College's charitable purpose. This is done by planning and carrying out educational and other membership support activities and by each Faculty having a representative serve on the National Advisory Council. Revenue is generated as a portion of members annual subscription fees.

The College's Chapters are set up to represent major national areas of practice and to further the College's charitable purpose. This is done by planning and carrying out educational and other membership support activities and representation on the National Advisory Council and College Board. Revenue is generated as a portion of members' annual subscription fees.

	GROUP 2019 \$000	GROUP 2018 \$000
Membership levies	493	485
Interest income	49	43
Sundry income	29	23
TOTAL FACULTIES' AND CHAPTERS' REVENUE	571	551

2. FACULTIES' AND CHAPTERS' REVENUE AND EXPENSES (cont.)

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

	REVENUE 2019 \$000	EXPENSES 2019 \$000	SURPLUS/ (DEFICIT) 2019 \$000	REVENUE 2018 \$000	EXPENSES 2018 \$000	SURPLUS/ (DEFICIT) 2018 \$000
Auckland Faculty	112	145	(33)	109	96	13
Northland Faculty	37	37	-	36	38	(2)
Waikato Faculty	54	34	20	53	28	25
Tairāwhiti Faculty	3	1	2	2	-	2
Wellington Faculty	43	30	13	41	18	23
Hawkes Bay Faculty	12	20	(8)	11	8	3
Nelson Faculty	13	21	(8)	13	8	5
Taranaki Faculty	9	1	8	9	-	9
Whanganui Faculty	4	5	(1)	4	1	3
Manawatū Faculty	11	15	(4)	11	5	6
Canterbury Faculty	44	49	(5)	43	50	(7)
Otago Faculty	23	27	(4)	20	28	(8)
Southland Faculty	10	12	(2)	8	2	6
Pacific Chapter	11	20	(9)	11	4	7
Te Akoranga a Māui	36	56	(20)	36	48	(12)
Rural General Practitioners' Chapter	16	17	(1)	16	10	6
Rural Hospital Generalists' Chapter	196	41	155	187	83	104
The Registrars' Chapter	11	12	(1)	11	3	8
TOTAL INCLUDING COLLEGE CONTRIBUTION	645	543	102	621	430	191
Less College contributions	(70)	-	(70)	(70)	-	(70)
NET REVENUE AND EXPENSES	575	543	32	551	430	121

3. OTHER REVENUE

	GROUP 2019 \$000	GROUP 2018 \$000
Rental income	20	16
Event and other income	714	470
TOTAL OTHER REVENUE	734	486

4. OTHER OPERATING EXPENSES

	NOTES	GROUP 2019 \$000	GROUP 2018 \$000
Depreciation of plant and equipment	5	193	208
Amortisation of intangibles	6	99	92
Directors' fees		236	274
Audit fees – external		40	29
Audit fees – internal		32	32
Accounting, taxation and legal		319	109
Conferences and seminars		829	700
CORNERSTONE expenses		1,123	1,084
Information delivery		118	238
Loss on asset disposal		2	1
Grants		8	19
Other committee fees		119	128
Sundry operating expenses		583	612
TOTAL OTHER OPERATING EXPENSES		3,701	3,526

5. PLANT AND EQUIPMENT

Movements for plant and equipment are as follows:

2019	OFFICE EQUIPMENT \$000	FURNITURE AND FITTINGS \$000	COMPUTER EQUIPMENT \$000	TOTAL \$000
COST OR VALUATION				
Balance at 1 April 2018	56	557	458	1,071
Additions	30	15	40	85
Disposals	-	-	(19)	(19)
BALANCE AT 31 MARCH 2019	86	572	479	1,137
ACCUMULATED DEPRECIATION				
Balance at 1 April 2018	28	237	337	602
Depreciation expense	12	94	87	193
Disposals	-	-	(16)	(16)
BALANCE AT 31 MARCH 2019	40	331	408	779
NET BOOK VALUE AT 31 MARCH 2019	46	241	71	358

