

Totara Hospice South Auckland



Annual Report 2015

OUR VISION:

Honour living, dignify dying

OUR MISSION:

Provide leading edge hospice palliative care services to individuals and their families, care networks and communities

OUR VALUES:

Pride & Passion
Professionalism
Partnership & Inclusion
Compassion & Respect
Innovation & Collaboration

OUR OPERATING PURPOSE:

Operate a sustainable, high quality, high touch, outcomes based Hospice for the diverse communities of South and South East Auckland



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Greetings, Kia ora tātou, Kia Orana, Talofa Lava, Malo e lelei, Fakaalofa Lahi Atu, Ni sa Bula Vinaka, Namaste, Ní hǎo, Hola!

June 30th 2015 capped a year of commitment, change and continuous improvement for Totara Hospice.

The Board, Executive management and clinical leaders continued to work together to consider the future of palliative care in our community and execute our responses to it.

As a result, we delivered to our annual plan, we reviewed our services and our capacity and capability and consequently made some changes to our delivery models that allowed us to maintain our response levels and quality of care across the Inpatient, Community, Patient & Family and Day Hospice services.

This took courage and resilience from all levels of the Organisation and our thanks go out to all staff, volunteers, stakeholders and most importantly our patients and families for supporting the necessary adaptations. Ongoing review will be a feature of the 2016 year.

Of strategic and operating significance, the 2015 year continued to evidence increased demand for services alongside increased patient complexity and acuity.

Population projections for Counties Manukau District combined with socio-demographic factors, reveal that we should continue to expect exponential growth in the years ahead.

This demand growth combined with the increasing cost of providing healthcare, poses a colossal challenge. As a result throughout the 2015 year (and into the future) our ability to be innovative and adaptive in our response to need is critical to ensuring our sustainability.

Through the combined effect of having a focus on: efficiencies and effectiveness, the gift of bequests, community and sponsor engagement, fundraising appeals and events and the ongoing support of the annual operating donation of The Totara Foundation (TTF), it has remained possible to cover our ongoing operating shortfall. In the 2014 year, TTF donated \$1.17 million to cover operations and this year they donated \$815,000. We are grateful to our sister trust for their continued support and we acknowledge the extent of the effort required to sustain this.

Securing increased Crown funding and independent THSA revenue generation is a pre-requisite to being able to continue to care. In 2015 THSA remained the lowest funded Hospice of its kind per capita. DHB funding for our workforce development initiatives in GP training and palliative care education will be withdrawn next financial year 2016.

We are looking forward to Government commitments to shortfall funding being realised as this will make a significant difference to our ability to continue to offer free services.

We will also continue to work towards realising an end to historic inequities in the funding of our services given the demographics and needs of our population.

In closing our report, we emphasise that providing free leading edge hospice palliative care with compassion and humanity underpins our entire approach at Totara.

We are privileged to be able to continue to serve the diverse and amazing peoples of South and South East Auckland. We are also indebted to our thousands of supporters who believe in what we do and who contribute so significantly to our ability to 'make hospice happen'.

As Chairperson and Chief Executive we would like to say that we are very proud to work with a team of committed, hardworking professionals, clinical and non-clinical, front line and support staff and we are grateful to the hundreds of volunteers who tirelessly give of their time in support of the work of Hospice.

Senior Leadership

In June of this year a key change to our clinical leadership occurred. After over a decade as Clinical Director, Dr Willem Landman handed the clinical leadership baton to Dr James Jap. We thank Willem for the significant contribution he has made to shaping Totara Hospice as we know it today.

We would also like to recognise the ongoing commitment, leadership, support and skills of our Board of Trustees.

Finally, a heartfelt thank you to the individuals, families, companies, community groups, schools, trusts and foundations that continue to support our work and ensure we remain an integral part of our wider community.



Barbara Astill
Chairperson
8/10/15



Tina McCafferty
Chief Executive
8/10/15

Senior Leadership

Board of Trustees

Barbara Astill
Chairperson

Val Sugrue
Deputy Chairperson

David Jones
Chair Finance Committee

Dr Allan Adair

Ann Linton

Gray Maingay

John Savory

Executive

Tina McCafferty
Chief Executive

Dr James Jap
Clinical Director

Jessie Mravicich
Director of Nursing



Tina McCafferty Chief Executive



Barbara Astill Chairperson

Dr James Jap & Jessie Mravicich



Dr James Jap
Clinical Director



Jessie Mravicich
Director of Nursing

The past twelve months have been dynamic here at Totara. We have experienced another very busy year with patient acuity and family/whānau need increasing. There have been many changes and at times it has even been tumultuous.

