

Living Every Moment



hospice
taranaki

HOSPICE TARANAKI
Annual Report 2017/18



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Our Vision

Hospice philosophy of care is freely available for all patients and their families/whanau at the end of life.

Our Mission

Hospice Taranaki works in partnership with patients, their families/whanau and organisations to provide and influence best practice care, support and understanding at the end of life.

Our Values

Compassion – Aroha
Respect – Whakaute
Trust – Whakawhirinaki
Choice – Puwharu
Dignity – Whakarangatira
Fairness – Tika
Honesty – Pono

Trustees 2017/18

INCORPORATED SOCIETY

Mike Brooke, Chair

Neil Evetts, Deputy Chair

Dianne Bezuidenhout,
Chair South Taranaki Committee

Tim Coleman

Peter Cottam

Dr John Doran

Judy Drummond

Pat Bodger

Christine Taylor

Clare Poole

HOSPICE FOUNDATION

Roger Malthus, Chair

Mike Brooke

Paul Bourke

Brian Busing

Tim Coleman

BOARD MINUTE SECRETARY

Sandy Smith

Grants

We are very grateful for funding that has supported us for equipment, operational expenses and education:



New Plymouth Club
a place like no other



Life Members

Dr Peter van Praagh*

John Fairey

Shirley Fairey*

Colin Muggeridge*

Dr Ian Smiley

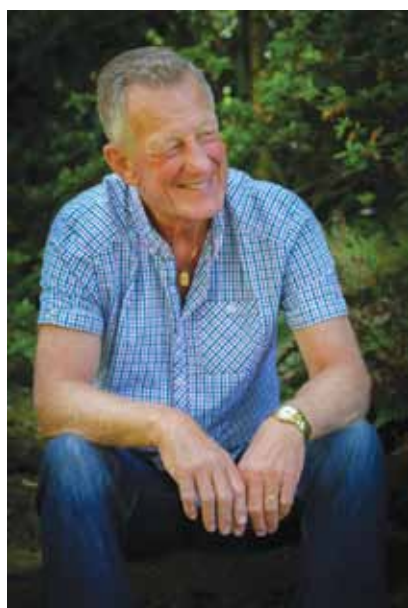
Peter McDonald

Kevin Nielsen

*Deceased

Chairman's Report to Hospice Taranaki AGM 2018

It's that time of the year again when we have the opportunity to report on the events of the last 12 months.



It wouldn't be difficult to imagine that anyone who has a close relationship with our Hospice would be interested to know how it has progressed under the leadership of our relatively new CEO, Paul Lamb. He worked alongside Kevin for several months and was then "let loose" on the organisation to determine his priorities which mainly involved getting to know everyone from Staff to Volunteers, from Funders to Sponsors and to build on the wonderful camaraderie which existed under the previous leadership.

He has done this and has created a happy working relationship with all people across the many areas of Hospice Taranaki upon whom we depend every day, every week, every year.

By far the largest project being undertaken is a complete review of our IT system. Some of you will know that we have relied on the TDHB to provide most of those services and all our phone calls go through their lines. Because of this historical working relationship we have been governed on what we can do by the TDHB as their technology controls this important aspect of our operations.

It follows that as Hospice Taranaki is joined to the TDHB by the phone lines and our access to the internet and if we want to upgrade any part of our IT network we have to get permission from TDHB which impacts upon our ability to upgrade when we want to. To look into the future and establish our requirements to achieve standards of best practice we asked Liam Hislop if he would undertake the task. Liam, is what some would call an IT guru, currently working for Spark as a senior technician and trouble shooter. He volunteered for the role and has spent the last 10 months investigating all aspects of our organisation and prepared a comprehensive report. He has spoken to key end users in Hospice regards phones, computers, tablets etc and the end result was the preparing of a specification for the services which he believes we need.

Several companies tendered for the opportunity to be our service provider and we selected Datacom

who have just submitted their recommendations together with pricing estimates. We are very impressed. The Board has agreed to detach Hospice Taranaki from the TDHB and has authorised the CEO to pursue the implementation of the plan. We are extremely grateful to Liam for his perseverance and dedication to this task and are pleased that he has offered to remain our volunteer IT advisor.

