

**OTAGO COMMUNITY HOSPICE TRUST**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2014**

		<u>June 2014</u>	<u>June 2013</u>
<b><u>INCOME</u></b>			
<b>Contract Income</b>	HFA Contract	<u>2,814,637</u>	<u>2,549,991</u>
		2,814,637	2,549,991
<b>Donated</b>	Donations & Donor Base	355,944	392,607
	Distribution from Foundation Trust	100,000	305,300
	Funeral Donations	<u>26,147</u>	<u>31,892</u>
		482,091	729,799
<b>Interest &amp; Related Income</b>		4,138	17,350
<b>Grants &amp; Fee Income</b>		303,699	288,349
<b>Shop Income</b>	Gross Income	970,153	733,626
	Less Expenses (incl rent)	<u>475,584</u>	<u>330,176</u>
		494,569	403,450
<b>Special Events</b>	Gross Income	299,662	245,371
	Less Expenses	<u>54,767</u>	<u>50,507</u>
		244,895	194,863
<b>TOTAL INCOME</b>		<u><u>4,344,029</u></u>	<u><u>4,183,802</u></u>
<b><u>LESS EXPENSES</u></b>			
<b>Staff Costs</b>	ACC	32,321	27,690
	Education & Sundry Expenses	125,918	167,924
	Salaries, Wages & PAYE	<u>3,431,898</u>	<u>3,281,200</u>
		3,590,137	3,476,814
<b>Health Care Costs</b>	(incl Medical Supplies)	82,574	89,773
<b>Professional Costs</b>	Building	393	270
	Accounting	39,000	41,500
	Other Professional Fees	12,067	21,751
	Audit & Legal	<u>4,500</u>	<u>4,500</u>
		55,960	68,021
<b>Administration Costs</b>	Computer Expenditure	15,072	21,739
	Postage, Printing & Stationery	54,402	62,525
	Telephones	33,513	25,683
	Depreciation	114,780	93,245
	Other	<u>120,267</u>	<u>99,785</u>
		338,034	302,977
<b>Consumables</b>	Catering	33,415	30,595
	Cleaning & Laundry	17,184	23,818
	Electricity, Gas & Water	57,975	54,151
	Rates & Insurances	35,934	34,850
	Repairs & Maintenance	57,810	43,541
	Other	<u>33,002</u>	<u>27,903</u>
		235,320	214,858
<b>TOTAL EXPENSES</b>		<u><u>4,302,025</u></u>	<u><u>4,152,443</u></u>
<b>NET SURPLUS (DEFICIT) FOR PERIOD</b>		<b>42,004</b>	<b>31,358</b>

**OTAGO COMMUNITY HOSPICE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	<u>June 2014</u>	<u>June 2013</u>
<b><u>CURRENT ASSETS</u></b>		
Cash Float	1,132	870
Westpac Account	7,656	9,322
ANZ Bank Account	362,003	296,590
ANZ Bank Shops Account	40,514	0
ANZ Call Account	176,255	133,522
Barter Card	100	629
Accounts Receivable	279,327	226,975
Prepayments	50,872	102,314
Advanced to Otago Hospice Foundation Trust	115,654	24,007
<b>Total Current Assets</b>	<u>1,033,513</u>	<u>794,229</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable	60,793	96,229
Employee Entitlements & PAYE	385,621	343,475
GST Payable	83,031	59,226
Payments in Advance	166,240	0
<b>Total Current Liabilities</b>	<u>695,685</u>	<u>498,930</u>
<b>WORKING CAPITAL</b>	<b>337,828</b>	<b>295,299</b>
<b><u>NON CURRENT ASSETS</u></b>		
Land - Cost	160,000	
	160,000	160,000
Buildings - Cost	2,976,311	
Less Accumulated Depreciation	<u>(703,478)</u>	
	2,272,833	2,304,870
Furniture, Fittings & Plant - Cost	629,101	
Less Accumulated Depreciation	<u>(454,468)</u>	
	174,633	173,785
Motor Vehicles - Cost	52,537	
Less Accumulated Depreciation	<u>(14,699)</u>	
	37,838	7,174
<b>Total Fixed Assets</b>	<u>2,645,304</u>	<u>2,645,829</u>
<b><u>NET ASSETS</u></b>	<u><b>2,983,132</b></u>	<u><b>2,941,128</b></u>
<b>Represented By:</b>		
<b><u>ACCUMULATED FUNDS</u></b>		
Opening Balance	2,941,128	2,829,203
Prior Years GST Adjustments	0	80,566
Adjusted Opening Balance	<u>2,941,128</u>	<u>2,909,769</u>
Add Surplus (Deficit) for the Year	42,004	31,358
<b><u>ACCUMULATED FUNDS</u></b>	<u><b>2,983,132</b></u>	<u><b>2,941,128</b></u>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Trustees:

Trustee 

Trustee 

Date 17 October 2014

**OTAGO COMMUNITY HOSPICE TRUST**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2014**

**1. Statement of Accounting Policies**

*General Accounting Policies*

The Otago Community Hospice Trust is a charitable trust incorporated under the Charitable Trusts Act 1957 and a registered charity under the Charities Act 2005. The financial statements have been prepared in accordance with generally accepted accounting practice.

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the Trust is a going concern. Accrual accounting is used to match expenses and revenues except that interest income is accounted for on a cash basis.

*Particular Accounting Policies*

The following particular accounting policies have a material effect on the measurement of results and the financial position:-

- : Investments are recorded at cost.
- : Accounts Receivable are recorded at net realisable value.
- : Fixed assets donated or bequeathed to the Hospice are recognised at market value at time of receipt.
- : Fixed Assets are stated at cost less aggregate depreciation. The rates used are:-

Buildings	2%CP – 12%DV
Furniture, Fittings & Plant	8% - 67%DV
Computer Software	40% - 50%DV
Motor Vehicles	30% - 36%DV

- : Items of income and expenditure are stated exclusive of GST for the Hospice. Items of income and expenditure relating to the operation of the three shops are stated inclusive of GST.

*Changes in Accounting Policies*

There have been no changes in accounting policies. All policies have been applied on a consistent basis with those used in the previous year.

## 2. Income Tax

The Hospice is exempt from Income Tax under section CW 41 and CW 42 of the Income Tax Act 2007.

## 3. Fixed Assets

<b><u>2013</u></b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
Furniture, Fittings & Plant	588,084	414,299	173,785
Building	2,946,267	641,398	2,304,869
Motor Vehicles	16,739	9,563	7,176
Land - North Rd	160,000	0	160,000
	<b><u>3,711,090</u></b>	<b><u>1,065,260</u></b>	<b><u>2,645,830</u></b>

<b><u>2014</u></b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
Furniture, Fittings & Plant	629,100	454,467	174,633
Building	2,976,309	703,478	2,272,831
Motor Vehicles	52,539	14,699	37,840
Land - North Rd	160,000	0	160,000
	<b><u>3,817,948</u></b>	<b><u>1,172,644</u></b>	<b><u>2,645,304</u></b>

## 4. Capital Commitments

At balance date the Trust has capital expenditure commitments of \$0. (2013 \$0).

## 5. Related Parties

Messrs Stuart McLauchlan and Jenny Guthrie are on the Board of both the Otago Community Hospice Trust and the Otago Hospice Foundation Trust. The Otago Community Hospice Trust, received distributions from the Otago Hospice Foundation Trust in 2014 and 2013.

G S McLauchlan & Co is contracted to provide accounting services to the Otago Community Hospice Trust. Mr Stuart McLauchlan is a partner in the firm G S McLauchlan & Co.

## 6. Contingent Liabilities

There were no contingent liabilities as at balance date, (last year nil).

## 7. Operating Lease Commitments

The Trust has a lease commitment to Hugh Chin for the Hanover Street Hospice Shop. The rental payable is \$30,500 plus GST per annum. The lease is for a term of three years from October 2012.

The Trust has a lease commitment to Young Properties Mosgiel Ltd for the Mosgiel Hospice Shop. The rental payable is \$10,500 plus GST per annum. The lease is for a term of three years from September 2011.

The Trust has a lease commitment to AO Browne for the Oamaru Hospice Shop. The rental payable is \$11,960 plus GST per annum. The lease is for a term of two years from April 2014.

The Trust has a lease commitment to Crawford Street Investments Ltd for the Bond Street Hospice Shop. The rental payable is \$46,000 plus GST per annum. The lease is for a term of three years from November 2013.

The Trust has a lease commitment to Anchorage Properties Ltd for the Milton Hospice Shop. The rental payable is \$10,000 plus GST per annum. The lease is for a term of two years from February 2014.

The Trust has a lease commitment to 2 The Mall Cromwell LP for the Cromwell Hospice Shop. The rental payable is \$29,100 plus GST per annum. The lease is for a term of one year from March 2014.