This Year's Milestones

While staffing has been a major challenge from time to time, we have continued to provide services to patients and family/whānau in their homes, in our Inpatient Unit (IPU) and Day Hospice.

The long expected changes in district wide service delivery associated with the regional Model of Care (MoC) are still some way off. The nursing, medical and wider multidisciplinary team (MDT) at THSA are well positioned to implement the innovations. We will proactively be seeking increased engagement with Primary Care to fully imbed the approach.

In April the MDT implemented an Interim Community Service Delivery Plan while we assessed immediate demand and planned for future direction. In July we will undertake a nursing capability review. Both these initiatives will contribute the shaping of our services in alignment with the overall strategic direction of the organisation.

Our allied health colleagues within our Patient and Family Services team continued all year to enrich the holistic hospice approach, recognising the wider psychosocial, cultural and spiritual needs of our patients and families. Counselling, Occupational Therapy, Physiotherapy, Pharmacy, Social Work,

Spiritual Care and Cultural Care/Kaiawhina staff – all enhanced the patient and whānau experience.

We have also had considerable opportunity to explore how to utilise communications technology and telehealth as a Hospice and we will extend our capabilities in this area strategically.

On 19 June 2015, Dr Willie Landman officially stood down from this role as Clinical Director. The 'baton was passed' to Dr James Jap. Thus ended a significant era in THSA's history. Our organisation's appreciation for all the hard work that Willie had done over the years was shown in an appreciation function, which involved Willie's family, friends and respected colleagues from around the greater Auckland region.

It must be clarified that Willie has not retired, but has wanted to become a purely clinical doctor again, looking after patients and their families, which has always been what he loves most.

The permanent medical team remained comprised of SMOs Dr James Jap (1.0FTE,) Dr Willie Landman (0.6FTE – 0.4 FTE) Dr Oleg Kiriaev (0.6FTE,) and Medical Officer Dr Sergio Battistessa (who increased from 0.4 to 0.6FTE when he stopped working in his Waiuku GP role in November.)

Clinical Leadership

Hospice Waikato had a SMO staffing crisis in the last third of the year, Oleg and Willie worked there on Wednesdays to help our fellow hospice out during a tough time, which was much appreciated.

Our Advanced Trainee Dr Jane Greville finished her six-month rotation in our Community Team, and headed off to her next rotation joining the Middlemore Hospital Palliative Care team at the start of December 2014.

At the same time we welcomed a new team-mate, Dr Vimmi Thakur, our third Clinical Diploma candidate and the second GP Registrar to join us for a six-month immersion in Hospice Palliative Care. Vimmi brought with her many other skills from the other jobs that she had done during a very varied career. Vimmi's insights into the Indian culture, and her Indian language skills were especially useful during her time with us. Vimmi left us in June 2015 and returned to the Crawford Medical Centre, where she will complete her GP training. Vimmi will become our second GP with Special Interest, joining Dr Jason Tuhoe who we trained last year.

Unfortunately, Counties Manukau Health who had been funding this forward-thinking initiative cut funding for this community GP training programme. They also cut funding for our aged residential care facility nurse educator position, which is odd given the ageing population, and that increasing numbers of New Zealanders will end up living in aged residential care facilities and will have increasing levels of Palliative Care needs.

We are supporting a registered nurse (RN) as a Nurse Practitioner (NP) Candidate. Robyn McCullough has completed her Masters studies and is undertaking her final papers towards nurse prescribing which will lead to a role as a NP. This will enable THSA to provide enhanced specialist nursing services to patients and family/whanau. We are expecting to support a further NP candidate in 2016.

These initiatives contribute to 'growing' the nursing workforce in palliative care and hospice in particular and broadening the scope of services THSA can provide while enabling potential opportunities for exciting new ways of delivering services.

Remembering Dear Friends

2014-15 has also been a year tinged with sadness for our Hospice family.

The tragic loss of our valued colleague and friend Dr Eileen Brosnan in a car accident, took us all by surprise in late August. Eileen had been a THSA stalwart for many years until retiring in 2013, but had continued to make guest appearances as a locum, and was still visiting us with regularity.

We fare-welled our sister at her funeral which was attended by hundreds of people. THSA staff formed a guard of honour as her coffin was taken away, staff morning teas have never quite been the same.

Lorraine Thorby who had been a long-standing member of our community team, battled a severe illness for most of 2014. Despite

being very unwell at times she never lost her sense of humour. Lorraine and family allowed us the privilege of looking after her during the final weeks of her life. Goodbye to a caring nurse who always tried to do her best for her patients, another cheeky smile that we miss.

