



St John of God Hauora Trust

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**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2019**

**Statement of financial performance**

	Note	2019 \$'000	2018 \$'000
<b>Revenue from exchange transactions</b>	4		
Accommodation and service fees	6, 7	13,946	12,849
Other health and abilities revenue	6	37	39
Government grants and subsidies	27	2,359	1,810
Other grants and subsidies	27	190	234
Other operating revenue	6	351	317
		<b>16,883</b>	<b>15,249</b>
<b>Revenue from non-exchange transactions</b>	4, 27		
Donations		20	13
<b>Total revenue</b>		<b>16,903</b>	<b>15,262</b>
<b>Expenses:</b>			
Employee costs and contract remuneration		12,816	11,114
Supply costs		1,145	1,172
Other operating expenses		936	800
Centralised support and service costs		1,241	1,195
Board expenses		45	41
<b>Total expenses</b>		<b>16,183</b>	<b>14,322</b>
<b>EBITDA</b>		<b>720</b>	<b>940</b>
Interest income		-34	-51
Interest expense	12	96	128
Net interest		<b>62</b>	<b>77</b>
Depreciation owned assets	11, 18	408	370
Depreciation leased assets	12	110	108
<b>Operating surplus / (deficit)</b>		<b>140</b>	<b>385</b>

**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2019**

**Statement of financial position**

	Note	2019 \$'000	2018 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	22	289
Cash held on behalf of residents	17	146	123
Bank deposits	15	470	1,165
Sundry debtors and other receivables	7, 13	971	913
Other assets	8, 13	30	36
<b>Total current assets</b>		<b>1,639</b>	<b>2,527</b>
<b>Non-current assets</b>			
Property, plant and equipment	11, 12, 13, 18, 19	5,656	5,259
Work in progress		1,389	415
Leased assets	12	413	306
Investment in shares in co-operative supplier	9	19	19
<b>Total non-current assets</b>		<b>7,477</b>	<b>5,999</b>
<b>Total assets</b>		<b>9,116</b>	<b>8,526</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank Overdraft	14	92	0
Trade payables and accruals	10	1,127	801
Residents' funds	10, 17	146	123
Goods and services tax		64	149
Employee benefit liabilities	16	865	815
Grants held for future or other specific purposes	4	73	63
Bank Loan	19	256	236
Lease liability	12	117	94
<b>Total current liabilities</b>		<b>2,740</b>	<b>2,281</b>
<b>Non-current liabilities</b>			
Bank Loan		1,261	1,524
Lease liability	12	295	297
Loan from St John of God Health Care Inc	20	259	96
<b>Total non-current liabilities</b>		<b>1,815</b>	<b>1,917</b>
<b>Total liabilities</b>		<b>4,555</b>	<b>4,198</b>
<b>Trust equity</b>			
Retained surpluses	26	4,561	4,328
<b>Total equity attributable to the trust</b>		<b>4,561</b>	<b>4,328</b>

**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2019**

**Statement of movements in equity**

	2019 \$'000	2018 \$'000
Equity at beginning of year	4,328	3,943
Operating surplus / (deficit) for the year	140	385
Prior year adjustment for finance leases	93	0
<b>Equity at end of year</b>	<b>4,561</b>	<b>4,328</b>

**Statement of cash flows**

	\$'000	\$'000
Surplus (Deficit)	140	385
Prior Year Adjustment for finance leases	93	0
Depreciation and Amortisation	518	478
Changes in Working Capital		
Accounts Receivable	-57	-153
Prepayments	0	-8
Inventories	7	12
Trade Payables & Accruals	348	72
Goods & Services Tax	-84	17
Employee Benefit Liabilities	49	78
Grants for Future or Specific Purposes	10	-143
<b>Cash from Operations</b>	<b>1,024</b>	<b>738</b>
Capital Expenditures	-1,996	-916
Investment in Shares Co-op Supplier	0	0
<b>Cash from Investing</b>	<b>-1,996</b>	<b>-916</b>
Bank Loan (Current)	20	8
Lease Liability (Current)	23	0
Bank Loan (Non-Current)	-264	-221
Lease Liability (Non-Current)	-2	89
Loan from St John of God Health Care Inc	163	96
<b>Cash from Financing</b>	<b>-59</b>	<b>-29</b>
<b>Total change in cash</b>	<b>-1,031</b>	<b>-206</b>
Beginning Cash Balance	1,577	1,784
Total Change in Cash	-1,031	-206
Ending Cash Balance	546	1,577

Approved by two trustees on behalf of the trust board 15 October 2019.

