



St John of God Hauora Trust

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**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2018**

**Statement of financial performance**

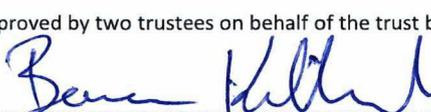
	Note	2018 \$'000	2017 \$'000
<b>Revenue from exchange transactions</b>	4		
Accommodation and service fees	6, 7	12,848	11,295
Other health and abilities revenue	6	39	24
Government grants and subsidies	26	1,810	1,898
Other grants and subsidies	26	234	266
Other operating revenue	6	317	358
		<b>15,248</b>	<b>13,841</b>
<b>Revenue from non-exchange transactions</b>	4, 26		
Donations		13	14
<b>Total revenue</b>		<b>15,261</b>	<b>13,855</b>
<b>Expenses:</b>			
Employee costs and contract remuneration		11,114	10,034
Supply costs		1,172	1,155
Other operating expenses		800	847
Centralised support and service costs		1,195	1,040
Board expenses		41	46
<b>Total expenses</b>		<b>14,322</b>	<b>13,122</b>
<b>EBITDA</b>		<b>939</b>	<b>733</b>
Interest income		-52	-65
Interest expense	12	128	129
Net interest		<b>76</b>	<b>64</b>
Depreciation owned assets	11, 18	370	307
Depreciation leased assets	12	108	92
<b>Operating surplus / (deficit)</b>		<b>385</b>	<b>270</b>

**St John of God Hauora Trust**  
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**Statement of financial position**

	Note	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	289	301
Cash held on behalf of residents	17	123	135
Bank deposits	15	1,165	1,348
Sundry debtors and other receivables	7, 13	913	752
Other assets	8, 13	37	48
<b>Total current assets</b>		<b>2,527</b>	<b>2,584</b>
<b>Non-current assets</b>			
Property, plant and equipment	11, 12, 13, 18, 19	5,259	5,220
Work in progress		415	65
Leased assets	12	306	258
Investment in shares in co-operative supplier	9	19	19
<b>Total non-current assets</b>		<b>5,999</b>	<b>5,562</b>
<b>Total assets</b>		<b>8,526</b>	<b>8,146</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables and accruals	10	801	717
Residents' funds	10, 17	123	135
Goods and services tax		149	132
Employee benefit liabilities	16	815	737
Grants held for future or other specific purposes	4	63	206
Bank Loan	19	236	228
Lease liability	12	94	94
<b>Total current liabilities</b>		<b>2,281</b>	<b>2,249</b>
<b>Non-current liabilities</b>			
Bank Loan		1,524	1,746
Lease liability	12	297	209
Loan from St John of God Health Care Inc	20	96	0
<b>Total non-current liabilities</b>		<b>1,917</b>	<b>1,954</b>
<b>Total liabilities</b>		<b>4,198</b>	<b>4,203</b>
<b>Trust equity</b>			
Retained surpluses		4,328	3,943
<b>Total equity attributable to the trust</b>		<b>4,328</b>	<b>3,943</b>

Approved by two trustees on behalf of the trust board 13 September 2018.

 Trustee
  Trustee

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**Statement of movements in equity**

	2018 \$'000	2017 \$'000
Equity at beginning of year	3,943	3,673
Operating surplus / (deficit) for the year	385	270
<b>Equity at end of year</b>	<b>4,328</b>	<b>3,943</b>

**Statement of cash flows**

	2018 \$'000	2017 \$'000
Surplus (Deficit)	385	270
Depreciation and Amortisation	478	400
Changes in Working Capital		
Accounts Receivable	-153	-75
Prepayments	-8	7
Inventories	12	6
Trade Payables & Accruals	72	35
Goods & Services Tax	17	57
Employee Benefit Liabilities	78	6
Grants for Future or Specific Purposes	-143	129
<b>Cash from Operations</b>	<b>738</b>	<b>834</b>
Capital Expenditures	-916	-701
<b>Cash from Investing</b>	<b>-916</b>	<b>-701</b>
Bank Loan (Current)	8	-79
Lease Liability (Current)	0	50
Bank Loan (Non-Current)	-222	-142
Lease Liability (Non-Current)	89	135
Loan from St John of God Health Care Inc	96	0
Investment in Shares Co-op Supplier	0	-6
<b>Cash from Financing</b>	<b>-29</b>	<b>-42</b>
<b>Total change in cash</b>	<b>-207</b>	<b>91</b>
Beginning Cash Balance	1,784	1,693
Total Change in Cash	-207	91
Ending Cash Balance	1,577	1,784