Fluffy the Hospice cat also passed this year. Animals bring such comfort. He continued to do his job, even though he didn't feel his best. Finally his health issues overtook him and he took his place in our garden. Thanks for all the hard work over the years Fluffy.

Rest in peace dear friends.

Going Forward into Next Year

A new era has begun with the forging of the senior clinical and managerial partnership, as represented by the Senior Executive team comprised of Chief Executive Tina, Director of Nursing Jessie and Clinical Director James.

In October 2015 we will be embarking on 'The Roadshow', where we will be meeting in person, our local and regional counterparts in order to start redefining our relationships with local Primary Health Organisations, our District Health Board, and other key external stakeholders.

Bold leadership is required from us all, and the first cohort of THSA leaders have started their leadership training in The THSA Ultimate Team Leader programme. James Jap has received a DB Leading Lights scholarship and will be attending the New Zealand Leadership Institute's Leadership Mindset Programme starting in September,

Our organisational language is changing, "that's the way we have always done things," is being expunged from THSA's conversations. The key words of this new era are:

- **Engagement** - of our own staff (both clinical and non-clinical, from front-line staff all the way up to our board of trustees,) with our community partners, and external stakeholders.
- **Enculturation** - the process of changing our organisation's DNA has started and endeavours to produce a sustainable, successful and smarter culture. Let's aim to become the best hospice in New Zealand!
- **Encouragement** - of each other through these trying times, drawing upon the wisdom and skills that exist in our teams.
- **Future-proofing** our building is not enough, we need to do the same with our staff, and our community partners.

Our hospice is in our hands, and it is up to each member of our organisation to save our hospice. Once we can guarantee that we will survive, then we can truly thrive.

We really believe that - together - We can do this!

Fasten your seatbelt, stow your tray-table, and make sure your seat-back is upright; as we are about to take off.

Clinical Services & Disciplines

Clinical Services 2015

- In Patient Unit
- Community/Home- Based Palliative Care Nursing
- Day Hospice
- Medicine
- Nursing
- Occupational Therapy
- Physiotherapy
- Pharmacy
- Counselling/Bereavement Counselling
- Social Work
- Spiritual Care
- Cultural Support
- Education

Impact

2015 Summary

- IPU
- 277 patients, 2467 bed days, average length of stay per patient 9 days
- Community
- 898 referrals, 9817 visits
- Day Hospice
- 901 attendances, average number days per patient 10
- Primary Care and Aged Residential Care
- 217 patients in shared care approach
- 43 modules of fundamentals of palliative care to 25 Aged Residential Care

Non Clinical and Operations Support

2015 Summary

- Retail
- Fundraising and Events
- Marketing
- Trusts and Grants
- Corporate Services
- Information, Communication Technology
- Quality & Risk
- House, Facilities & Grounds
- Administration & Coordination
- Volunteers
- Security

Impact

- Achieved 4 year accreditation
- Active Health & Safety Committee
- Working Partnership with NZNO
- Top class facility and grounds that are calm, respectful and safe
- Food, cleaning and nutrition services local and patient centric
- \$1.4m raised by retail stores
- >\$700k raised by fundraising
- >700k raised by bequest, trusts and grant
- Technology assisted, adaptive services
- High connectivity
- Data driven performance environment



Demographics and other Data

We are making progress in reflecting the diversity of our communities:

ETHNICITY							
Year ended June 2015	NZ European	Maori	Pacific Islands	Asian	European	MEALA	Other
IPU	131	25	65	20	28	0	8
Community	352	144	210	96	83	4	9

More woman than men used our IPU but more men used the community service:

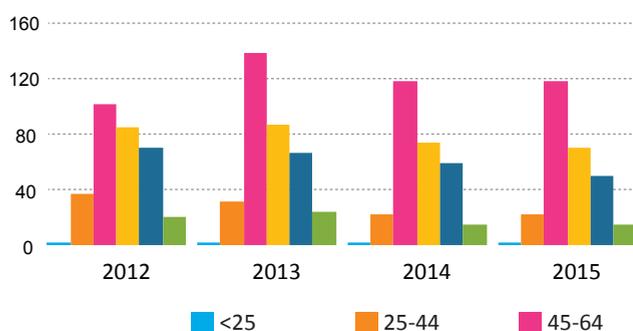
GENDER		
Year ended June 2015	Female	Male
IPU	142	135
Community	439	458