2018	OFFICE EQUIPMENT \$000	FURNITURE AND FITTINGS \$000	COMPUTER EQUIPMENT \$000	TOTAL \$000
COST OR VALUATION				
Balance at 1 April 2017	38	540	389	967
Additions	18	17	73	108
Disposals	-	-	(4)	(4)
BALANCE AT 31 MARCH 2018	56	557	458	1,071
ACCUMULATED DEPRECIATION				
Balance at 1 April 2017	21	139	237	397
Depreciation expense	7	98	103	208
Disposals	-	-	(3)	(3)
BALANCE AT 31 MARCH 2018	28	237	337	602
NET BOOK VALUE AT 31 MARCH 2018	28	320	121	469

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

6. INTANGIBLE ASSETS

Movements for intangible assets are as follows:

2019	COMPUTER SOFTWARE \$000
COST OR VALUATION	
Balance at 1 April 2018	881
Additions	215
Disposals	-
BALANCE AT 31 MARCH 2019	1,096
ACCUMULATED AMORTISATION	
Balance at 1 April 2018	656
Amortisation expense	99
Disposals	-
BALANCE AT 31 MARCH 2019	755
NET BOOK VALUE AT 31 MARCH 2019	341
2018	COMPUTER SOFTWARE \$000
COST OR VALUATION	
Balance at 1 April 2017	1,376
Additions	6
Disposals	(501)
BALANCE AT 31 MARCH 2018	881
ACCUMULATED AMORTISATION	
Balance at 1 April 2017	1,065
Amortisation expense	92
Disposals	(501)
BALANCE AT 31 MARCH 2018	656
NET BOOK VALUE AT 31 MARCH 2018	225

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

7. CASH AND CASH EQUIVALENTS

	GROUP 2019 \$000	GROUP 2018 \$000
Cash at bank and in hand	7,534	2,541
Short-term deposits (with an original maturity of less than 3 months)	-	3,000
TOTAL CASH AND CASH EQUIVALENTS	7,534	5,541

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

Cash and cash equivalents and short term deposits includes Income in advance of \$8,424,000 (2018: \$8,071,000) which arises due to the in-advance nature of the funding for the College's training and employment contracts.

8. SHORT TERM DEPOSITS

	GROUP 2019 \$000	GROUP 2018 \$000
Short-term deposits (with an original maturity of more than 3 months)	1,859	4,800
TOTAL CASH AND CASH EQUIVALENTS	1,859	4,800

The carrying value of short term deposits approximate their fair value.

9. MANAGED FUNDS

	GROUP 2019 \$000	GROUP 2018 \$000
Securities:		
Cash	-	-
Debt – New Zealand	591	478
Debt – Overseas	1,504	1,158
Property – New Zealand	511	455
Equity – New Zealand	1,320	-
Equity – Overseas	1,121	2,885
Cash and cash equivalents (assets)	892	599
TOTAL	5,939	5,575

The College holds units in an investment fund managed by a fund manager. The carrying value of the Managed Fund represents the fair value of the units the College holds in that fund.

10. FACULTIES' AND CHAPTERS' ACCUMULATED FUNDS

	2019 \$000	SURPLUS/ (DEFICIT) 2019 \$000	2018 \$000	SURPLUS/ (DEFICIT) 2018 \$000
Auckland Faculty	472	(33)	505	13
Northland Faculty	79	-	79	(2)
Waikato Faculty	263	20	243	25
Tairāwhiti Faculty	8	2	6	2
Wellington Faculty	257	13	244	23
Hawkes Bay Faculty	65	(8)	73	3
Nelson Faculty	21	(8)	29	5
Taranaki Faculty	81	8	73	9
Whanganui Faculty	38	(1)	39	3
Manawatū Faculty	79	(4)	83	6
Canterbury Faculty	107	(5)	112	(7)
Otago Faculty	133	(4)	137	(8)
Southland Faculty	53	(2)	55	6
Pacific Chapter	16	(9)	25	7
Te Akoranga a Māui	29	(20)	49	(12)
Rural General Practitioners' Chapter	40	(1)	41	6
Rural Hospital Generalists' Chapter	374	155	219	104
The Registrars' Chapter	48	(1)	49	8
TOTAL	2,163	102	2,061	191

11. INCOME IN ADVANCE

	2019 \$000	2018 \$000
Ministry of Health contract revenue	5,712	5,286
CORNERSTONE fees	1,574	1,763
Fellowship assessments fees	188	119
GPEP2/3 programme	707	751
Other fees in advance	243	152
TOTAL FACULTIES' AND CHAPTERS' REVENUE	8,424	8,071

12. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2019 \$000	2018 \$000
No later than one year	516	481
More than one year less than 5 years	2,065	1,923
More than 5 years	258	721

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.

