



Otago Community Hospice Trust

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Otago Community Hospice Trust
Consolidated Financial Statements
For the year ended 30th June 2024

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Otago Community Hospice Trust
Trust Directory
As at 30th June 2024

NATURE OF BUSINESS

Hospice

CHARITIES SERVICES REGISTRATION NUMBER

CC20590

OFFICE

293 North Road
North East Valley
Dunedin 9041

TRUSTEES

Stuart McLauchlan (Chairperson)
Merrin Bath (Deputy Chairperson)
Peter McIntyre
Rachel Brazil
Murray Tilyard
Ross Parry
Natalia Dowrick
Wendi Raumati
Donna Matahaere-Atariki

ACCOUNTANTS

G S McLauchlan & Co Limited
P O Box 743
DUNEDIN 9054

AUDITORS

Audit Professionals Limited
P O Box 620
DUNEDIN 9054

BANKERS

ANZ Bank New Zealand Limited

SOLICITORS

Wilkinson Rodgers Lawyers

CONTROLLED ENTITY

The Gordon Allen Foundation Trust

Otago Community Hospice Trust
Statement of Service Performance
For the year ended 30th June 2024

Otago Community Hospice Trust is an Otago-wide community-based service providing specialist palliative care services free of charge to those who are faced with terminal illness. We are part-funded through a Te Whatu Ora contract, with fundraising making up the difference.

Otago Community Hospice enables patients to live their lives as fully as possible. We work in partnership with our community, offering education, support, care and advice to family, whanau, carers and health and social service professionals, through a patient's illness and following death.

We have four community teams based in Dunedin, Central Otago, North Otago and South Otago. We also have an Inpatient Unit in North East Valley, Dunedin. Mostly care is provided where the patient lives, for example in their own home or in a residential facility. Some of our patients are cared for as inpatients, either in our dedicated Hospice facility or in partnership with community hospitals throughout the Otago region. In the community, we work closely with primary palliative care providers, such as GP's, District Nurses, hospital and other community-based health teams.

	2023/2024	2022/2023
Total Number of Patients on Programme	1,078	876
New Referrals	650	579
Average Number of Patients At Any One Time	262	245
Admission to IPU	139	138
Community Visits	4,121	4,049
Kōwhai Programme Attendance	214	202

Otago Community Hospice Trust
Consolidated Statement of Comprehensive Revenue and Expenses
For the year ended 30th June 2024

	Note	2024	2023
		\$	\$
Revenue from Non-Exchange Transactions			
Rendering of Services		5,300,305	4,577,760
Sale of Donated Goods		3,082,072	2,345,051
Fundraising and Donations		1,790,634	1,520,015
Covid-19 Wages Subsidy/Leave Support Scheme		-	17,036
Government Grants		-	15,256
Grants Revenue		489,279	476,522
		10,662,290	8,951,640
Revenue from Exchange Transactions			
Rendering of Services		43,235	75,110
Other Income		154,171	65,497
Investment Income		480,354	425,003
		677,760	565,610
Total Revenue		11,340,050	9,517,250
Expenses			
Direct Cost of Charity Shops and Public Fundraising		612,928	380,788
Wages, Salaries, Volunteer and Employment Costs		7,903,962	7,162,453
Service Delivery Costs		385,586	337,450
Depreciation and Amortisation Expense	8 & 9	315,220	290,237
Other Overhead and Administration Expenses		774,170	664,927
Total Expenses	4	9,991,866	8,835,855
Total Surplus for the Year		1,348,184	681,395
Other Comprehensive Revenue and Expense - revaluation of shares	13	603,552	535,510
Total Comprehensive Revenue and Expense for the Year		1,951,736	1,216,905

The accompanying notes form part of these consolidated financial statements and Independent Auditor's Report.