This move was made more urgent in the knowledge that the link cable between the two organisations needed to be upgraded at our cost, communications systems needed replacing and our software licences were not going to be available through TDHB into the future. Proceeding with the upgrade would mean that we would be "tied" to the TDHB for the foreseeable future. There has been an amicable discussions between the parties and we remain on good terms.

Another Good News story is that Liam approached Primo Wireless and asked if they would be prepared to supply WIFI free of charge to Hospice. They said yes. Another step forward. Money saved.

We anticipate that after the transition period life in the IT world of our Hospice will be much more suited to our requirements.



This change is very significant but it will be very helpful to our outstanding and hard-working nurses and staff who really deserve the very best which is available.

The Hospice Shops are the lifeblood of our organisation supplying the greater part of the funds which we have to raise. Paul has some retail experience and has spent quite a lot of time reviewing the shops and has opened one in Waitara to "test



the water". We are fortunate that the strength of our volunteer army extends to Waitara and we are overwhelmed by the enormous effort freely given in all our shops and the warehouse. It's simply wonderful and words don't express our gratitude. To all our volunteers I humbly salute you, irrespective of where you are, what you do or the amount of time you donate. I know that you must like belonging to the volunteer family otherwise you wouldn't do it. I pray that it will continue.

We receive many donations throughout the year together with expressions of appreciation for the work we do. We also receive great support for the fundraising projects which our energetic Rose Whitaker puts together. Our sponsors are the most devoted group that I have ever encountered. They always seem to find ways to help us even when the economic conditions are tough. Thank you to McDonalds Real Estate, Craigs Investment Partners, Budget Rentals, The Devon Hotel, Farmers, BNI group, McCurdy Engineering and BDO.

Our regular funders deserve a special mention. We have just received confirmation of a large grant from TSBCT for a period of three years. NZCT, Pelorus Trust, Southern Trust and the Patriotic Trust are also strong supporters of the work we do.

To our hardworking and dedicated Board of Trustees it has been a pleasure working with you this year. And our financial advisory Trustees on The Hospice Foundation chaired by Roger Malthus, I have had the privilege to share your discussions on investment decisions for Hospice and your wise council needs to be appreciated and acknowledged.

Things don't get any easier but I am heartened by the community support which we receive without which Hospice Taranaki couldn't exist. I am delighted to be able to present such a positive report to this AGM.

Mike Brooke QSM
Chair

Hospice Taranaki Foundation Chairman's Annual Report 2017/2018

It is always a privilege to present the Annual Report on behalf of the Foundation. This is the 12th Annual Report for Hospice Taranaki Foundation and although our activities are closely aligned to the Hospice Taranaki Incorporated Society, we are required to be seen to be acting independently.

OUR ROLE

To again refresh you on what the Foundation actually does, in summary it is as follows:

- We hold money on behalf of Hospice Taranaki and invest this prudently, acknowledging that this money has been given by our community to support Hospice services throughout Taranaki.
- We advance funds as and where it is necessary and with the guidance from the Incorporated Society via our joint CEO.
- We manage the physical assets of Hospice Taranaki in a governance role.
- We seek opportunities to support the fundraising activities of the Incorporated Society by seeking public and corporate contributions and bequests.

OUR FINANCES

The Foundation is pleased to report a surplus from invested funds in excess of \$136,600. Of this, some \$38,000 was transferred to the Incorporated Society to meet unforeseen shortfalls.

We have a wonderful sponsorship with regard to fund management from Craigs Investment Partners and we really appreciate the work provided by the Craigs Investment team led by Michael Regan who reports to our bi-monthly meetings. The investment fund grew by more than \$107,000 this year and the performance of the total funds held was in excess of 10.5%. This is an excellent result considering these funds are managed conservatively and are also required to be balanced between bonds, shares and cash.