13. 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.

All of the College's financial instruments are unhedged.

The College manages its exposure to key financial risks in accordance with its policies, the objective of which is to support the delivery of the College's financial targets while protecting future financial security. The main risks arising from the College's financial instruments are interest rate risk and currency risk.

The Board approves policies including risk management and investment policies that set appropriate principles to guide the College's management in carrying out financial risk management activities.

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

This is the risk that, at any time, the Group may not have sufficient funds to settle a liability on the due date. The College manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows; matching the maturity profiles of financial assets and liabilities.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. As over 70% of the College funding is received from the Ministry of Health, we deem our credit risk to be very low. Due to the timing of its cash inflows and outflows, the Group invests surplus cash into term deposits, which gives rise to credit risk. The Group also minimises credit risk by limiting investments to registered banks, local government stock and other entities with a Standard and Poor's credit rating no less than AA-. The Group has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

13. FINANCIAL INSTRUMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that movements in variable interest rates will affect financial performance by increasing interest or reducing interest income. 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 periods where these funds are not required for liquidity purposes.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The main component of market risk to the College is interest rate risk and currency risk on managed funds.

Currency Risk

This is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in exchange rates. The College holds a number of financial instruments in overseas currencies through its managed fund. The College manages currency risk through the use of a professional fund manager that has significant experience and regularly monitors movements in overseas markets.

Sensitivity Analysis

The table below illustrates, the potential impact on surplus/ (deficit) for reasonably possible market movements, with all other variables held constant, based on Group's financial instruments at the balance date. The impact on Equity is the same as, the surplus/ (deficit) impact below. The sensitivity analysis is based on a deviation in either the interest rate by +/- 50 basis points or the exchange rate by +/- 5%.

	SENSITIVITY	INTEREST RATE		EXCHANGE RATE		
		2019 \$000	2018 \$000	SENSITIVITY	2019 \$000	2018 \$000
Impact on profit	+/- 50 bps	38	28	+/- 5%	131	202

The sensitivity analysis is prepared assuming the amount of liability outstanding at balance date was outstanding for the whole year.

Explanation of Sensitivity analysis – Interest rates

The College held assets with exposure to interest rate risk in cash. A movement in interest rates of plus or minus 50bps would result in a movement of \$38,000 (2018: \$28,000). Term deposits and debt securities have not been included in this analysis as they are all held at fixed interest rates.

Explanation of Sensitivity analysis – Foreign exchange rates

The College held assets with exposure to currency risk in investments held in International equities and debt. A movement in all exchange rates of plus or minus 5% would result in a movement of \$131,000 (2018: \$202,000).

13. FINANCIAL INSTRUMENTS (cont.)

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 2019	LEVEL OF FAIR VALUE HIERARCHY
	FAIR VALUE	LOANS AND RECEIVABLES	AMORTISED COST		
SUBSEQUENTLY MEASURED AT FAIR VALUE					
Securities:					
Managed Fund	5,047	-	-	5,047	2
SUBSEQUENTLY NOT MEASURED AT FAIR VALUE					
Cash and cash equivalents (assets)	892	9,393	-	10,285	
Receivables	-	1,099	-	1,099	
Payables	-	-	(658)	(658)	
	5,939	10,492	(658)	15,773	

CARRYING AMOUNT \$000	FINANCIAL ASSETS		FINANCIAL LIABILITIES	TOTAL AS AT 31 MARCH 2018	LEVEL OF FAIR VALUE HIERARCHY
	FAIR VALUE	LOANS AND RECEIVABLES	AMORTISED COST		
SUBSEQUENTLY MEASURED AT FAIR VALUE					
Securities:					
Managed Fund	4,976	-	-	4,976	2
SUBSEQUENTLY NOT MEASURED AT FAIR VALUE					
Cash and cash equivalents (assets)	599	10,341	-	10,940	
Receivables	-	1,031	-	1,031	
Payables	-	-	(841)	(841)	
	5,575	11,372	(841)	16,106	

14. CAPITAL MANAGEMENT

The College's capital is its equity (or members' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The College manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of its members.