The Trust has a lease commitment to Young Properties Mosgiel Ltd for the 178 Gordon Road Hospice Shop. The rental payable is \$7,000 plus GST per annum. The lease is for a six months from June 2014.

The Trust has a lease commitment to Pioneer Park Investments Ltd for 10 Centennial Avenue Alexandra. The rental payable is \$4,435 plus GST per annum. The lease is for a term of one month with an annual renewal in April each year.

The Trust has a lease commitment to Waitaki District Community House at 100 Thames Street Oamaru. The rental payable is \$2,392 including GST per annum. The lease is for an ongoing term with an annual renewal in April each year.

The Trust has a lease commitment to Linzco at 38 Clyde Street, Balclutha. The rental payable, including share of outgoings is \$2,500 plus GST per annum. The lease is for a term of one month with an annual renewal in April each year.

The Trust has lease commitments to Cooke Howlison Toyota for eight motor vehicles. The leases payable total \$28,255 per annum (including GST). Each lease is for a term of thirty six months.

## 8. Nature of Business

The Hospice is in the business of providing care for the terminally ill.

## 9. Payments in Advance

As at balance date the Trust has received funding of \$166,240 for future projects.

## 10. Otago Hospice Foundation Trust

The Otago Hospice Foundation Trust was formed on 1 April 1995. The purpose of the Trust was not to fund day to day operations of the Hospice but to build up reserves for the future to a point where there were sufficient resources to cover one full year of operation, or top up shortfalls if required. The Trust consists of six trustees of which no less than three are appointed by the Otago Community Hospice Trust Board. The remaining Trust members are to be appointed by the appointed trustees.

A summary of the financial performance of the Otago Hospice Foundation Trust for the year ended 30 June is as follows:

	<b>2014</b>	<b>2013</b>
Revenue	732,355	932,478
Less Expenses	<u>13,866</u>	<u>13,615</u>
Net Surplus Before Depreciation	<u>718,489</u>	<u>918,863</u>
Depreciation	<u>4,457</u>	<u>4,146</u>
Operating Surplus	714,032	914,717
Distribution to Otago Community Hospice Trust	<u>100,000</u>	<u>305,300</u>
<b>Net Surplus</b>	<b><u>614,032</u></b>	<b><u>609,417</u></b>

2014

2013

A summary of their balance sheet as at 30 June is as follows:

Current Assets	538,209	332,207
Fixed Assets	405,567	408,619
Investments (market value)	<u>5,105,871</u>	<u>4,530,851</u>
Total Assets	<u>6,049,647</u>	<u>5,271,677</u>
Current Liabilities	1,728	0
Advance from Otago Community Hospice Trust	<u>115,654</u>	<u>24,007</u>
Net Assets	<u><u>5,932,265</u></u>	<u><u>5,247,670</u></u>

A summary of the movements in equity for the year ended 30 June is as follows:

Opening Equity	5,247,671	4,421,551
Net Surplus After Distribution	614,032	609,417
Capital Gain/(Loss) on Shares & Bonds	(12,991)	15,938
Unrealised Capital Gain/(Loss) on Shares & Bonds	<u>83,553</u>	<u>200,764</u>
Closing Equity	<u><u>5,932,265</u></u>	<u><u>5,247,670</u></u>

**OTAGO COMMUNITY HOSPICE TRUST  
AUDIT REPORT**

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***To the readers of the financial report of the Otago Community  
Hospice Trust***

We have audited the accompanying financial statements of the Otago Community Hospice Trust on pages 6 to 12 which comprise the Statement of Financial Position as at 30 June 2014, and the Statement of Financial Performance, and the Notes to the Financial Statements.

***Trustees' Responsibilities 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 board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' 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 judgment, including the assessment of the risks of material misstatements in 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 audit opinion.

***Independence:***

Other than our capacity as auditors we have no relationship or interests in the Trust.

***Qualified Opinion***

In common with other organisations of similar nature, control over donated income, shop income and special event income received in cash prior to being recorded is 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 have required.

In our opinion, except for the adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning donations and appeal income, the financial reports on pages 6 to 12 fairly reflects the results of its operations for the year ended 30 June 2014.

In our opinion the financial reports on pages 6 to 12 fairly reflects the financial position of the society as at 30 June 2014.

Our audit report was completed on 17 October,2014 and our qualified opinion is expressed at that date.

*J W Smeaton & Co*

**J W Smeaton & Co.**  
**Dunedin**