.....Trustee .....Trustee

# St John of God Hauora Trust

## Financial Statements for year ended 30 June 2019

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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; Karori, Wellington and Clouston Park, Upper Hutt 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 2019 on 15 October 2019.

##### 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. All values are reported in New Zealand Dollars.

##### 4. Public Entity (PBE) standards on accounting policies and disclosures

The accounting policies adopted in these financial statements are consistent with the PBE Standards. The key 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 13 - Leases

PBE IPSAS 13 prescribes that a lease that transfers substantially all risks and rewards incidental to ownership of an asset as a finance lease and that an operating lease is a lease other than a finance lease. The Trust has leases motor vehicles and photocopiers or multi-function devices as finance leases.

###### 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 2019

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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. Included in Accounts Payable at 30 June 2019 is an amount of \$310,509 (including GST) relating to costs incurred in June 2019 for the SJG Karori seismic and refurbishment project. Subsequently, the GST exclusive amount of \$270,008 was drawn down from the ANZ bank in July and August 2019 as part of loan funding for that project. 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 the parent entity 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 a property at Ferguson Drive, Upper Hutt (Clouston Park) and office space in Christchurch CBD for Trust Administration (Trust Office) from private landlords as operating leases. Operating leases are leases that do not substantially transfer all the risks and benefits incidental to ownership of the leased item to the Trust. Lease payments are recognised as an operating lease expense on a straight line basis over the lease term. The total of future minimum operating lease payments are: Less than one year: \$74,217 and one to five years: \$76,440. There are no leases greater than five years. However a right of renewal Trust Office space exists for a further two years from 1 February 2020 and two rights of renewal of two years each for Fergusson Drive from 19 February 2022 and 19 February 2024. The Trust paid \$93,800 in operating lease payments (2018: \$66,500)

The Trust leases motor vehicles and multi-function device office equipment pursuant to finance lease agreements. The Trust recognises as finance those leases that substantially transfer 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 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 and interest costs are recognised as an expense. 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 \$109,931, (2018: \$108,463).

Finance lease payments due in one year and GST exclusive amount to \$117,407 (2018: \$94,366) and between one year and five years \$225,029(2018: \$245,830) and over five years \$70,452 (2018: \$51,300).

## St John of God Hauora Trust

### Financial Statements for year ended 30 June 2019

#### 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 and bank overdraft

Cash and cash equivalents comprise bank and cash balances net of overdrafts. The Trust has a short term overdraft facility in place that expires to be repaid 2 August 2019.

#### 15. Bank deposits

The Trust invests its surplus funds on bank deposits with maturities not exceeding twelve months. At balance date the trust held \$470,441 (2018: \$1,165,237) in bank deposits. Of this sum \$243,750 (2018: \$946,482) 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

Included in Current Assets is cash held on behalf of residents \$146,152 (2018: \$123,467) being 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. There is also an off-setting current liability of the same amount reflecting that these funds belong to the residents.