Otago Community Hospice Trust
Consolidated Statement of Changes in Net Assets/Equity
For the year ended 30th June 2024

	Accumulated Comprehensive Revenue and Expense	Share Revaluation Reserve	Special Reserves	Total Equity
	\$		\$	\$
Opening Balance 1 July 2023	18,371,559	1,675,580	-	20,047,139
Total Comprehensive Income for the Year	1,348,184	603,552	-	1,951,736
Transfer (from) Special Reserves	-	-	-	-
Closing Equity 30 June 2024	19,719,743	2,279,132	-	21,998,875


	Accumulated Comprehensive Revenue and Expense	Share Revaluation Reserve	Special Reserves	Total Equity
	\$		\$	\$
Opening Balance 1 July 2022	17,690,164	1,140,070	-	18,830,234
Total Comprehensive Income for the Year	681,395	535,510	-	1,216,905
Transfer (from) Special Reserves	-	-	-	-
Closing Equity 30 June 2023	18,371,559	1,675,580	-	20,047,139

The accompanying notes form part of these consolidated financial statements and Independent Auditor's Report.

Otago Community Hospice Trust
Consolidated Statement of Financial Position
As at 30th June 2024

	Note	2024	2023
		\$	\$
Current Assets			
Cash and Cash Equivalents	5	2,338,218	1,740,651
Trade and Other Receivables	6	669,565	725,761
Prepayments		79,375	29,709
Investments	7	8,663,395	7,783,126
		11,750,553	10,279,247
Non-Current Assets			
Investments	7	5,470,320	4,979,677
Intangible Assets	8	326	608
Property, Plant and Equipment	9	6,146,745	6,061,851
Capital Work in Progress		450	-
		11,617,841	11,042,136
Total Assets		23,368,394	21,321,383
Current Liabilities			
Trade and Other Payables	10	237,714	210,263
Employee Entitlements		938,614	810,231
Finance Lease Payable		59,845	-
Deferred Revenue	11	133,346	253,750
		1,369,519	1,274,244
Total Liabilities		1,369,519	1,274,244
Net Assets		21,998,875	20,047,139
Equity			
Accumulated Comprehensive Revenue and Expense		19,719,743	18,371,559
Share Revaluation Reserve		2,279,132	1,675,580
Special Reserves		-	-
Total Equity	13	21,998,875	20,047,139

Signed for and on behalf of the Board of Trustees who authorised these consolidated financial statements for issue on the 27th day of September 2024.

Trustee  Trustee Merrin Bath

The accompanying notes form part of these consolidated financial statements and Independent Auditor's Report.

Otago Community Hospice Trust
Consolidated Statement of Cash Flows
For the year ended 30th June 2024

	Note	2024	2023
		\$	\$
<u>Cash Flows from Operating Activities</u>			
Cash was provided from:			
Fundraising, Donations and Grants		5,363,044	4,314,947
Government Grants		-	15,256
Receipts from Goods & Services Provided, Non Exchange Transactions		5,237,451	4,578,249
Receipts from Goods & Services Provided, Exchange Transactions		58,538	121,920
Investments Income Receipts		466,385	367,362
Goods and Services Tax (net) Received/(Paid)		15,192	(19,029)
		11,140,610	9,378,705
Cash was applied to:			
Payments to Suppliers		1,913,408	1,379,768
Donations and Grants Distributions		20,000	-
Payments to Employees		7,535,639	7,069,122
		9,469,047	8,448,890
Net Cash Flows from Operating Activities		1,671,563	929,815
<u>Cash Flows from Investing Activities</u>			
Cash was provided from:			
Receipts from the Sale of Property, Plant and Equipment and Intangibles		132,975	1,846
Receipts from the Sale of Investments		1,194,251	951,579
		1,327,226	953,425
Cash was applied to:			
Purchase of Property, Plant and Equipment and Intangibles		346,373	132,063
Payments to Purchase Investments		1,998,956	1,335,806
		2,345,329	1,467,869
Net Cash Flows (to) Investing Activities		(1,018,103)	(514,444)
<u>Cash Flows from Financing Activities</u>			
Cash was applied to:			
Repayments of Finance Lease Principal		40,724	-
Interest Paid on Finance Lease		15,169	-
		55,893	-
Net Cash Flows (to) Financing Activities		(55,893)	-
Net Increase in Cash and Cash Equivalents		597,567	415,371
Cash and Cash Equivalents at the Beginning of the Year		1,740,651	1,325,280
Cash and Cash Equivalents at the End of the Year	5	2,338,218	1,740,651

Note that the Cash and Cash Equivalents balances shown above do not include Bank Deposits that have original maturities greater than three months as they are shown separately as investments.

