



Annual Report
2018-2019



waiheke health trust

kaitiaki hauora o waiheke

About Us

The Waiheke Health Trust (WHT) is a community based charitable trust incorporated under the Charitable Trusts Act in April 1992 (Charities Services Registration No. CC28036) to provide publicly funded community healthcare services to the people of Waiheke Island. WHT owns and operates Waiheke Health Limited (Ostend Medical Centre) which is also registered under the Charitable Services Registration No (CC552270).

WHT upholds the principles of the Treaty of Waitangi and interprets health as a taonga of all people. The Trust also takes pride in valuing a strength based, person-centred culture and model. The Trust is uniquely able to provide a well coordinated multidisciplinary approach to complement a person's existing strengths and goals, and to support building the capacity of people in proactive and sustainable ways.

Managed by a Board of Trustees, the WHT provides community health services including Home Support, and Allied Health services (Occupational Therapy, Physiotherapy, Podiatry, Dietetics, Speech Therapy and Social Work), Meals on Wheels, Tamariki Ora Well Child services (Core and B4 School checks; immunisation and vision and hearing testing), Specialist Community Nursing and Palliative Care, as well as GP, Practice nursing, and primary health care services from Ostend Medical Centre which is a member of the Auckland Primary Healthcare Organisation (PHO).

VALUES

To provide the best possible community healthcare service to all people living on or visiting the Island, ensuring that all aspects of our services embody the Treaty of Waitangi.

MISSION STATEMENT

To provide quality integrated Health Care on Waiheke Island

TIKANGA CORE PRINCIPLES

Kaitiakitanga: work as guardians in client care with passion and advocacy

Whanaungatanga: collaborate as a team to support our community

Manaakitanga: care and respect for people regardless of age, gender or ethnicity

Pukengatanga: encompass ongoing learning and development to

Waiheke Health Trust

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Telephone: (09) 372 8893 Fax: (09) 372 6787
Email: info@waihekehealthtrust.nz
Website: www.waihekehealthtrust.nz

Ostend Medical Centre

Address: 9 Belgium Street, Ostend, Waiheke Island
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Website: www.ostendmedical.co.nz

Waiheke Health Trust Group

Annual Report

For the year ended 30 June 2019

**Consolidated Financial Statements
For the year ended 30 June 2019**

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Waiheke Health Trust Group

Directory as at 30 June 2019

Charitable Trust Incorporation number:	524607
Charities Commission Registration number:	CC28036 / CC55227
Nature of business:	Charitable Trust, Health service provider
Date of Establishment	22 April 1992
Registered office:	5 Belgium Street Ostend Waiheke Island 1081
Board of Trustees	Maree Grbin Edward Schuck (Deputy Chairperson, appointed September 2017)) Mary Tuari (Maori Representative) Claire Arthur (resigned February 2018) Beth Johnson (appointed February 2018) Sandra Letchford Amanda Pratley (appointed February 2018) Victoria Montgomery (Chairperson) Deena Mear (resigned March 2018)
Bankers:	ASB
Auditors:	William Buck Audit (NZ) Limited

Waiheke Health Trust Group

Consolidated Statement of comprehensive revenue and expense For the year ended 30 June 2019

	<i>Note</i>	2019	2018 re-stated
Total Revenue from exchange transactions	1	3,018,777	3,080,286
Total Revenue from non-exchange transactions	1	11,063	6,759
Total Expenses	2	3,029,067	3,227,125
Operating Surplus/(Loss) before Income Tax		773	(140,080)
Income Tax (expense)/benefit	3	-	-
Net Surplus/(Loss) for the year		773	(140,080)

Waiheke Health Trust Group

**Consolidated Statement of Changes in Equity
For the year ended 30 June 2019**

	2019	2018
Equity at beginning of the year	579,543	719,623
Net Surplus/(Loss) for the year	773	(140,080)
Equity at the end of the year	<u>580,316</u>	<u>579,543</u>

Waiheke Health Trust Group

Consolidated Statement of Financial Position as at 30 June 2019

	<i>Note</i>	2019	2018
Current Assets			
Cash and cash equivalents	4	327,989	383,894
Accounts receivable from exchange transactions		182,418	78,289
Accounts receivable from non-exchange transactions		-	-
Taxation		2,912	2,965
		<u>513,319</u>	<u>465,148</u>
Non Current Assets			
Property, plant & equipment	5	400,551	393,958
		<u>400,551</u>	<u>393,958</u>
Total Assets		<u>913,870</u>	<u>859,106</u>
Current Liabilities			
Accounts payable and accruals	6	274,275	212,466
GST payable		59,279	55,818
Revenue in advance		-	11,279
		<u>333,554</u>	<u>279,563</u>
Net Assets (Liabilities)		<u>580,316</u>	<u>579,543</u>
Total Equity		<u>580,316</u>	<u>579,543</u>

Signed for and on behalf of the Board of Trustees who authorised these consolidated financial statements for issue on _____.