Over the last 12 months, we have continued to redesign and refine our Laddered Investment Fund which is held with TSB Bank. These funds are held with maturities of up to five years with funds between \$450,000 and \$500,000 maturing annually.

FUNDRAISING

In many respects our fundraising activities are made significantly easier by the fundraising team who work within with the Incorporated Society. However, our organisations income is also supported strongly from TSB Bank who have again made a

substantial grant available as have a number of community sponsors when it comes to specific items for which we seek funding. We continue to look for bequest or endowment-type opportunities while also trying to think laterally, as is the case this year with a calf rearing scheme that has proved successful in other districts supporting their local hospices.

Although the above fundraising initiatives have had a good result this year, we have also had some challenges when seeking funding from some of our traditional supporters who are obviously having similar requests made by other charitable organisations. They perceive us to be well funded when accessing Foundation asset information which is available through Hospice Taranaki Annual Financial Statements. However, we again emphasise that these funds are held primarily as a capital base with the income generated being available to fulfil the Incorporated Society needs as has been the case over this last 12 month period.



MATTERS AHEAD

At date of reporting and well into the 2018/2019 Hospice Foundation year, we have already been involved in making finances available to update our IT network to be independent of the District Heath Board. Likewise, we have had the opportunity to assist with the Payroll Audit for our Hospice Taranaki staff where there were some matters which required updating and the need for the support of non-budgeted expenditure.

BOUQUETS

We have had a wonderful year as far as support from our CEO Paul Lamb who provides a great amount of energy and enthusiasm to our Foundation. We appreciate that his major role is to work closely with the Incorporated Society but Paul always makes time available to answer any questions and research various things as and when required. Likewise,

and as acknowledged above, Craigs Investment Partners have tirelessly provided us with information to review our investment portfolio.

Last, but not least, I would like to record my grateful thanks to the small committee we call the Hospice Foundation. These people being Brian Busing, Paul Bourke, Tim Coleman from the Incorporated Society and Inc Chairman Mike Brooke. Together they provide a

very strong governance team and also get involved in various assignments outside of their governance role and this in turn helps us align ourselves more closely with the day-to-day activities of the Hospice Incorporated Society.

Roger Malthus
Chairman – Hospice Taranaki
Foundation



CEO Report

In my first ten months occupying the hot seat at Hospice Taranaki many things have happened to keep shaping us and our services to the communities across our province.

It has been a time of significant learning and relationship development for me as I become more settled into our dynamic and fast changing organisation. However, as always it is our people who have made the difference in patients and their families lives in ways that truly do set us apart from any other community healthcare provider.

The financial year has been one of considerable challenge around escalating cost pressures against largely static income streams. We have spent considerable energy becoming more cost aware and being creative in the ways we do what we do. The continuing rise in community expectation of the services we deliver and the number of people needing our specialist palliative care support will require on going focus to balance against our available resources.

Our retail shop network continues to be a cornerstone of support allowing us to provide our care services free of charge to anyone anywhere across Taranaki. Revenues were compressed through a very competitive retail environment. However a range of internal changes made to our sites, some system and marketing changes and several key management role changes have positioned us well for the future.

I would like to acknowledge the very impressive people power of our organisation. Our volunteer army continues to be a major point of difference in supporting us doing the work we do and being such positive advocates for us across our communities. The very talented, experienced and committed employed staff teams we are fortunate enough to have continually impress me with their energy and compassion to care for the many people who need our support at vulnerable times of their lives. The operational and financial board members of Hospice Taranaki all give many hours of their time to support me in my role through wise counsel and to champion our causes in many settings in the community.

I hope you enjoy learning more about Hospice Taranaki through the information we have shared in this year's annual report. Thank you for the support you have given us all over the past twelve months and we look forward to continuing to partner with you into the future.