Cancer is still the main reason that people connect with Hospice but we are caring for others:

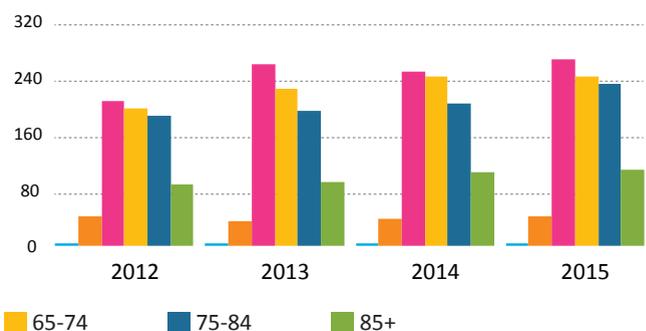
DIAGNOSIS						
IPU	Malignant	Non-Malignant				
Year ended June 2015	Cancer (CA)	Cardiovascular	Neurological	Renal Failure	Respiratory	Other
	240	4	28	2	1	2
Community	Malignant	Non-Malignant				
Year ended June 2015	Cancer (CA)	Cardiovascular	Neurological	Renal Failure	Respiratory	Other
	755	22	25	39	22	35

The age of services users has remained fairly static, however there is a growing trend of 75y+ and 85y+ especially in the community, reflecting the national picture for ageing in place:

AGE GROUP IN IPU



AGE GROUP IN COMMUNITY

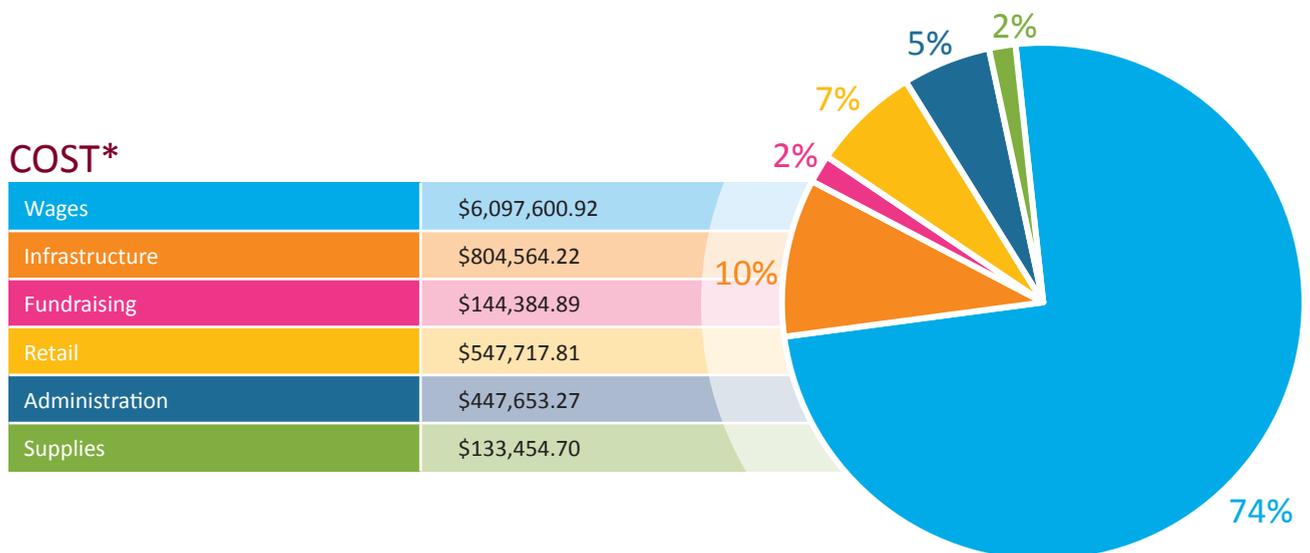
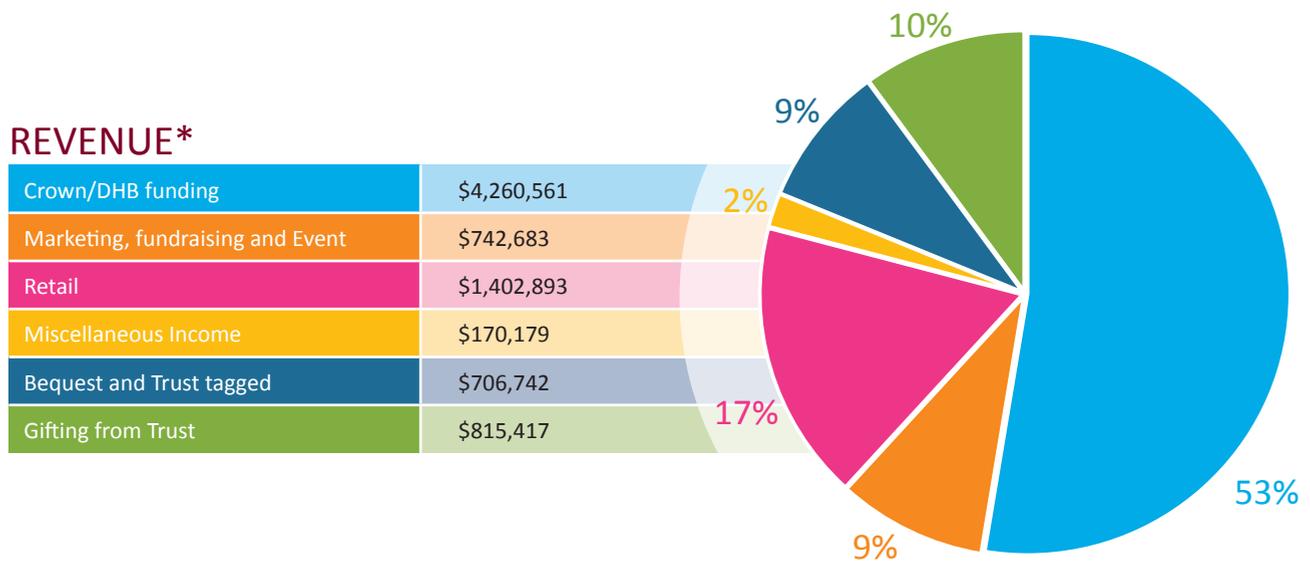