The accompanying notes form part of these consolidated financial statements and Independent Auditor's Report.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements
For the year ended 30th June 2024

1. REPORTING ENTITY

The reporting entity, Otago Community Hospice Trust (the "Trust") is domiciled in New Zealand and is a charitable trust incorporated under the Charitable Trusts Act 1957 and a registered charity under the Charities Act 2005. The 2024 consolidated financial statements comprise Otago Community Hospice Trust and its controlled entity, The Gordon Allen Foundation Trust (the "Foundation"). The Foundation was previously called Otago Hospice Foundation Trust but changed its name on 29 May 2019 to recognise the contribution from Gordon Allen.

These consolidated financial statements and the accompanying notes summarise the financial results of activities carried out by Otago Community Hospice Trust and its controlled entity. The Trust provides hospice services in Otago and the Foundation receives and invests funds to provide specialist palliative care of the terminally ill in the province of Otago.

The Board of Trustees is of the view that the Trust is a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view supporting that primary objective rather than a financial return. These consolidated financial statements have been approved and were authorised for issue by the Board of Trustees as per the date on the Statement of Financial Position.

2. BASIS OF PREPARATION

a) Statement of Compliance

The Otago Community Hospice Trust's consolidated financial statements have been prepared in accordance with the Charities Act 2005, which requires compliance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Tier 2 Not-For-Profit public benefit entities. For the purposes of complying with NZ GAAP, the Otago Community Hospice Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE Accounting Standards on the basis that it does not have public accountability and it is not defined as large as operating expenditure falls below the threshold of \$33 million per annum.

b) Basis of Measurement

These consolidated financial statements have been prepared on the basis of historical cost, unless otherwise noted in a specific accounting policy. It is assumed that the Trust and its subsidiary will continue as a going concern.

c) Functional and Presentation Currency

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

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

d) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

3. SPECIFIC ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are set out below.

Principles of Consolidation

The consolidated financial statements incorporate the annual results, and assets and liabilities of all Otago Community Hospice Trust's various activities and its controlled entity as at 30 June 2024. Otago Community Hospice Trust and its controlled entity together are referred to in these consolidated financial statements as the Group. The details of Group entities are set out in note 15.

The Group controls an entity if it has power to govern the financial and operating policies of the entity so as to benefit from that entity's activities. Controlled entities which form part of the Group are consolidated from the date on which control is transferred to the Group. They are de-consolidated from when control ceases.

The acquisition method of accounting is used to account for the business combinations by the Group. The cost of an acquisition is measured as the fair value of the assets given, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group. The financial statements of the controlled entity are prepared for the same 30 June reporting period as the Otago Community Hospice Trust.

3.1 REVENUE RECOGNITION

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 Non-Exchange Transactions

A non-exchange transaction is where the Trust either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Where non-exchange revenue is received with conditions attached, the asset is recognised with a matching liability. As the conditions are satisfied the liability is decreased and revenue recognised.

When non-exchange revenue is received with restrictions attached, but there is no requirement to return the asset if not deployed as specified, then revenue is recognised on the earlier of receipt or confirmation of funding.

Condition stipulation - funds received are required to be used for a specific purpose, with a requirement to return unused funds.

Restriction stipulation - funds received are required to be used for a specific purpose, with no requirement to return unused funds.

Donations

Goods donated to the Trust's charity shops are recognised as revenue when the donated goods are sold. Other donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific fundraising events and donated assets.

The Trust has benefited from significant donations of services by volunteers. Although recognised as a major contribution to the Trust's operations, these contributions are not recognised in these consolidated financial statements because of the difficulty in determining their value with reliability. Donations of significant assets, for use by the Trust, are recognised at fair value at the date of the donation.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

Grant Revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations, local government and central government agencies. Grant revenue is recorded as revenue at the earlier of notification of approval of the grant, or receipt of the funding. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled. Grants received during the year are acknowledged in the Annual Report, which is available on the Trust's website, or the Charities Services website for its controlled entity The Gordon Allen Foundation Trust.