15. SEGMENT REPORTING

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

16. INVESTMENT IN JOINT VENTURE

The College has a 50% holding in Patients First Limited which is a joint venture with General Practice New Zealand Incorporated.

	NUMBER OF SHARES	PERCENTAGE HELD		BALANCE DATE
		2019	2018	
Patients First Limited	2,000	50%	50%	30 June

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

As at 31 March 2019 (2018: nil), Patients First Limited had no contingent assets or liabilities.

17. 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

	2019 \$000	2018 \$000
Members' levies paid to the Trust	45	44
Amount owing at year end to the Trust	-	-
Patients First Limited	27	60

ii. Key management personnel remuneration

The Group classifies its key management as:

- Members of the Board; and
- Executive management team, including Chief Executive Officer.

17. RELATED PARTY TRANSACTIONS (cont.)

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

The aggregate level of honoraria and remuneration paid and number of individuals in each class of key management personnel is presented below:

	BOARD FEES 2019 \$000	REPRESENTATION FEES 2019 \$000	BOARD FEES 2018 \$000	REPRESENTATION FEES 2018 \$000
Dr Tim Malloy	23	19	53	45
Dr Samantha Murton	20	17	-	-
Dr Mark Peterson	9	-	26	-
Dr Sue Crengle	27	-	26	-
Dr Lauren McGifford	27	-	26	-
Dr Joseph Scott-Jones	27	-	26	-
Ms Anita Mazzoleni	14	-	26	-
Dr Joanna Blakey	27	-	18	-
Dr Apisalome Talemaitoga	-	-	8	-
TOTAL	174	36	209	45

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

	REMUNERATION 2019 \$000	NUMBER OF INDIVIDUALS 2019	REMUNERATION 2018 \$000	NUMBER OF INDIVIDUALS 2018
Executive management	1,513	7	1,171	6.5

18. RECONCILIATION OF THE SURPLUS FOR THE PERIOD WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	GROUP 2019 \$000	GROUP 2018 \$000
NET SURPLUS FOR THE YEAR	(549)	226
ADD NON-CASH ITEMS:		
Amortisation	99	92
Depreciation	193	208
Loss on disposal	3	2
Net gains on investments	(364)	(245)
MOVEMENTS IN WORKING CAPITAL:		
Accounts receivable	(68)	386
Prepayments	3	(88)
Accounts payable	(183)	(419)
Employee entitlements	(146)	56
GST payable	11	(165)
Income in advance	353	(1,000)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	(648)	(947)