Money Matter\$

We need to raise \$11,233 dollars per day in 2015 to continue providing services

More than 600 volunteers worked 186,423 hours to help Hospice happen for our communities

By conservative calculation if we paid those hours we would need to find another \$4.6 million in wages – another \$11,000 per day



* Note: Pre-formal audit figures

Statement of Responsibility

Totara Hospice South Auckland Statement of Responsibility For the year ended 30 June 2015

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The independent external auditors, CST Nexia Audit, have audited the financial statements and their report.

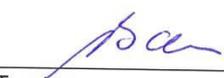
The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability and integrity of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. Appropriate systems of internal control have been employed to ensure that all transactions are executed in accordance with authority and are correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Trust will not remain a going concern in the foreseeable future.

In the opinion of the Board:

- the statement of financial performance is drawn up so as to give a true and fair view of the surplus/(loss) of the Trust for the financial year 30 June 2015.
- the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Trust as at 30 June 2015;
- there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

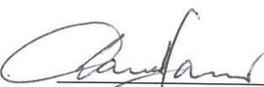
Signed on behalf of the Board



Trustee

6/10/15

Date



Trustee

6/10/15

Date

Statement of Financial Performance

Totara Hospice South Auckland Statement of Financial Performance for the year ended 30 June 2015

	Note	2015	2014
OPERATING INCOME			
		\$	\$
General Donations Received		714,356	746,039
Fundraising Income		1,961,875	2,050,793
Lotteries Grant		-	20,000
Ministry of Health		4,254,506	4,232,317
Interest Received		2,627	3,742
Professional Earnings & Sundry Income		161,247	96,272
Specific Donations for operation	1	<u>188,448</u>	<u>341,048</u>
		7,283,059	7,490,211
OPERATING EXPENSES			
Administration Expenses		311,681	383,304
Audit Fees	2	10,500	10,500
Depreciation	5	171,432	170,481
Fundraising Expenses		704,008	731,263
Loss (Gain) on Disposal of Fixed Assets		(15,212)	(6,163)
Patient Care		220,236	247,984
Property Costs		728,482	799,276
Wages & Salaries		<u>6,044,466</u>	<u>6,184,817</u>
		<u>8,175,593</u>	<u>8,521,462</u>
OPERATING SURPLUS/(DEFICIT)		(892,534)	(1,031,251)
NON OPERATIONAL INCOME AND EXPENSES			
Specific Donations	4	815,417	1,178,667
Distribution Made		<u>-</u>	<u>-</u>
		<u>815,417</u>	<u>1,178,667</u>
NET SURPLUS(DEFICIT)		<u>(77,117)</u>	<u>147,416</u>

Statement of Movements in Trust Funds

Totara Hospice South Auckland Statement of Movements in Trust Funds For the year ended 30 June 2015