Revenue from Exchange Transactions

Exchange revenue is recognised when the significant risks and rewards have been transferred to the buyer on delivery of the goods or services and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust.

Contract Revenue

The Trust receives funding from various government agencies for carrying out the services specified in the relevant contracts. Revenue is recorded as revenue when the Trust has the rights to the funding, in the period in which the related services have been performed in accordance to the substance of the agreement.

Event Income

Event income is recorded as revenue when the function or event takes place.

Charity Shops

Charity Shop income is recognised on a cash basis at the time of sale.

3.2 CURRENT ASSETS

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. Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less. The carrying amount of cash and cash equivalents represent fair value.

Prepayments

Prepayments include insurances, membership, subscription, staff travel and education, and expenses that relate to periods after balance date.

Trade and Other Receivables

Trade and other receivables are measured at their cost less any impairment losses.

The Trust applies the PBE IPSAS 41 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. Receivables are written off when there is no reasonable expectation of recovery and the loss is recognised in the surplus or deficit.

Inventories

The Trust has taken advantage of the Donated Goods (Amendments to PBE IPSAS 23) RDR exemption as it is not practicable to measure reliably the fair value of those donated goods at the date of acquisition because the costs of recognising the goods outweigh the benefits.

3.3 NON-CURRENT ASSETS

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. The cost of assets purchased for the charity shops are stated inclusive of GST as per note 3.8 Goods and Services Tax (GST).

Depreciation is charged on either straight line or diminishing value over the useful life of all assets, except for land. 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.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

Depreciation is calculated at the following rates on each class of property, plant and equipment:

Buildings & Improvements	2% straight line to 40% diminishing value
Motor Vehicle	20% to 33% diminishing value
Furniture, Fittings & Plant	8% to 67% diminishing value
Computer Software	40% to 50% diminishing value

The residual value, useful life, and depreciation methods of property, plant and equipment and intangibles are reviewed annually.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The Otago Community Hospice Trust does not hold any intangible assets that have an indefinite life.

Intangible assets acquired by the Trust which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses. Amortisation is recognised on a diminishing value basis over the estimated useful life of the asset, from the date they are available for use and expensed in the reported surplus or deficit for the year.

The following amortisation rates have been applied to each class of intangible assets:

Computer software	40% to 50% diminishing value
Computer licences	10% diminishing value

Intangible assets are assessed annually.

Purchased computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Subsequent expenditure is expensed as incurred. Costs associated with maintaining computer software, i.e. expenditure relating to patches and other minor updates as well as their installation, is expensed as incurred.

3.4 FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

The Otago Community Hospice Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Otago Community Hospice 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.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Subsequent Measurement of Financial Assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets into the following categories: those measured at amortised cost and those measured at fair value through surplus or deficit.

All financial assets of the Trust, except for equity instrument investments, in the years reported have been designated into one classification, "those measured at amortised cost" being assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost less any impairment losses. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gains or losses arising from derecognition is recognised directly in the Statement of Comprehensive Revenue and Expense.

The Trust subsequently measures all equity investments at fair value. Where the Trust has elected to present fair value gains or losses on equity investments in Other Comprehensive Revenue and Expense, there is no subsequent reclassification of fair value gains or losses to surplus or deficit, following derecognition of the investments.

Dividends from such an investment continue to be recognised in surplus or deficit, when the Trust's right to receive payments is established.

Impairment of Financial Assets

The Trust assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and fair valued through the Statement of Comprehensive Revenue and Expense. For trade receivables, the Trust applies the simplified approach permitted by PBE IPSAS 41, which requires expected lifetime losses to be recognised, from initial recognition of the receivables.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

Financial Liabilities

The Trust's financial liabilities include trade and other creditors (excluding GST) and finance lease payable. They are classified as financial liabilities measured at amortised cost. All financial liabilities are initially recognised at fair value and are measured subsequently at amortised cost using the effective interest method.

3.5 CURRENT LIABILITIES

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade payables are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Entitlements

Employee entitlements that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at the current rate of pay. These included salaries and wages accrued up to balance date, annual leave and time in lieu earned to but not yet taken at balance date.