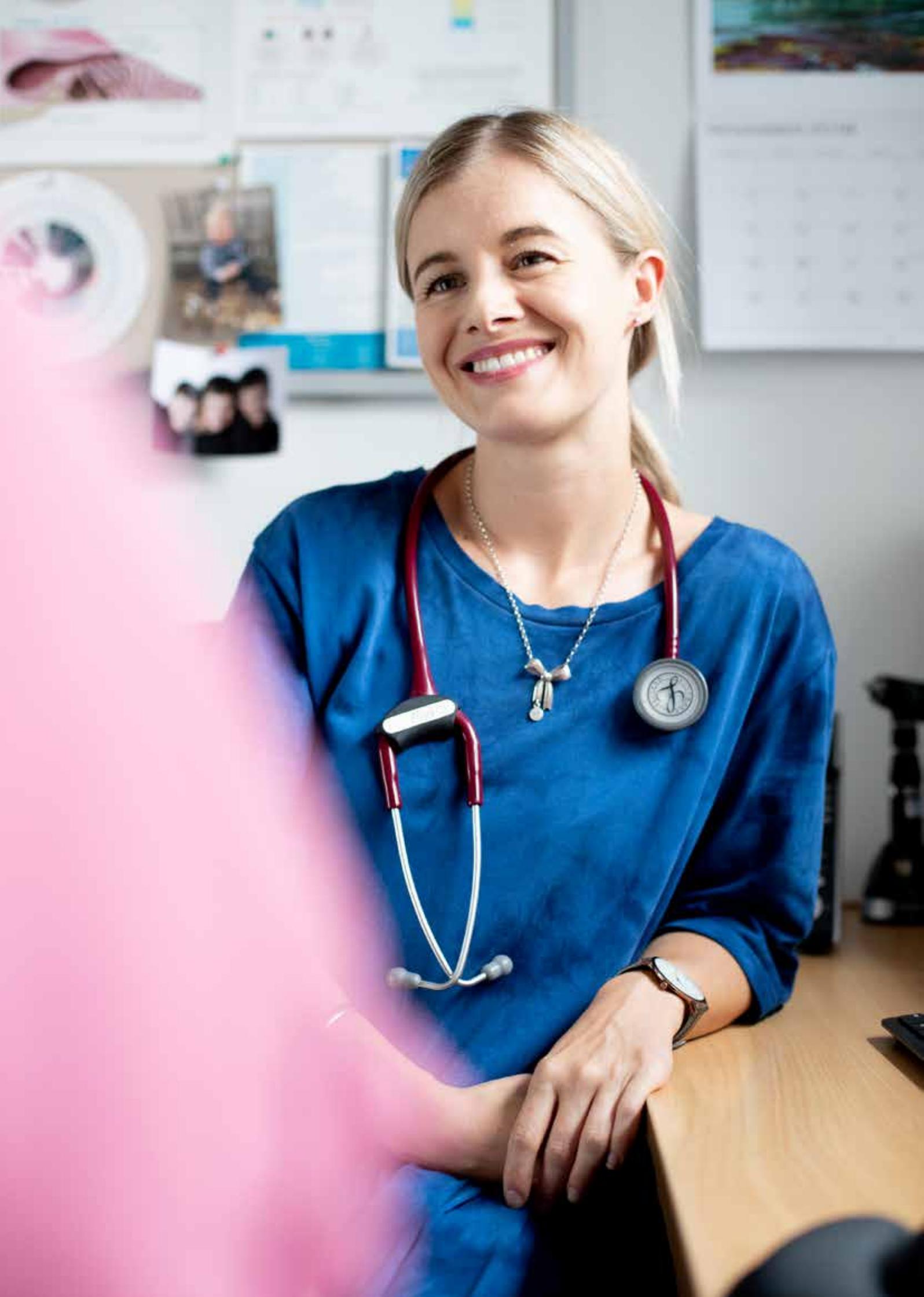
19. CONTINGENCIES

The Group has no contingent liabilities as at 31 March 2019 (2018: nil).

20. SUBSEQUENT EVENTS

In late 2018 Health Workforce NZ (HWNZ), the investment team within the Ministry of Health for funding of postgraduate training, conducted a financial audit of the GPEP funding for the three years 2014–2017.

The audit finding was that the College owed funds back to HWNZ for this period. Subsequent to balance date the College has strongly disputed this audit report, and provided a full reconciliation and detailed analysis to support the College's position that no further monies are owed to HWNZ for the 3 year period under audit. At the time of finalising the financial statements, HWNZ have agreed to re-examine their standpoint taking into consideration the additional information provided by the College, therefore no provision has been made in relation to this audit.



Financial reports

Pūronga pūtea

The Royal New Zealand College of General Practitioners Research and Education Charitable Trust

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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 2019, and the statement of comprehensive revenue and expense, 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 52 to 57, present fairly, in all material respects, the financial position of the Trust as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance 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 entity 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.

Trustee’s responsibilities for the financial statements

The Trustees are responsible on behalf of the entity 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 entity’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 entity 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 Members, 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 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
7 July 2019

Statement of Comprehensive Revenue & Expenses

FOR THE YEAR ENDED 31 MARCH 2019

	NOTES	2019	2018
REVENUE			
Levy revenue	4	45,014	43,888
Interest received		8,011	6,592
TOTAL REVENUE		53,025	50,480
EXPENSES			
Audit fees	1	500	500
Legal fees		10,409	-
Other expenses		2,680	45
Summer Students			
University of Otago		7,758	10,000
Specific Grants			
S Murton		3,000	-
O Currie		-	2,000
S Pullon		-	6,850
TOTAL EXPENSES		24,347	19,395
NET COMPREHENSIVE REVENUE & EXPENSES		28,678	31,085

The accompanying notes on page 57 are to be read in conjunction with these Financial Statements.