	2015	2014
	\$	\$
TRUST FUNDS AT START OF YEAR	327,460	180,044
Net Surplus/(Deficit)	<u>(77,117)</u>	<u>147,416</u>
Total Recognised Revenue and Expenses	<u>(77,117)</u>	<u>147,416</u>
TRUST FUNDS AT END OF YEAR	1 <u>250,343</u>	<u>327,460</u>

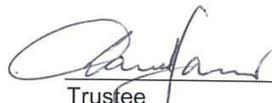
Statement of Financial Position

Totara Hospice South Auckland Statement of Financial Position as at 30 June 2015

		2015	2014
		\$	\$
TRUST FUNDS			
Accumulated Funds		<u>250,343</u>	<u>327,460</u>
Represented by:			
CURRENT ASSETS			
Cash at Bank	7	351,991	125,171
Accounts Receivable	7	413,275	566,155
Merchandise		<u> -</u>	<u> 898</u>
		765,266	692,224
LESS CURRENT LIABILITIES			
Goods & Services Tax		66,628	73,220
Accounts Payable, Accruals & Provisions	3	970,408	983,323
Payable to Related Party	4	<u>156,250</u>	<u> 18,750</u>
		<u>1,193,286</u>	<u>1,075,293</u>
WORKING CAPITAL		(428,020)	(383,069)
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	<u>678,363</u>	<u>710,529</u>
		<u>678,363</u>	<u>710,529</u>
NET ASSETS		<u>250,343</u>	<u>327,460</u>


Trustee

6/10/15
Date


Trustee

6/10/15
Date

Notes to the Financial Statements

Totara Hospice South Auckland Notes to the Financial Statements For the year ended 30 June 2015

Statement of Accounting Policies

Hospice South Auckland was formed on 11 October 1982 through the creation of a trust deed. The Trust is registered under the Charitable Trust Act 1957 for the purpose of providing care to the terminally ill, and their families within New Zealand.

The general principles recommended by the New Zealand Institute of Chartered Accountants for the measurement and reporting of profits on a historical cost basis have been followed in the preparation of these accounts.

Reliance is placed on the fact that the Trust is a going concern. The going concern assumption is dependent on ongoing funding from the Counties Manukau District Health Board and financial support from Totara Foundation. Refer note 11 for details.

Accrual accounting is used to match expenses and revenues.

Reporting Framework

These financial statements have been prepared in accordance with "Old GAAP" in New Zealand. Old GAAP comprises New Zealand Financial Reporting Standards and Statements of Standard Accounting Practice that existed prior to the introduction of New Zealand Equivalents to International Financial Reporting Standards. Totara Hospice South Auckland has chosen to apply Old GAAP because it meets the criteria for doing so; that is, it was applying Old GAAP at 30 June 2011, and it is neither publicly accountable nor large as defined in the External Reporting Board's Standard A1: Application of Account Standards.

The External Reporting Board ("XRB") issued a revised set of Public Benefit Entity ("PBE") Standards. The revised standards include enhancements for not-for-profit entities. The entity is classified as a Tier 2 reporting entity and will be required to apply PBE Standards Reduced Disclosure Regime. These standards have been based on International Public Sector Accounting Standards ("IPSAS"). The effective date of the new standards for not-for-profit entities is for financial periods beginning on or after 1 April 2015. This means the entity is expected to transition to the new standards in preparing its 30 June 2016 financial statements.

Differential reporting

Totara Hospice South Auckland is not publicly accountable and is not large. Accordingly, it has taken advantage of all differential reporting exemptions allowed under the Framework for Differential Reporting, except that items in the Statement of Financial Performance have been recognised exclusive of Goods and Services Tax.

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of profit and financial position have been applied and are unchanged from last year.

Property, Plant & Equipment and Depreciation

Property, Plant and Equipment are stated at cost less aggregate depreciation. In the case of donated assets, they are recorded at deemed cost based on fair value as at that date, less accumulated depreciation.

Depreciation is provided on a written down value basis on all tangible assets at rates calculated to allocate the assets' cost less any residual value, over the estimated useful lives.

Major depreciation periods are:

Plant & Equipment	5 to 10 years
Motor Vehicles	4 to 5 years
Furniture & Fittings	5 to 10 years

Notes to the Financial Statements (continued)

Goods and Services Tax

The entity is a registered person in terms of the Goods and Services Tax Act 1985. The Statement of Financial Performance has been prepared so that all components are stated net of GST. All items in the Statement of Financial Position are stated net of GST with the exception of Accounts Receivable and Accounts Payable, which include GST invoiced.