Deferred Revenue

Monies received prior to the end of the financial year where there are unfulfilled conditions existing are recorded as Deferred Revenue until the conditions have been met.

3.6 LEASES

Finance Leases

These are leases which the Group assumes substantially all the risks and rewards of ownership. Upon initial recognition, the leased asset is measured at an amount equal to its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Operating Leases

Payments of 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.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

3.7 INCOME TAX

The Trust has been granted charitable status and as such is exempt from income tax pursuant to the Income Tax Act 2007.

3.8 GOODS AND SERVICES TAX (GST)

The Trust and its controlled entity are registered for GST. The consolidated financial statements have been prepared with both income and expenditure items exclusive of GST, with the exception of items relating to the sale of donated goods. In the Statement of Financial Position, accounts receivable and accounts payable are both inclusive of GST (if any). Other assets and liabilities are exclusive of GST. The net amount of GST recoverable from or payable to the Inland Revenue Department is shown as a separate item in current assets or current liabilities. Cash flows are included in the Statement of Cash Flows exclusive of GST.

The Trust operates charity shops which sell donated goods. In terms of the Goods and Services Act 1985, the sale of donated goods is an exempt supply, so income and expenditure, prepayments, accounts payable, and fixed asset purchases in relation to these activities are inclusive of GST (if any).

3.9 EQUITY

Equity is made up of the following components:

Accumulated Comprehensive Revenue and Expense

Accumulated comprehensive revenue and expense is the Otago Community Hospice Trust's accumulated surpluses or deficits since its formation, adjusted for transfers to/from reserves.

Special Reserves

Special reserves are shown when funds are identified for special purposes.

3.10 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Otago Community Hospice Trust's consolidated financial statements in conformity with PBE Standards RDR requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

Judgements

In the process of applying the Otago Community Hospice Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating Lease Commitments

The Otago Community Hospice Trust has entered into a number of leases.

The Trust has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the assets, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Otago Community Hospice Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Otago Community Hospice Trust. Such changes are reflected in the assumptions when they occur.

Useful Lives and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Changes in the market in relation to the asset

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

4. TOTAL EXPENSES

Expenses in the Consolidated Statement of Comprehensive Revenue and Expenses includes the following specific expenses:

	2024	2023
	\$	\$
Accounting	34,432	72,132
Audit Fees	16,983	11,300
Computer Expenses	112,397	91,785
Electricity, Gas & Water	98,287	80,189
Insurances	113,444	88,871
Other Expenses Including Wages	9,616,323	8,491,578
Total Expenses	9,991,866	8,835,855

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

		2024	2023
		\$	\$
Cash Float	NZ dollars	3,365	3,645
Cash at Bank	NZ dollars	2,174,386	1,643,344
	Australian dollars	4,667	70,654
	British pounds	19,705	11,041
	American dollars	134,930	9,760
	Euro dollars	1,165	2,207
Total Cash and Cash Equivalents		2,338,218	1,740,651

6. TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
Receivables - Exchange Transactions		
Trade Receivables	32,688	17,125
Related Party Receivables	898	13,997
Accrued Interest	37,189	31,528
Receivables - Non Exchange Transactions		
Trade Receivables	498,790	433,111
Grants Receivable	100,000	230,000
Total Trade and Other Receivables	669,565	725,761

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

7. INVESTMENTS

	2024	2023
Current Assets	\$	\$
Amortised Cost		
Bank deposits	177,654	170,806
Fair Value		
Shares (New Zealand publicly listed)	2,690,573	2,661,015
Shares (Australia publicly listed)	2,005,644	1,993,509
Shares (International publicly listed)	3,789,524	2,957,796
	<u>8,485,741</u>	<u>7,612,320</u>
	8,663,395	7,783,126
Non-current Assets		
Amortised Cost		
Debt securities (corporate and government bonds and notes)	5,470,320	4,979,677
	<u>5,470,320</u>	<u>4,979,677</u>
	<u>14,133,715</u>	<u>12,762,803</u>

8. INTANGIBLE ASSETS

	2024	2024	2024
	Cost	Accum Amort	Book Value
	\$	\$	\$
Acquired Computer Software	16,237	15,961	276
Licences	21,680	21,630	50
	<u>37,917</u>	<u>37,591</u>	<u>326</u>