# St John of God Hauora Trust

## Financial Statements for year ended 30 June 2018

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### Notes to the financial statements, including statements of accounting policies

#### General notes

##### 1. Reporting entity

St John of God Hauora Trust (the Trust) is a charitable trust, based in Christchurch, incorporated under the Charitable Trusts Act 1957 on 29 June 1993 and registered under the Charities Act 2005 on 10 June 2008. The Trust provides care services at Halswell, Christchurch; Addington, Christchurch; Rolleston, Selwyn; and Karori, Wellington for severely disabled New Zealanders. It also provides 'Community, Youth and Child' services and Early Childhood Education at St John of God Waipuna in Wainoni, Christchurch to young people aged 10 to 25 years and their family/whanau as 'one-stop-shop' wrap-around service provision.

##### 2. Authorisation

On behalf of the Trust's board of trustees, two members of the board authorised these financial statements for the year ended 30 June 2018 on 13 September 2018.

##### 3. Statement of compliance and basis of preparation

The financial statements of the Trust have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) standards and disclosure concessions have been applied. The Trust is eligible to report in accordance with Tier 2 PBE standards because it does not have public accountability and it is not large.

##### 4. PBE standards on accounting policies and disclosures

The accounting policies adopted in these financial statements are consistent with the PBE Standards. The accounting policies and disclosures required by the PBE accounting standards are as follows:

###### PBE IPSAS 2 - Cash Flow Statement

PBE IPSAS 2 prescribes that PBE entities provide a Cash Flow Statement. The Trust has included a Consolidated Cash Flow Statement including last year's comparative statement.

###### PBE IPSAS 20 – Related Party Disclosures

PBE IPSAS 20 prescribes that related party information and remuneration of Key Management Personnel is disclosed. The Trust has included these elements as a note.

###### PBE IPSAS 23 – Revenue from Non-Exchange Transactions

PBE IPSAS 23 prescribes that revenue arising from exchange transactions is reported separately from non-exchange revenue. The Trust has made this differentiation.

Non-exchange revenue from grants and donation can only be deferred and recognised as liability if there is a condition attached that requires the Trust to use the funds as specified or return the funds if the Trust does not perform as specified. The Trust has stated revenue from non-exchange transactions when received in accordance with PBE IPSAS 23.

##### 5. Income tax

St John of God Hauora Trust is registered as a charitable entity with Charities Services and is therefore exempt from income tax and resident withholding tax.

##### 6. Income

The Trust recognises income when and as services are rendered.

##### 7. Service and other receivables

The Trust states its receivables at original invoice value inclusive of GST less impairment losses.

## St John of God Hauora Trust

### Financial Statements for year ended 30 June 2018

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#### 8. Inventories (included in Other Assets)

The Trust holds inventories of medical and other supplies and values them at the lower of cost (which it measures on a first in, first out basis) or current replacement value.

#### 9. Investments

The Trust holds shares and a trading deposit in Foodstuffs (South Island) Ltd pursuant to a trading arrangement with this co-operative company. The shares are stated at cost.

#### 10. Accounts payable, expense accruals, provisions and residents' funds

The Trust recognises a liability for trade and other payables for goods and services provided to it which are unpaid at the end of the financial year and usually settled within 30 days. The Trust states its payables inclusive of GST.

The Trust also recognises and provides for a liability for expenses incurred but not invoiced by suppliers or other creditors. These liabilities include residents' funds and provisions (see note 17), payroll deductions, employee remuneration due on a specified day and goods and services received but not yet invoiced.

#### 11. Property plant and equipment

The Trust states its property, plant and equipment at cost less accumulated depreciation and any impairment losses. Depreciation applies on a straight line basis at rates calculated so as to write off the cost of each item over its expected useful life. The estimated useful lives of the trust's assets are:

▪ Building (11 Messines Rd, Karori)	40 years
▪ General plant and equipment	between 5 and 10 years
▪ Computer equipment	between 3 and 4 years
▪ Other office equipment	between 3 and 5 years
▪ Furniture and fittings	between 5 and 15 years
▪ Leasehold improvements	10 years
▪ Motor vehicles	between 4 and 5 years

#### 12. Leased assets

The Trust uses properties at Nash Road, Halswell, Christchurch; Parade Court, Addington, Christchurch; Woodham Road, Wainoni, Christchurch; and Masefield Drive, Rolleston. These properties are owned by St John of God Health Care Inc. (SJGHC), of Perth, Western Australia. The Trust enjoys the use of these properties without payment of rent pursuant to an agreement with SJGHC.