Paul Lamb
Chief Executive



Clinical Services

COMMUNITY PARTNERSHIPS

1. Service Innovation Project – Aged Care Liaison roles

This project was initiated in 2016 and was funded by the Ministry of Health for a period of three years. It involved creation of a new service dedicated to supporting patients, families and staff in aged care facilities. New roles of Aged Care Liaison Clinical Nurse Specialist and Counselling and Bereavement counsellor were created to provide comprehensive care service throughout Taranaki. The project has been very successful for all those involved. Part of the project included supporting Inglewood and Mokau district nurses in the provision of generalist palliative care. As the regional specialist palliative care service, Hospice Taranaki (HT)

staff liaise directly with the district nurses and Mokau district nurses had the opportunity to spend time at Te Rangimarie Hospice inpatient and community teams to upskill in palliative care. Both groups of district nurses are invited to attend professional development sessions at hospice to support ongoing skill development.

2. Te Ara Whakapiri (TAW- Last days of Life programme)

This programme has been developed and supported by the Ministry of Health for use in health services in New Zealand. It is a comprehensive programme aimed at supporting patients and families at the end of life and incorporates best practice in palliative care. It has been used in Te Rangimarie Hospice for quite awhile and 2017/2018 has

seen the roll-out to community palliative care providers such as aged care facilities. This roll-out is ongoing and HT educators visit the aged care facility staff to support adoption of this gold standard framework of care. The educators are also involved in the mentoring of TDHB staff as the implementation of TAW occurs in the hospital environment.

SERVICE CONTRACTS

1. WITT Bachelor of Nursing Students and Massey Bachelor of Nursing Students (BN)

HT has supported BN nursing students for many years by providing placements for them during their years of study. Recently HT has signed a contract with Massey University to provide the same opportunities for their





students. Often these students are Taranaki people hoping to return home once their study is completed. By participating in these nursing programmes, HT staff mentor the students and it allows opportunities for possible employment in the future. Placements within the hospice service are highly regarded by the students and HT staff alike.

2. In-reach Service – Hospital Palliative care team

HT has provided an in-reach service to TDHB for many years.

At this time, a review of the service is underway to ensure the service is able to meet the increasing need for palliative care in the future.

3. Respite care service for community patients

A review of the parameters of respite care has occurred to ensure patients registered with the hospice service can access respite care in the inpatient unit or aged care setting in a timely manner. The review aims at ensuring fairness to all patients needing this service.

ACHIEVEMENTS

1. Professional development – nursing staff

As a specialist palliative care service, qualifications in palliative care are a requirement for clinical staff. This year two more RN's completed Post Graduate Certificates in Health Sciences. HT currently have four RN's with Master's qualifications, five RN's with PG Diploma, eight RN's with PG Certificates and three RN's with expert level in the Professional Development Recognition Programme (PDRP) supported by TDHB. Nursing staff are committed to providing quality care and new care initiatives often arise as a result of the study they complete or as part of the PDRP programme.

2. Staff recruitment

During the year, there have been a number of changes in the nursing team. We have recruited five new RN's to the nursing team which adds a new dimension including different nursing skills, new energy and enthusiasm to the team and service as a whole.



NEW DEVELOPMENTS

1. A Values based organisation and leadership development

Professional development has been a focus for HT staff in leadership roles. HT has a set of values which underpins all activities in the service and these values have been actively promoted in the past year at education days and as part of discussion groups. It has been a case of taking the values “off the wall” and embedding them firmly in the care and team culture. A comprehensive Team Leader development programme is underway to promote these values and leadership growth with inpatient and community nursing leaders.

2. Major review of pressure relieving devices and appointment of Equipment officer

Pressure injuries (bed sores) are a major concern for patients in the palliative phase of their illness and HT provide a selection of devices to prevent these occurring. A comprehensive review of pressure relieving mattresses occurred during the year and included a visit from a specialist Occupational Therapist from another larger hospice who provided advice and education to staff in relation to this issue. The review resulted in future planning of purchasing of this equipment. Appointment of an Equipment officer to oversee the equipment loan, tracking and maintenance processes has streamlined the process.