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

	Opening Balance 30/06/2023	Additions	Disposals	Amortisation	Net Book Value 30/06/2024
	\$			\$	\$
Acquired Computer Software	552	-	-	276	276
Licences	56	-	-	6	50
	<u>608</u>	<u>-</u>	<u>-</u>	<u>282</u>	<u>326</u>

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

8. INTANGIBLE ASSETS (Continued)

	2023	2023	2023
	Cost	Accum Amort	Book Value
	\$	\$	\$
Acquired Computer Software	16,237	15,685	552
Licences	21,680	21,624	56
	37,917	37,309	608

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

	Opening Balance 30/06/2022	Additions	Disposals	Amortisation	Net Book Value 30/06/2023
	\$			\$	\$
Acquired Computer Software	1,102	-	-	550	552
Licences	112	-	-	56	56
	1,214	-	-	606	608

9. PROPERTY PLANT AND EQUIPMENT

	2024	2024	2024
	Cost	Accum Dep	Book Value
	\$	\$	\$
Land	1,094,126	50	1,094,076
Buildings	6,086,780	1,649,385	4,437,395
Motor Vehicle	495,989	264,636	231,353
Furniture, Fittings and Plant	1,396,649	1,012,728	383,921
	9,073,544	2,926,799	6,146,745

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

	Opening Balance 30/06/2023	Additions	Disposals	Depreciation	Net Book Value 30/06/2024
	\$			\$	\$
Land	1,090,308	3,818	-	50	1,094,076
Buildings	4,468,705	86,508	-	117,818	4,437,395
Motor Vehicle	158,668	190,344	43,737	73,922	231,353
Furniture, Fittings and Plant	344,170	169,815	6,916	123,148	383,921
	6,061,851	450,485	50,653	314,938	6,146,745

The Group owns land and buildings in Dunedin and Oamaru which has the latest rateable value of \$9,475,000.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

9. PROPERTY PLANT AND EQUIPMENT (Continued)

	2023	2023	2023
	Cost	Accum Dep	Book Value
	\$	\$	\$
Land	1,090,308	-	1,090,308
Buildings	6,000,272	1,531,567	4,468,705
Motor Vehicle	606,924	448,256	158,668
Furniture, Fittings and Plant	1,273,139	928,969	344,170
	8,970,643	2,908,792	6,061,851

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

	Opening Balance 30/06/2022	Additions	Disposals	Depreciation	Net Book Value 30/06/2023
	\$			\$	\$
Land	1,090,308	-	-	-	1,090,308
Buildings	4,550,658	37,786	-	119,739	4,468,705
Motor Vehicle	209,376	10,000	-	60,708	158,668
Furniture, Fittings and Plant	326,011	129,718	2,375	109,184	344,170
	6,176,353	177,504	2,375	289,631	6,061,851

10. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Payables - Exchange Transactions		
Trade Payables and Accrued Expenses	108,089	84,337
Related Party Payables	13,887	37,119
GST Payable	115,738	88,807
Total Trade and Other Payables	237,714	210,263

11. DEFERRED REVENUE

	2024	2023
	\$	\$
Unexpended Grants	133,346	253,750
Total Income in Advance	133,346	253,750

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

12. RELATED PARTY TRANSACTIONS

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

The Trust has a related party relationship with its Trustees and other key management personnel. The following transactions were carried out with related parties:

Purchases and Payables

G S McLauchlan & Co Ltd is contracted to provide accounting services to the Trust. Mr Stuart McLauchlan is a trustee of the Group and a partner in the firm G S McLauchlan & Co Ltd.

Transactions between the Group and G S McLauchlan & Co Ltd are on a discounted commercial arms length basis. \$38,666 (GST exclusive) for accountancy services and consultancy fees are included in these consolidated financial statements (2023: \$86,770). A balance of \$12,900 was outstanding as at 30 June 2024 (2023: \$38,549).