Employee Entitlements

Employee entitlements to salary and wages and annual leave are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date.

Donated Services

The work of the Trust is dependent on the voluntary services of many volunteers. Since these services are not normally purchased by the Trust and because of the difficulty of determining their value with reliability, donated services are not recognised in these financial statements.

Accounts Receivable

Accounts receivables are stated at their estimated realisable value after providing for doubtful debts.

Taxation

The Trust is a registered charitable organisation with the Charities Commission, and therefore exempted from the payment of income tax pursuant to the Income Tax Act 2007.

Trust Funds

Accumulated Funds are comprised of accumulated surpluses and deficits over the years.

Reserved Funds comprises specific donations, fundraising, grants, and bequests received that are tagged to be used for either the purchase of capital assets or for specified services.

Revenue Recognition

Ministry of Health

Ministry of Health grants relate to income that has been recognised in the Statement of Financial Performance on a systematic basis over the periods necessary to match them with related costs.

Donations and Fundraising

Donations and fundraising have been recognised in the Statement of Financial Performance at the point their receipts are formally acknowledged by the Trust.

Grants

The Trust recognises grants as income in the Statement of Financial Performance as soon as all conditions attached to the grant are met. Any grants which all conditions attached to the grant have not been met are carried as current liabilities until all conditions have been fulfilled.

Interest

Interest income is recognised as it accrues, using the effective interest method.

Notes to the Financial Statements (continued)

Notes to the accounts

1. Trust Funds

	2015	2014
	\$	\$
Accumulated Funds		
Balance at beginning of year	327,460	180,044
Surplus / (Deficit) for the year	(77,117)	147,416
Net transfer from / (to) Reserved Fund	-	-
	<u>250,343</u>	<u>327,460</u>
Reserved Funds		
Reserved Funds at beginning of year	-	-
Transfer from Accumulated Funds	188,448	341,048
Transfer to Accumulated Funds	<u>(188,448)</u>	<u>(341,048)</u>
	-	-
Total Trust Funds	<u>250,343</u>	<u>327,460</u>

At 30 June 2015, all tagged funds received have been spent in accordance with the designated purposes. Therefore, there were no unspent tagged funds at balance date.

2. Audit Fees

	2015	2014
	\$	\$
Remuneration to Auditors - Audit	<u>10,500</u>	<u>10,500</u>
	<u>10,500</u>	<u>10,500</u>

3. Accounts Payable, Accruals & Provisions

	2015	2014
	\$	\$
Employee entitlement provision	433,885	423,135
Trade payables & accruals	<u>536,523</u>	<u>560,188</u>
	<u>970,408</u>	<u>983,323</u>

Notes to the Financial Statements (continued)

4. Related Parties

The Totara Foundation and Totara Hospice South Auckland have three Trustees in common.

Related Party	Type of Transaction	2015	2014
		(\$)	(\$)
The Totara Foundation	Rental Expense	500,000	500,000
The Totara Foundation	Administration Fee	44,000	36,000
The Totara Foundation	Specific Donations	815,417	1,178,667
The Totara Foundation	Receivables	-	-
The Totara Foundation	Payables	156,250	18,750

Trustee (ex officio) - Tina McCafferty Employed as Chief Executive
(2014: Trustee - John Savory - Supply of pharmacy services to the Trust)
(2014: Trustee - Stuart Britnell - Spouse employed)

5. Property, Plant and Equipment

As at 30 June 2015

	Deemed Cost / Cost	Accum Depn	Book Value	Depn Expense
Plant & Equipment	969,617	638,436	331,181	85,967
Furniture & Fittings	366,867	300,269	66,598	12,732
Motor Vehicles	572,917	292,333	280,584	72,733
	<u>1,909,401</u>	<u>1,231,038</u>	<u>678,363</u>	<u>171,432</u>

As at 30 June 2014

	Deemed Cost / Cost	Accum Depn	Book Value	Depn Expense
Plant & Equipment	916,297	564,830	351,467	89,406
Furniture & Fittings	360,934	293,540	67,394	14,589
Motor Vehicles	578,696	287,028	291,668	66,486
	<u>1,855,927</u>	<u>1,145,398</u>	<u>710,529</u>	<u>170,481</u>

6. Segment Reporting

The Hospice South Auckland provides Hospice/Palliative care services to terminally ill patients and operates mainly in Manukau and Papakura City.

Notes to the Financial Statements (continued)

7. Financial Instruments

Miscellaneous financial instruments

The carrying value of cash, accounts receivable, and accounts payable are all considered to be equivalent to fair value.

