



St John of God Hauora Trust

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**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2016**

**Statement of comprehensive revenue and expenses**

	Note	2016 \$'000	2015 \$'000
<b>Revenue from exchange transactions</b>	4		
Accommodation and service fees	6, 7	10,772	10,215
Other hospital revenue	6	36	67
Government grants and subsidies	25	1,948	1,980
Other grants and subsidies	25	364	343
Donation from St John of God Healthcare Inc	21	1,483	0
Other operating revenue		347	221
		<b>14,950</b>	<b>12,826</b>
<b>Revenue from non-exchange transactions</b>	4		
Donations		105	158
<b>Total revenue</b>		<b>15,055</b>	<b>12,985</b>
<b>Expenses:</b>			
Employee costs and contract remuneration		9,837	9,242
Supply costs		1,135	1,300
Other operating expenses		1,066	1,503
Centralised support and service costs		1,018	869
Board expenses		48	50
<b>Total expenses</b>		<b>13,105</b>	<b>12,964</b>
<b>EBITDA</b>		<b>1,951</b>	<b>21</b>
Interest income		-72	-97
Interest expense	12	119	0
Net interest		<b>47</b>	<b>-97</b>
Depreciation	11, 12	331	230
<b>Operating surplus / (deficit)</b>		<b>1,574</b>	<b>-112</b>

The notes to the accounts on pages 5 – 9 are an integral part of these financial statements.

**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2016**

**Consolidated statement of financial position**

	Note	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	63	552
Cash held on behalf of residents	17	120	132
Bank deposits	15	1,510	1,868
Hospital and other receivables	7, 13	674	697
Other assets	8, 13	65	71
<b>Total current assets</b>		<b>2,432</b>	<b>3,320</b>
<b>Non-current assets</b>			
Property, plant and equipment	11, 12, 13, 18, 19	4,771	965
Work in progress		358	200
Leased assets	12	112	0
Investment in shares in co-operative supplier	9	13	15
<b>Total non-current assets</b>		<b>5,254</b>	<b>1,180</b>
<b>Total assets</b>		<b>7,686</b>	<b>4,500</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables and accruals	10	697	1,164
Residents funds	10, 17	120	132
Goods and services tax		75	78
Employee benefit liabilities	16	732	720
Grants held for future or other specific purposes	4	77	306
Bank Loan	20	307	0
Lease liability	12	44	0
<b>Total current liabilities</b>		<b>2,052</b>	<b>2,400</b>
<b>Non-current liabilities</b>			
Bank Loan		1,887	0
Lease liability	12	74	0
<b>Total non-current liabilities</b>		<b>1,961</b>	<b>0</b>
<b>Total liabilities</b>		<b>4,013</b>	<b>2,400</b>
<b>Trust equity</b>			
Retained surpluses		3,673	2,100
<b>Total equity attributable to the trust</b>		<b>3,673</b>	<b>2,100</b>

The notes to the accounts on pages 5 – 9 are an integral part of these financial statements.

**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2016**

**Statement of movements in equity**

	2016 \$'000	2015 \$'000
Equity at beginning of year	2,100	2,212
	0	0
Operating surplus / (deficit) for the year	1,574	-112
<b>Equity at end of year</b>	<b>3,673</b>	<b>2,100</b>

**Consolidated statement of cash flows**

	2016 \$'000	2015 \$'000
Surplus (Deficit)	1,574	-112
Depreciation and Amortisation	331	230
Changes in Working Capital	0	0
Accounts Receivable	23	728
Prepayments	10	-3
Inventories	-3	-10
Trade Payables & Accruals	-480	37
Goods & Services Tax	-3	11
Employee Benefit Liabilities	12	63
Grants for Future or Specific Purposes	-230	-280
<b>Cash from Operations</b>	<b>1,233</b>	<b>664</b>
Capital Expenditures	-4,407	-545
<b>Cash from Investing</b>	<b>-4,407</b>	<b>-545</b>
Bank Loan (Current)	307	0
Lease Liability (Current)	44	0
Bank Loan (Non-Current)	1,887	0
Lease Liability (Non-Current)	74	0
Investment in Shares Co-op Supplier	3	2
<b>Cash from Financing</b>	<b>2,315</b>	<b>2</b>
<b>Total change in cash</b>	<b>-859</b>	<b>121</b>
Beginning Cash Balance	2,552	2,431
Total Change in Cash	-859	121
Ending Cash Balance	1,693	2,552

Approved by two trustees on behalf of the full trust board 7 September 2016.



.....Trustee



.....Trustee

## **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 2016 on 7 September 2016.

#### **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. Effect of first-time adoption of PBE standards on accounting policies and disclosures**

This is the first set of financial statements of the Trust that is presented in accordance with PBE standards. The Trust has previously reported in accordance with old NZ GAAP. Last year's numbers have been restated where necessary to comply with the new PBA standards and for comparative purposes.

The accounting policies adopted in these financial statements are consistent with those of previous financial years except instances when the accounting or reporting requirements of the PBE standards are different to requirements under NZ GAAP. The changes to accounting policies and disclosures caused by first time application of 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 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 including restating 2015 financial year.

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 2016**

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**Notes to the financial statements (continued)**

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

The Trust holds inventories of medical and other supplies used in its Halswell, Addington, Rolleston and Wellington care facilities, 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, Linwood, 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 office equipment assets 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 also 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 so as to achieve a constant rate of interest on the remaining balance of the 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.