EBOS Group Ltd sells products to the Trust. Mr Stuart McLauchlan is a director of EBOS Group Ltd. Purchases of \$2,333 (GST inclusive) were made from EBOS Group Ltd during the year. (2023: \$786). A balance of \$489 was outstanding as at 30 June 2024 (2023: \$Nil).

Wilkinson Rodgers Lawyers is contracted to provide legal services to the Group. Jenny Guthrie was a trustee of the Trust (ceased to be trustee during the year) and Geoff Mirkin is a trustee of the Foundation, and both are partners in the firm Wilkinson Rodgers Lawyers. Legal services of \$950 (GST inclusive) were conducted with the Group during the year (2023: \$5,554). \$Nil was outstanding at balance date (2023: \$Nil). \$115 was donated to the Hospice during the year.

Rachel Brazil, of Rachel Brazil Law is a trustee of the Trust. The Trust, from time to time, pays for the services of Rachel Brazil Law. \$3,273 (GST exclusive) of services on a commercial arms length basis are included in these consolidated financial statements (2023: \$2,235 GST incl.).

Mr Greg Easton is trustee and Deputy Chair of the Foundation Board. Mr Easton is a shareholder employee of Craigs Investment Partners Ltd (CIP). CIP provide investment management, portfolio administration and transactional broking services to the Foundation Trust, for which they receive annual management fees and general transactional brokerage fees. All transactions are conducted on a discounted commercial arms length basis. Custodial and monitors fees of \$32,918 (2023: \$31,271), and brokerage fees and trade expenses of \$17,688 (2023: \$9,610) were paid to CIP for the year. \$Nil was outstanding at balance date (2023: \$Nil).

Mr Ross Parry is a trustee of the Group and a trustee of the Upper Clutha Hospice Trust. During the year the Group made purchases of \$359 (GST inclusive) from the Upper Clutha Hospice Trust (now renamed to Upper Clutha Palliative Trust) (2023 \$1,279) and paid a donation of \$20,000 (2023 received \$45,000 grant from the Trust).

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

12. RELATED PARTY TRANSACTIONS (Continued)

Sales and Receivables

The CEO is in a relationship with the Chief Executive Officer of Mercy Hospital. The Hospital donated \$71,854 to the Hospice during the year (2023: \$70,000) and paid \$2,511 (GST exclusive) for involvement in fundraising events. The Group purchased goods and services of \$Nil (GST exclusive) from the Hospital (2023: \$Nil). \$898 (GST inclusive) was receivable at balance date (2023: \$Nil).

Key Management Personnel

The key management personnel are members of the governing body which comprised the Board of Trustees, CEO and Senior Management Team. During the year ended 30 June 2024, no remuneration was paid to the Board of Trustees (2023: Nil). The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2024	2023
Total Remuneration	\$ 1,158,084	\$ 1,025,823
Number of persons (FTEs)	5.74	5.06

13. TOTAL EQUITY

Total equity of the Group includes \$18,073,329 (2023: \$16,372,336) which is the total funds of the Foundation. These funds include a share revaluation reserve of \$2,279,132 (2023 \$1,675,580) to recognise unrealised gains on equities held by the Foundation.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

14. FINANCIAL INSTRUMENTS

	2024	2023
	\$	\$
Financial Assets at Amortised Cost		
Cash and Cash Equivalents	2,338,218	1,740,651
Receivables	669,566	726,657
Investments - Bank Deposits	177,654	170,806
Investments - Debt Securities	5,470,320	4,979,677
Total Financial Assets at Amortised Cost	8,655,758	7,617,791
Financial Assets at Fair Value	\$	\$
Investments - Equity Securities	8,485,741	7,612,320
Total Financial Assets at Fair Value through Other Comprehensive Revenue and Expense	8,485,741	7,612,320
Financial Liabilities Measure at Amortised Cost	\$	\$
Payables	121,976	210,263
Finance Lease Payable	59,845	-
Total Financial Liabilities at Amortised Cost	181,821	210,263

15. GROUP ENTITIES

Name of Entity	Principal Activity	Place of Incorporation
Otago Community Hospice Trust (parent)	To provide hospice services in Otago.	Dunedin
The Gordon Allen Foundation Trust (controlled entity)	To invest funds and provide financial assistance for specialist palliative care of the terminally ill in the province of Otago.	Dunedin

The Trust and Foundation have a 30 June 2024 balance date. All transactions and balances between the Trust and Foundation are offset in these consolidated financial statements.