Credit Risk

Financial instruments that potentially subject the Trust to credit risk principally consist of bank balances and accounts receivable.

	2015	2014
Maximum exposures to credit risk as at balance date are:	(\$)	(\$)
Bank Balances	351,991	125,171
Receivables	413,275	566,155

No collateral is held on the above amounts.

Totara Hospice South Auckland has obtained a bank overdraft facility up to \$200,000.

At balance date, this facility has not been utilised. (2014:Nil)

Concentrations of Credit Risk

As the accounts receivable are principally due from the Counties Manukau District Health Board these sums are considered to be risk free.

8. Contingent Liabilities

The Trust had no material contingent liabilities as at balance date. (2014 : Nil)

9. Commitments

Operating Leases	2015	2014
For operating leases, total rental expense for the year included in fundraising expenses and property costs, was:	931,230	917,555

The Trust leases seven premises operated as Hospice Shops, including a warehouse. In addition, the Trust leases the premises at 140 Charles Prevost Drive from The Totara Foundation.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the premises, are included in the determination of the operating profit in equal instalments over the respective lease terms. The operating leases are of a rental nature and are on normal terms and conditions.

Current Portion - payable within 12 months	833,178	1,144,911
Later than 1 year and not later than 2 years	195,466	137,244
Later than 2 years and not later than 5 years	<u>51,526</u>	<u>62,932</u>
	<u>1,080,170</u>	<u>1,345,087</u>

10. Completeness of Income

Control over donations and fundraising income prior to being recorded are limited. There are no practical procedures to determine the effect of this limited control.

11. Going Concern

The Trust has a negative working capital of \$428,020 at balance date. The Trust has budgeted a surplus for the year ended 30 June 2016. The budgeted surplus includes the reliance on a grant from The Totara Foundation and the confirmed additional funding from Counties Manukau District Health Board. The Trustees have made the following key assumptions in arriving at the budgeted surplus:

- donations and bequests income levels will be received at levels based on the average over the past five years
- an increased level of fundraising activities compared to prior years

These financial statements have been prepared on a going concern basis based on the successful outcome of the assumptions above. Should these income levels fall below budgeted levels and / or financial support is not received from the Totara Foundation, the Trust may not be able to meet its obligations as they fall due.

12. Post Balance Date Events

There were no post balance date events for the year ending 30 June 2015 (2014: Nil)

Auditors Report



the next solution

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Totara Hospice South Auckland

Report on the Financial Statements

We have audited the financial statements of Totara Hospice South Auckland on pages 11 to 18, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance and statement of movements in trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand 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 these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with 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 the auditor's 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, the auditor considers 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the financial position and a qualified opinion on the financial performance.

Our firm has no other relationship with, or interests in, Totara Hospice South Auckland.

Basis for Qualified Opinion on Financial Performance

In common with other organisations of similar nature, controls over donations and fundraising income received in cash prior to being recorded are limited and there are no practical audit procedures to determine the effect of this limited control. In this respect alone we have not obtained all the information and explanations that we required.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements on pages 11 to 18 present fairly, in all material respects, the financial position of Totara Hospice South Auckland as at 30 June 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Emphasis of Matter

Without further qualifying our opinion, we draw attention to note 11 to the financial statements concerning the Trust's ability to continue as a going concern. As disclosed in note 11, the financial statements are prepared on a going concern basis, the validity of which depends upon receiving sufficient donations and fundraising income to meet its day to day obligations as they fall due. The financial statements do not include any adjustments that would result if the Trust was unable to continue as a going concern.

CST Nexia Audit

CST Nexia Audit
Chartered Accountants
Manukau City
8 October 2015

CST Nexia Audit

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Board of Trustees

Ambassador

Valerie Adams *ONZM*

Board of Trustees Members

Barbara Astill Chairperson

Val Sugrue Deputy Chairperson

David Jones Chair Finance Committee
(co-opted)

Dr Allan Adair

Richard Horwood *(Resigned 15.05.15)*

Ann Linton

Gray Maingay

Greg Peebles *(Resigned 05.01.15)*

John Savory

Tina McCafferty Chief Executive
(Effective 12.01.15)

Hospice Philosophy

Totara Hospice is a specialist provider of palliative care. We offer integrated, clinical palliative care services which seek to improve a person's quality of life and ease their suffering

Hospice is all about people

As a Hospice our approach offers dignity, calm, affirmation and holistic care and support for persons who access our services and for their family/whanau; understanding that while death is inevitable, dying unsupported is unacceptable.



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