3. Chronic Illness Management project

A project is underway to review the model of care for palliative patients who have a non-malignant diagnosis. Referrals for patients

with non-malignant illnesses account for an average of 30-40% of all referrals at this time and predictions for the future include more referrals as an ageing population with multiple health needs impacts on health services nationally. This group of patients present with cardiac, renal, neurological and pulmonary life-limiting illnesses. It has been identified that the current model of care provided to all patients generally follows care needs for patients with malignant conditions. Patients within this second group have other care needs which are specific to their non-malignant diagnosis. A team of clinical staff will be developing this project further over the next six months.

Heather Koch
Clinical Services Director



Family Support Services

COUNSELLING

The Counselling team provides support for patients and their families from Mokau to Patea. A counsellor regularly visits South Taranaki and this year we have had the use of a room at Mountain View Medical centre.

The Volunteer Bereavement team make follow up phone calls to families of patients around six months after bereavement. This small team of lifeline trained volunteers provides a worthwhile service for our families at a difficult time.

Our volunteer biography team has completed 42 biographies this year. This team record patients stories which are then transcribed and we then print and bind the biography and the patients are given 6 free copies.

The Aged care innovations programme has now been running for 2 years. Mary Harker has provided counselling support for Aged Care Facility staff and residents. We have recently appointed Annemarie Molloy to job share with Mary.

During the period from 1st July 2017 to July 2018 there were three different types of groups held for patients, carers and bereaved family members. These provide support and education for a wide range of patients and family members who are involved in our service.

The Carers Support Programme (an eight week course) was held four times, the patient discussion group (a four week course) was held four times and the Bereavement group (a 6 week course) was held twice.

All courses are facilitated by Jane Woollard and feedback is very

positive indicating the courses are meeting a very real need in the Hospices Service. Feedback includes *"I have found the course helpful and now feel there is a life ahead of me"* and *"I have learnt so much more about all that is available through Hospice and been able to share my experiences as a carer with others"*

SOCIAL WORK

The Hospice Social worker (Jackie Price) completes social assessments which assist the multidisciplinary team to provide the best possible support to patients and their families. This role involves advocacy, information providing and referrals to other agencies as required. Some resources may include Meals on Wheels, Medical Alarms, Mobility Parking, Enduring Power of Attorney, Wills, assistance with Rest Home placements and funeral grants.

Depending on a persons physical, financial or family circumstances they may be entitled to various types of financial assistance from WINZ. Jackie is able to provide information to patients and the families about what they may be entitled to.

Jackie also assists with discharge planning within the inpatient unit and completes home visits to community patients. In addition Jackie currently completes visits to all rest homes in South Taranaki.

SPIRITUAL CARE

This year a new Spiritual Care position has been created to provide support to patients and their families in the Hospice Inpatient Unit. Holistic spiritual care is provided by Mary Harker via individual and family conversations, during family meetings, through referrals to appropriate

community spiritual leaders and by providing advice and support to staff.

The hospice training programme, Foundations of Spiritual Care helps staff/volunteers to explore their own experience and understanding of spirituality and develop a holistic spiritual aspect to their practice. Mary provides education at the staff Annual Refresher and the Fundamentals of Palliative Care, a course which is offered to community providers. Advice and support is shared with staff at regular team meetings and monthly reflection groups. These opportunities have been useful ways to grow staff awareness and help build skill in spiritual practice.

Networking occurs regularly with hospital staff, TDHB chaplaincy and Kaimahi Hauora teams helps to build working connections with the wider community and support for one and other through sharing of experience.

Other spiritual care roles include leading the Remembrance Service, organising regular facility blessings and supporting and training staff to carry out room blessings.

Jenny Blyde
 Family Support Services Manager



Medical Director

Over the past year our medical team has had some changes in structure but still retains its constant excellent mix of medical providers – Dr. Ian Smiley, Dr. Tom Bull, Dr. Catherine Page, Dr. Nina Bray, Dr. Diana Rae, and Dr. Paola Valli.

In the last year, Nina has stepped down from the Medical Director position and now Diana leads us in a new position of Medical Team Leader. Diana is leading new initiatives for the medical team such as outcomes measures, staff wellness and team development. She also helps us all keep on track with the organizational goals. She has gone to a few national conferences and has brought back helpful resources to improve educational resources and team development.