Otago Community Hospice Trust
Notes to the Consolidated Financial Statements (continued)
For the year ended 30th June 2024

16. LEASE COMMITMENTS

As at the reporting date, the Trust has entered into the following non-cancellable operating leases:

	2024	2023
	\$	\$
Not later than one year	295,927	245,542
Later than one year and no later than five years	807,821	623,221
Later than five years	71,103	77,548
	1,174,851	946,311

17. CAPITAL COMMITMENTS

The Group has no commitments as at 30 June 2024 (2023: \$Nil).

18. CONTINGENT LIABILITIES

In March 2024 New Zealand Payroll Practitioners Association (NZPPA) was contracted to complete a payroll system review specifically around compliance with the Holidays Act 2003. The review had findings that require further investigation and may result in a liability to remediate affected employees. At balance date it was still unknown the full extent of non-compliance and if remediation is required, what the cost will be to the Group.

The Group has no other contingent liabilities as at 30 June 2024 (2023: \$Nil).

19. EVENTS AFTER BALANCE DATE

An estimate for remedial works at the Oamaru building has been accepted from The Breen Construction Company Limited (Breens). A Quantity Surveyor has been engaged to work with Breens to prepare a contract and a schedule of works. A contract for \$122,466 + GST has since been signed on the 9th of August.

There were no other events since 30 June 2024 that would materially impact these financial statements.

20. SEPARATE FOUNDATION

The Gordon Allen Foundation Trust operates independently to Otago Community Hospice Trust. It receives donations, bequests and investment income and makes grants to support the Hospice. Certain investments owned by the Foundation are held in trust and are not available for the Hospice's operating activities.

Independent Auditor's Report to the Trustees of Otago Community Hospice Trust

Our Qualified Opinion

We have audited the statement of service performance and consolidated financial statements of Otago Community Hospice Trust (the 'Trust') and its subsidiary (the Group, which consists of the Trust and The Gordon Allen Foundation Trust). The consolidated financial statements comprise the consolidated statement of financial position as at 30 June 2024 and the consolidated statement of comprehensive revenue and expense, the consolidated statement of changes in net assets/equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements that include a summary of significant accounting policies and other explanatory information.

In our opinion:

- (a) except for the effect of any adjustments that might have been necessary had we been able to obtain sufficient evidence concerning donations and fundraising income as described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2024 and its financial performance and cash flows for the year ended on that date
- (b) the statement of service performance of the Trust presents fairly, in all material respects, the service performance for the year ended 30 June 2024 in that the service performance information is appropriate and meaningful and prepared in accordance with the Trust's measurement bases or evaluation methods

in accordance with the accounting standard, Public Benefit Entities Standards Reduced Disclosure Regime (PBE Standards RDR) issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion

In common with other organisations of a similar nature, control over the revenues from donations, fundraising and similar income prior to being banked is limited. It was not practicable to extend our examination of such income beyond the accounting for amounts received as shown by the accounting records of the Trust, or to determine the effect of the limited control.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the New Zealand Auditing Standard (NZ AS 1) *The Audit of Service Performance Information* (NZ). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and Statement of Service Performance section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the *International Ethics Standards Board for Accountants' Code of Ethics* for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, the Group.

Trustees' Responsibilities for the Consolidated Financial Statements and Statement of Service Performance

The Trustees are responsible, on behalf of the Trust for:

- (a) the preparation and fair presentation of the consolidated financial statements and overall presentation, structure and content of the service performance information in accordance with the Public Benefit Entity Standards;
- (b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with Public Benefit Entity Standards; and
- (c) such internal control as the Trustees determine is necessary to enable the preparation of the consolidated financial statements and service performance report information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.


Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and statement of service performance as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and service performance information.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board website: https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Restriction on Use of our Report

This report is made solely to the Trustees as a body. Our audit work has been undertaken so that we might state to the Trustees those matters which we are required to state 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.


Chartered Accountants
27 September 2024

Dunedin