#### 18. Fixed assets

The fixed assets summary below is for assets owned and does not include 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 2018	1,530,830	559,123	1,025,284	597,165	206,809	3,816,900	7,736,111
Additions	128,884	128,984	62,526	485,200			805,594
Disposals	-79,972	-46,331	-63,752		-31,805		-221,860
<b>As at 30 June 2019</b>	<b>1,579,742</b>	<b>641,776</b>	<b>1,024,058</b>	<b>1,082,365</b>	<b>175,004</b>	<b>3,816,900</b>	<b>8,319,845</b>
<b>Depreciation and Impairment</b>							
As at 30 June 2018	970,700	351,155	701,351	113,131	190,236	150,202	2,476,775
Depreciation charge for the year	128,185	67,751	74,775	73,405	10,572	53,013	407,701
Impairment							
Disposals	-79,046	-46,332	-63,752		-31,805		-220,935
<b>As at 30 June 2019</b>	<b>1,019,839</b>	<b>372,574</b>	<b>712,374</b>	<b>186,536</b>	<b>169,003</b>	<b>203,215</b>	<b>2,663,541</b>
<b>Net Book Value</b>							
As at 30 June 2018	560,130	207,968	323,933	484,034	16,573	3,666,698	5,259,336
<b>As at 30 June 2019</b>	<b>559,903</b>	<b>269,202</b>	<b>311,684</b>	<b>895,829</b>	<b>6,001</b>	<b>3,613,685</b>	<b>5,656,304</b>

# St John of God Hauora Trust

## Financial Statements for year ended 30 June 2019

### 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 5 years 3 months left of the 9 year term as at balance date. The fixed interest rate of 5.24% expired on 30 August 2018. From 31 August 2018, the applicable Bank's floating rate is 4.81%.

### 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 was 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. The project was completed during the year with the total amount of loan balance of \$259,001 (2018: \$95,595). 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 \$59,149 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:

#### Related Parties

	2019	2018
Reimbursement of Project Costs on behalf of SJGHC	474,862	152,615
Expenditure paid	210,852	216,687
Sums due to us at balance date	59,149	7,407
Loan from SJGHC	259,001	95,595

### 22. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities (2018: 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 \$2,500,000. \$1 million is funded from reserves and \$1,500,000 by a further bank loan. At year end the project was still in progress and the amount spent was \$1,270,008 (2018: \$142,549). At year end, total capital commitments amounted to \$1,071,135 (2018: \$162,405).

### 24. Events occurring after balance date

There are no significant events occurring after balance date apart from the completion and increase in bank loan funding of the Karori Building Seismic and Reconfiguration Upgrade Project per note 23 (2018: 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 four external members. The remuneration paid to the Executive Leadership Team was \$967,885 (2018: \$909,590) and the Board of Trustees \$36,667 (2018: \$36,250).

### 26. Prior Period Adjustment

A prior period adjustment to correct accounting for leases in accordance with PBE IPSAS 13 of \$92,705 has increased equity for the year.



**St John of God Hauora Trust**  
**Financial Statements for year ended 30 June 2019**

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**27. Grants and subsidies**

	2019	2018
<b>Government Grants:</b>		
Canterbury District Health Board	780,246	492,907
Christchurch City Council	33,333	10,000
Department of Corrections	411,623	139,208
Lottery Board	10,000	10,000
Ministry of Education	524,072	535,492
Ministry of Health	204,725	209,338
Ministry of Social Development	394,621	412,621
<b>Government Grants</b>	<b>2,358,621</b>	<b>1,809,565</b>
<b>Non- Government Grants</b>		
Brothers of St John of God	0	10,000
Farina Thompson Trust	5,000	5,000
Firth Industries	6,500	0
J R McKenzie Foundation	0	12,167
Maurice Carter Trust	13,000	12,000
Mike Pero	0	10,000
Rata Foundation	80,000	70,000
Sharon Bensberg	0	7,000
St John of God Trust	0	5,000
Te Pou Limited	5,739	13,739
Tindall Foundation	36,667	5,000
Todd Foundation	43,508	84,317
<b>Total Exchange Grants &amp; Subsidies</b>	<b>190,413</b>	<b>234,223</b>
Dick Russell's estate	0	2,000
Elizabeth Topp's Estate	15,527	0
Viv Klassen	0	5,500
Other Donations less than \$2,000	4,103	5,761
<b>Total Non-Exchange Grants &amp; Subsidies</b>	<b>19,630</b>	<b>13,261</b>
<b>Total Non- Government Grants</b>	<b>210,043</b>	<b>247,484</b>
<b>Total Grants and Subsidies</b>	<b>2,568,665</b>	<b>2,057,049</b>