Trustee

Trustee

Waiheke Health Trust Group

Consolidated Statement of Cash Flow For the year ended 30 June 2019

	2019	2018 re-stated
Cashflows from Operating Activities		
Receipts		
Receipts from non-exchange transactions	11,063	6,759
Receipts from exchange transactions	2,915,286	2,980,388
Payments to suppliers and employees	(2,956,438)	(3,165,517)
Resident withholding tax and other taxes received/(paid)	-	3,434
Net cash generated by operating activities	<u>(30,089)</u>	<u>(174,936)</u>
Cashflows from Investing Activities		
Interest & dividends received	2,329	2,358
Purchase/sale of property, plant and equipment	(28,145)	(6,588)
Net cash generated by (used in) investing activities	<u>(25,816)</u>	<u>(4,230)</u>
Cashflows from Financing Activities		
Net cash generated by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents held	(55,905)	(179,166)
Cash and cash equivalents at 1 July	<u>383,894</u>	<u>563,060</u>
Cash and cash equivalents at 30 June	<u><u>327,989</u></u>	<u><u>383,894</u></u>

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2019**

1 Summary of Significant Accounting Policies

Reporting entity

The reporting entity is Waiheke Health Trust and wholly owned subsidiary Waiheke Health Limited (the "Trust"). The Trust is domiciled in New Zealand.

The financial statements are presented for the year ended 30 June 2019.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Trust. The Trust provides primary healthcare services to Waiheke Island residents. The Trust is a charitable organisation registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

These financial statements have been approved and were authorised for issue by the Board of Trustees.

Statement of compliance

The Trust financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

Changes in accounting policies

There have been no changes in accounting policies.

Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

Basis of measurement

These financial statements have been prepared on the basis of historical cost. The financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements include the parent Waiheke Health Trust and its subsidiary Waiheke Health Limited. The Trust uses the purchase method and all inter group transactions are eliminated on consolidation.

Functional and presentational currency

The Trust financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2019**

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from exchange transactions

Interest revenue

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

Revenue from non-exchange transactions

Donations

Donations are recognised upon receipt. Donations-in-kind are minimal and are not measured. Services-in-kind are also not recognised as the financial value is not readily available.

Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a Trust of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition. The Trust has one type of financial asset, receivables carried at amortised cost.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Impairment of financial assets

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2019**

In determining whether there are any objective evidence of impairment, the Trust first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account.

Financial liabilities

The Trust's financial liabilities include trade and other creditors.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset, except for land. Land is not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Buildings	3% - 20%
Motor Vehicles	26% - 30%
Medical Equipment	10% - 30%
Office Equipment	10% - 33%
Computer Equipment	40% - 50%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

Income Tax

Due to its charitable status, the Trust and Waiheke Health Limited as at 6th March 2018 are exempt from income tax. Refer to Note 3.

Significant judgements and estimates

Debtors are reviewed annually for impairment.

Useful lives of fixed assets are assessed as described in the property, plant and equipment policy above.

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2019**

1	Operating Revenue from exchange transactions	2019	2018 re-stated
	District Health Board - General Contract	499,933	479,163
	District Health Board - Home Support Contract	233,758	216,566
	Royal District Nursing Service	-	259,750
	ACC - Community Nursing	48,683	28,724
	ACC - Home Support Contract	199,861	151,767
	ACC - Patient Claims	185,209	160,709
	Fees from patients - Home Support Service	44,076	19,340
	Patient Fees	398,662	414,608
	Meals on Wheels	70,004	60,524
	PHO Capitation Income	617,952	564,132
	Healthpac GMS & Wages Subsidy	73,925	68,879
	Program specific Income from PHO	79,475	80,092
	Other Income	395,938	405,254
	Interest Received	962	1,113
	Rural Retention and Rural Bonus Receipts	83,871	84,611
	Palliative Care and Nursing receipts	86,469	85,054
		<u>3,018,777</u>	<u>3,080,286</u>
	Operating Revenue from non-exchange transactions		
	Donations & fundraising	11,063	6,759
	Total Operating Revenue	<u><u>3,029,840</u></u>	<u><u>3,087,045</u></u>
2		2019	2018 re-stated
	<i>Direct Clinical and Medical Costs</i>		
	Clinical Salaries	1,834,183	2,007,882
	Medical supplies and consumables	79,027	90,808
	Meals on wheels	56,436	44,653
	Repairs & maintenance	23,788	31,177
	Health & safety	2,292	2,755
	Total Direct Costs	<u>1,995,726</u>	<u>2,177,275</u>
	<i>Administration Costs</i>		
	Fees paid to auditors	5,636	13,083
	Depreciation	21,553	23,112
	ACC	5,492	5,390
	Advertising	732	2,137
	Bank Fees	5,502	5,396
	Board of Trustees Fees and Expenses	9,158	11,150
	Cleaning	20,548	20,536
	Computer costs	51,889	50,532
	Insurance	19,753	17,390
	Locums and sub-contractors	120,609	115,894
	Motor Vehicle Expense	4,457	4,352
	Printing, postage & stationery	23,991	19,098
	Professional fees - accounting & legal	11,806	9,688
	Property running costs	10,673	9,370
	Rent expense	67,959	74,953
	Salaries - administration & management	462,094	479,719
	Subscriptions and licences	9,331	9,686
	Telephone & communication	34,768	39,736
	Training & development	10,268	18,478
	Travel expenses	1,453	2,020
	WDHB Audit fees	2,976	-
	Sundry expenses	132,695	118,130
	Total Overhead Costs	<u>1,033,341</u>	<u>1,049,850</u>
	Total Expenses	<u><u>3,029,067</u></u>	<u><u>3,227,125</u></u>