Statement of Financial Position

AS AT 31 MARCH 2019

	NOTES	2019	2018
CURRENT ASSETS			
Cash and cash equivalents	2	73,285	50,371
Short term investments	2	304,306	300,000
Accrued income		-	1,827
TOTAL CURRENT ASSETS		377,591	352,198
LIABILITIES			
Audit fee payable	1	500	500
Goods and services tax		2,265	5,550
TOTAL CURRENT LIABILITIES		2,765	6,050
NET ASSETS		374,826	346,148
ACCUMULATED FUNDS		374,826	346,148

Statement of Changes in Net Assets/Equity

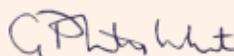
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
Opening balance at 1 April 2018	346,148	315,063
Net comprehensive revenue and expenses for the year	28,678	31,085
MEMBERS' FUNDS AT 31 MARCH 2019	374,826	346,148

These financial statements were approved for issue by the Board on 9 July 2019.



Dr Joseph Scott-Jones
Trustee



Dr George White
Trustee

The accompanying notes on page 57 are to be read in conjunction with these Financial Statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Levy revenue	45,014	43,888
Interest received	9,838	4,962
Payments to suppliers	(13,589)	(545)
Grants	(10,758)	(18,850)
GST (paid)/refund	(3,285)	2,577
NET CASH FLOWS FROM OPERATING ACTIVITIES	27,220	32,032
NET INCREASE IN CASH AND CASH EQUIVALENTS	27,220	32,032
Cash and cash equivalents at beginning of year	350,371	318,339
CASH AND CASH EQUIVALENTS AT END OF YEAR	377,591	350,371
Cash and cash equivalents at 31 March consists of:		
Cash and cash equivalents	73,285	50,371
Short term deposits	304,306	300,000
TOTAL	377,591	350,371

The accompanying notes on page 57 are to be read in conjunction with these Financial Statements.

Statement of Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2019

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 2019 and were authorised for issue by the Trustees on 9 July 2019.

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.

Changes in Accounting Policy

For the year ended 31 March 2019, there have been no changes to accounting policies.

SPECIFIC ACCOUNTING POLICIES

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

A. Cash and cash equivalents

Cash and cash equivalents in the consolidated Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of less than three months 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 consolidated Statement of Cash Flows, cash and cash equivalents consist of cash at bank and short term deposits with an original maturity of less than 3 months.

B. Term deposits

For the purposes of the Statement of Cash Flows, funds invested with an original maturity of more than 3 months are classed as term investments and are held to maturity.

C. 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.

D. 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.

E. Revenue recognition

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

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.

F. 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.

G. Significant judgement and estimates

In applying the Trust's accounting policies, management continually evaluates judgments, estimates and assumptions based on historical experience and other factors, including expectations of future events that may have an impact on the Trust. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ under different conditions from when the judgments, estimates and assumptions were made. There were no significant judgments, estimates or assumptions made by management in the preparation of this financial report.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2019

1. AUDIT FEES

The fee for the audit of the financial statements is \$500 (2018: \$500).

2. CASH AND CASH EQUIVALENTS

	2019	2018
Cash at bank and in hand	73,285	50,371
Short-term investments	304,306	300,000
TOTAL CASH AND CASH EQUIVALENTS	377,591	350,371

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.

Unless otherwise stated transactions with related parties have been on an arms-length basis.

Transactions with related parties	2019	2018
Levies received from the College	45,014	43,888
Amounts owed by the College	-	-
Grants paid to Trustees of the College		
S Murton	3,000	-

Grant to S Murton was approved on 3 October 2018, prior to her nomination for College President, and subsequent appointment.

5. CONTINGENCIES

The Group has no contingent liabilities as at 31 March 2019 (2018: Nil).

6. SUBSEQUENT EVENTS

There were no material subsequent events after the balance date.



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