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 2016**

**Notes to the financial statements (continued)**

**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 \$1,509,674 (2015: \$1,867,704) in bank deposits. Of this sum \$539,975 (2015:\$633,245) 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 \$119,575 (2015: \$132,274) 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**

	<b>Plant and Machinery</b>	<b>Office Equipment</b>	<b>Furniture and fittings</b>	<b>Leasehold Improvement</b>	<b>Motor Vehicles</b>	<b>Land and Building</b>	<b>Total</b>
<b>Cost</b>							
As 30 June 2015	1,124,960	456,273	837,662	93,167	270,978	0	2,783,040
Additions	39,516	26,569	164,125	45,014	0	3,816,900	4,092,124
Disposals	-37,200	-3,183	-28,223	0	-8,889	0	-77,495
<b>As at 30 June 2016</b>	<b>1,127,276</b>	<b>479,659</b>	<b>973,564</b>	<b>138,181</b>	<b>262,089</b>	<b>3,816,900</b>	<b>6,797,669</b>
<b>Depreciation and Impairment</b>							
As at 30 June 2015	674,180	396,395	512,501	13,499	221,241	0	1,817,816
Depreciation charge for the year	102,699	23,559	69,173	15,541	24,020	44,177	279,169
Impairment	0	0	6,745	0	0	0	6,745
Disposals	-37,200	-3,183	-28,223	0	-8,889	0	-77,495
<b>As at 30 June 2016</b>	<b>739,679</b>	<b>416,771</b>	<b>560,196</b>	<b>29,040</b>	<b>236,372</b>	<b>44,177</b>	<b>2,026,235</b>
<b>Net Book Value</b>							
As at 30 June 2015	450,780	59,878	325,161	79,668	49,737	0	965,224
<b>As at 30 June 2016</b>	<b>387,597</b>	<b>62,888</b>	<b>413,368</b>	<b>109,141</b>	<b>25,717</b>	<b>3,772,723</b>	<b>4,771,434</b>

**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2016**

**Notes to the financial statements (continued)**

**19. Purchase of Land and Buildings**

The land and buildings of St John of God, Wellington was purchased by the trust on 31 August 2015. The recorded land value is \$1,696,400 and the value of the buildings \$2,120,500. The buildings are depreciated over a 40 year life or 2.5% per annum.

**20. Bank Loan**

The bank loan with ANZ Banking Group is secured over the land and buildings of St John of God, Wellington as a registered first ranking mortgage. Payments are amortised over 9 years with there being 8 years 3 months left of the nine year term as at balance date.

**21. Related parties transactions**

St John of God Health Care Inc, an Australian based charitable organisation sponsors the Trust and owns properties used by the Trust and exercises significant influence over the affairs of the Trust. During the year, the Trust continued to pay capital project costs on behalf of SJGHC and have been reimbursed. At balance date there was \$nil 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, Perth are:

	2016	2015
Reimbursement of Project Costs on behalf of SJGHC	\$440,296	\$1,823,576
Donation from SJGHC	\$1,483,247	\$0
Expenditure paid	\$228,024	\$207,571
Sums due to us at balance date	\$0	\$1,195

**22. Contingent assets and contingent liabilities**

There are no contingent assets or contingent liabilities (2015: \$nil).

**23. Capital commitments**

The Pampuri project, funded by the Trust and is remodeling the Halswell facility to allow an increase in the number of residents, has a total approved budget of \$490,000 of which \$223,812 had been spent as at 30 June 2016. There is therefore an outstanding commitment ostensibly to the building contractor of \$266,188 as at that date. (2015: 170,854).

**24. Events occurring after balance date**

There are no significant events occurring after balance date.



**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2016**

**Notes to the financial statements (continued)**

**25. Grants and subsidies**

	2016	2015
<b>Government Grants:</b>		
Canterbury District Health Board	518,093	566,375
Christchurch City Council	58,333	50,000
Department of Corrections	79,413	80,111
Lottery Board	22,500	42,500
Ministry of Education	488,315	462,357
Ministry of Health	207,085	212,144
Ministry of Social Development	573,941	566,763
<b>Government Grants</b>	<b>1,947,680</b>	<b>1,980,250</b>
<b>Non- Government Grants</b>		
Aranui High School		5,704
Canterbury Community Trust	83,000	80,000
Caritas New Zealand	64,773	78,988
Christchurch Boys High School		7,216
Early Childhood Centre fees		78,989
ECCA	29,900	
Farina Thompson Trust	5,000	5,000
Foodstuffs (SI)		2,000
Fund Raiser		4,306
Infinity	3,000	
J R McKenzie Foundation	54,075	
Kathy Harrison	5,000	
Lincoln High School		8,609
Maurice Carter Trust	10,000	8,000
Red Cross	41,250	
Te Pou Limited	19,051	
Tindall Foundation	9,750	8,000
Todd Foundation		50,000
Twigger Estate	2,400	2,600
Vodafone Foundation	30,000	
Wellington Public Trust		3,794
Other Donations less than \$2,000	7,520	
<b>Non- Government Grants</b>	<b>364,719</b>	<b>343,206</b>
<b>Total Grants and Subsidies</b>	<b>2,312,399</b>	<b>2,323,456</b>

## Independent Auditor's Report

### To the Trustees of St John of God Hauora Trust

#### Report on the Financial Statements

We have audited the financial statements of St John of God Hauora Trust ("the Trust") on pages 2 to 9, which comprise the consolidated statement of financial position of the Trust as at 30 June 2016 and the statement of comprehensive revenue and expenses, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

#### Trustees Responsibility 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

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

#### Opinion

In our opinion, the financial statements on pages 2 to 9 present fairly, in all material respects, the consolidated financial position of the Trust as at 30 June 2016 and its statement of comprehensive revenue and expenses, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

  
7 September 2016  
Christchurch