The Trust leases motor vehicles and multi-function device office equipment pursuant to lease agreements. The Trust recognises as finance those leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Trust. Assets held under a finance lease are capitalised at the commencement of the lease at fair value of the asset or if lower, at the present value of the future minimum lease payments. The Trust recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset. Subsequent to initial recognition, finance lease payments are apportioned between interest expense and the reduction of the lease liability. Interest costs are recognised as an expense in the surplus or deficit. Assets held under a finance lease are depreciated over the shorter of the estimated useful life of the asset or the lease term. The depreciation for leased assets amount to \$108,463 (2017: \$92,498)

Finance lease payments due in one year and GST exclusive amount to \$94,366 (2017: \$94,513) and between one year and five years \$245,830 (2017: \$208,370) and over five years \$51,300 (2017: Nil).

Operating leases are leases that do not substantially transfer all the risks and benefits incidental to ownership of the leased item to the Trust. Operating lease payments are recognised as an operating lease expense on a straight line basis over the lease term.

**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2018**

**13. Impairment of assets**

The Trust reviews all its assets for impairment whenever circumstances indicate that the carrying value may not be collectable or recoverable through use or sale. The Trust recognises impairment losses when:

- Property plant and equipment: the amount of the asset's carrying amount exceeds its recoverable amount.
- Receivables: a receivable may not be recovered in full.
- Inventories: inventory cost exceeds the current replacement cost or net realisable value.

In each case, the Trust recognises an impairment loss in the statement of financial performance.

**14. Cash and cash equivalents**

Cash and cash equivalents comprise bank and cash balances net of overdrafts.

**15. Bank deposits**

The Trust invests its surplus funds on bank deposits with maturities not exceeding twelve months. At balance date the trust held \$1,165,237 (2017: \$1,347,658) in bank deposits. Of this sum \$946,482 (2017: \$457,904) matures within three months of balance date.

**16. Employee benefit liabilities**

The Trust recognises and provides for a liability for benefits earned by employees but not paid at balance date being measured at their nominal amount. Employee benefits include annual leave, alternative holiday days, and long service leave.

**17. Residents' funds**

Cash and cash equivalents includes \$123,467 (2017: \$134,691) of funds deposited with the trust by residents and/or their families and supporters. Residents draw on these funds from time to time for their personal needs. The Trust holds these funds in a separate trust bank account on behalf of the residents.

**18. Fixed assets**

The fixed assets summary below is for assets owned and does not included leased assets that are capitalised.

	Plant and Machinery	Office Equipment	Furniture and fittings	Leasehold Improvement	Motor Vehicles	Land and Building	Total
<b>Cost</b>							
As 30 June 2017	1,365,774	593,814	992,740	518,927	196,809	3,816,900	7,484,964
Additions	171,508	117,511	32,544	78,238	10,000		409,801
Disposals	-6,452	-152,202					-158,654
<b>As at 30 June 2018</b>	<b>1,530,830</b>	<b>559,123</b>	<b>1,025,284</b>	<b>597,165</b>	<b>206,809</b>	<b>3,816,900</b>	<b>7,736,111</b>
<b>Depreciation and Impairment</b>							
As at 30 June 2017	850,343	451,876	629,431	57,031	179,664	97,190	2,265,535
Depreciation charge for the year	125,871	51,480	71,920	56,100	10,572	53,013	368,956
Impairment							
Disposals	-5,514	-152,201					-157,715
<b>As at 30 June 2018</b>	<b>970,700</b>	<b>351,155</b>	<b>701,351</b>	<b>113,131</b>	<b>190,236</b>	<b>150,202</b>	<b>2,476,775</b>
<b>Net Book Value</b>							
As at 30 June 2017	515,431	141,938	363,309	461,896	17,145	3,719,710	5,219,429
<b>As at 30 June 2018</b>	<b>560,130</b>	<b>207,968</b>	<b>323,933</b>	<b>484,034</b>	<b>16,573</b>	<b>3,666,698</b>	<b>5,259,336</b>

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**19. Bank Loan**

The bank loan with ANZ Banking Group is secured over the land and buildings of St John of God Karori, Wellington as a registered first ranking mortgage. Payments are amortised over 9 years with there being 6 years 3 months left of the 9 year term as at balance date. The interest rate 30 June 2018 was 5.24% and automatically reverts to the applicable Bank's floating rate at the end of the fixed interest term on 31 August 2018.