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2019**

3 Taxation
Waiheke Health Limited was incorporated in April 2001 to operate the Ostend Medical Centre. As a wholly owned subsidiary of Waiheke Health Trust, all Trustees are also appointed directors of the company. Waiheke Health Limited successfully attained charity status as of 6th March 2018. As a result, both entities which form the group have charity status and hence no income tax liability has been recognised in the financial statements.

4 Cash and cash equivalents	2019	2018
Cash and cash equivalents include the following components:		
Cheque account	147,622	136,856
Business Saver account	180,317	247,038
Petty cash	50	-
	<u>327,989</u>	<u>383,894</u>

5 Property, Plant & Equipment

GROUP 2019	Land & Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Medical Equipment	Total
Cost	396,358	42,706	76,633	221,329	263,289	1,000,315
Accumulated depreciation	(49,922)	(40,311)	(68,071)	(210,677)	(230,783)	(599,764)
Net book value	<u>346,436</u>	<u>2,395</u>	<u>8,562</u>	<u>10,652</u>	<u>32,506</u>	<u>400,551</u>

GROUP 2018	Land & Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Medical Equipment	Total
Cost	380,359	42,706	71,910	217,507	259,687	972,169
Accumulated depreciation	(45,615)	(39,356)	(61,847)	(208,697)	(222,696)	(578,211)
Net book value	<u>334,744</u>	<u>3,350</u>	<u>10,063</u>	<u>8,810</u>	<u>36,991</u>	<u>393,958</u>

Reconciliation of the carrying amount at the beginning and end of the period:

30 June 2019	Land & Buildings	Motor Vehicles	Computer Equipment	Office Equipment	Medical Equipment	Total
Opening NBV balance	334,744	3,350	10,063	8,810	36,991	393,958
Additions	15,999	-	4,722	3,822	3,602	28,145
Disposals	-	-	-	-	-	-
Gain/(Loss) on disposal	-	-	-	-	-	-
Depreciation	(4,307)	(955)	(6,224)	(1,980)	(8,087)	(21,553)
Closing NBV balance	<u>346,436</u>	<u>2,395</u>	<u>8,561</u>	<u>10,652</u>	<u>32,506</u>	<u>400,550</u>

6 Accounts Payable and Accruals	2019	2018
Accounts Payable	20,743	40,710
Accrued Expenses	10,938	14,289
Employee Entitlements	242,595	157,467
	<u>274,275</u>	<u>212,466</u>

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2019**

7 Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees, the Senior Management Team including General Manager of Operations, the Quality Co-ordinator and Accounts Manager, which constitutes the governing body of the Group. Remuneration is paid to members of the Board of Trustees of \$7,708 (2018: \$9,750). The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2019	2018
Total remuneration	321,267	321,267
Number of FTE persons	2	1

8 Going Concern

Waiheke Health Trust is reliant on continued funding from the Ministry of Health to be considered as a going concern. It is the belief of the Trustees that further funding contracts will be able to be successfully negotiated with the appropriate funding body, at levels indicated in the approved budgets. This is in addition to the existing negotiated contracts, for the Trust to remain a going concern.

9 Operating Lease Commitments

As at the reporting date, the Board of Trustees has entered into the following operating lease commitments:

	2019	2018
Not later than one year	1,058	4,740
Later than one year and not later than five years	881	14,124
Later than 5 years	-	-
	<u>1,939</u>	<u>18,864</u>

10 Capital Commitments

There were no capital commitments at the reporting date. (2018: \$Nil).

11 Contingent Liabilities

There are no contingent liabilities at the reporting date. (2018: \$Nil).

12 Events after the Reporting Period

The Board of Trustees and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust. (2018: \$Nil).