**20. Loan from St John of God Health Care Inc**

St John of God Health Care Inc, an Australian based charitable organisation sponsors the Trust, owns properties used by the Trust and exercises significant influence over the affairs of the Trust. The loan from St John of God Health Care Inc is for the purpose of reconfiguring one of the community homes at St John of God Addington to add an extra room at an approved amount of \$258,000. At 30 June 2018 only \$95,595 (2017: Nil) had been borrowed as the work was still in progress and the loan agreement had not been executed by the parties but will be at no interest and at an undetermined repayment date if at all.

**21. Related parties transactions**

During the year, the Trust continued to pay capital project costs on behalf of St John of God Health Care Inc and have been reimbursed. At balance date there was \$5,325 in developments in progress that had not been invoiced to St John of God Health Care Inc.

The related party transactions with St John of God Health Care Inc are:

	2018	2017
Reimbursement of Project Costs on behalf of SJGHC	152,615	321,566
Expenditure paid	216,687	222,774
Sums due to us at balance date	7,407	9,483
Loan from SJGHC	95,595	0

**22. Contingent assets and contingent liabilities**

There are no contingent assets or contingent liabilities (2017: nil).

**23. Capital commitments**

The Karori Building Seismic and Reconfiguration Upgrade Project has been approved by the St John of God Health Care Inc. board at a total cost of up to 1,992,000. \$1 million will be funded from reserves and \$992,000 by a bank loan. At year end the project was still in progress and the amount spent was \$142,549 (2017: nil). The St John of God Addington project to create an extra room at a cost of \$258,000 (refer note 20) was also in progress and at year end \$95,595 had been spent (2017: nil) with commitment to spend the balance early in the 2018/19 financial year.

**24. Events occurring after balance date**

There are no significant events occurring after balance date (2017: nil).

**25. Key Management Remuneration**

The Executive Leadership Team provides key management of the Trust and consists of nine members (equivalent to 7.85 FTE). The Board of Trustees that governs the Trust has five external members. The remuneration paid to the Executive Leadership Team was \$909,590 (2017: \$863,125) and the Board of Trustees \$36,250 (2017: \$37,500).

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**26. Grants and subsidies**

	2018	2017
<b>Government Grants:</b>		
Canterbury District Health Board	492,907	498,307
Christchurch City Council	10,000	50,000
Department of Corrections	139,208	72,259
Lottery Board	10,000	11,500
Ministry of Education	535,492	508,381
Ministry of Health	209,338	200,112
Ministry of Social Development	412,621	557,356
<b>Government Grants</b>	<b>1,809,565</b>	<b>1,897,915</b>
<b>Non- Government Grants</b>		
Brothers of St John of God	10,000	0
Caritas New Zealand	0	15,800
Chris Gallagher	0	6,000
Community Organisation Grant	0	2,300
Farina Thompson Trust	5,000	5,000
J R McKenzie Foundation	12,167	79,203
Maurice Carter Trust	12,000	12,000
Mike Pero	10,000	0
Rata Foundation	70,000	60,000
Red Cross	0	3,750
Sharon Bensberg	7,000	0
St John of God Trust	5,000	0
Te Pou Limited	13,739	12,617
Tindall Foundation	5,000	12,040
Todd Foundation	84,317	40,810
Twigger Estate	0	2,400
Vodafone Foundation	0	10,000
Other Donations less than \$2,000	0	3,938
<b>Total Exchange Grants &amp; Subsidies</b>	<b>234,223</b>	<b>265,858</b>
Dick Russell's estate	2,000	0
Susan Abbot's estate	0	6,500
Viv Klassen	5,500	0
Other Donations less than \$2,000	5,761	7,849
<b>Total Non-Exchange Grants &amp; Subsidies</b>	<b>13,261</b>	<b>14,349</b>
<b>Total Non- Government Grants</b>	<b>247,484</b>	<b>280,207</b>
<b>Total Grants and Subsidies</b>	<b>2,057,049</b>	<b>2,178,122</b>