Catherine has always been such a hard and dedicated worker for Hospice Taranaki and its staff and patients. This year, she took it to a new level. She took a month long bicycle trip from Cape Reinga to Bluff to raise money for Hospice Taranaki. She made the incredible journey in an amazing 27 days of bicycle riding. In the process she raised over \$7,000 for Hospice Taranaki. She came back and didn't miss a step and continued her even more committed work to our patients.

Paola started journal clubs, which is a study of the recent literature, every fortnight, a couple years ago. In the last year, this has become a very popular education activity for all staff and has allowed the clinical teams to grow in their knowledge of current palliative care literature. In addition, Paola leads many other initiatives such as our involvement with RAPID,

an international research study group and she also organizes and directs the updates of our many clinical policies.

Tom continues his work with the hospital in-reach program, in addition to Tom's regular hospice and Emergency Department work. He works in hospital with our clinical nurse specialist team 1-2 days a week to support the primary teams at TDHB who are managing patients with complex palliative care needs. In addition, he has been instrumental in starting our new house officer rotation. He is a vital resource of all palliative care knowledge and highly respected in both organizations and beyond.

Nina is the official supervisor of our new house officer rotation. These are young doctors that have a good knowledge of general medicine but are looking to improve their abilities in palliative care by doing a 3 month rotation at the hospice. They are a valuable resource to the medical team as they assist with seeing patients and helping out with our daily tasks. In addition, it is a great link for improving palliative care knowledge in our doctors of the future.

Ian continues to provide casual cover when needed. In addition, he attends our monthly doctor's meetings regularly and provides great insight and direction from his knowledge of the history of Hospice Taranaki as

well as his work in the GP world. He is a secondary supervisor for our house officers and a support to all of the doctors at Hospice Taranaki.

As a team, we have also looked at our referral process and are working with the other clinical teams to improve the intake process of patients, especially as we are seeing increased demands year by year. We also continue our regular work with GP registrars who come to spend a day with us once yearly. In addition, we have spoken at GP conferences and GP practices. We are thankful to have such a great team that work well together in so many aspects of care, from direct patient care to research, policies, education and future development and are excited to see what the next year brings.

Nina Bray
 previous Medical Director

Operations Team

It has been another busy, rewarding year for the Operations Team (formerly Admin Team). We are very proud to be responsible for core administrative functions at Hospice Taranaki as well as overseeing Hospice's 'front of house/ reception area welcoming all visitors to our organisation.

Led by our Operations Manager, the team now numbers six (from four members last year) with Talia Farquhar joining us mid year as Equipment Officer and Steph Halls as Quality Administrative Support. Talia works four afternoons a week coordinating all patient equipment activities including the delivery of hospital beds and Lazy Boy chairs as well as the cleaning, stock control, blessing and maintaining of patient equipment.

Steph is working in a job-share role two days per week on quality administration and support. Winnie Foster (other job share post) works three days a week on quality administration tasks and operates the Hospice Taranaki payroll.

Other team members are Annie McFadgen (fulltime Administrator/ Receptionist/ Customer Service) and Annette Gall (one day per week Admin Support and annual leave cover).

The Operations Team has overall responsibility for quality assurance and in particular enacting the Board of Trustees 'Quality Framework'. This provides the foundation of Hospice Taranaki's commitment to continuous quality improvement and is applied to evaluate all new initiatives, projects and processes considered by the senior leadership team. Aspects of our current Quality Framework are:



- Patient safety - compliance with the Health and Disability Sector Standards (HDSS) through certification audits – the next being due in March 2019;
- Strategic plan - determining Hospice Taranaki's strategic objectives for the next three years;
- Quality Committee - Hospice Taranaki's main policy and project ratification group considering all organisational audits, complaints management, evaluations and programme reviews (Chaired by the Operations Manager);
- Hospice New Zealand standards programme - unique palliative care sector standards (Hospice Taranaki had certification to the HNZ standards twice and are considering application for the standards again once these are reviewed and updated);
- Consumer focus and community outreach - extensive consumer feedback programme & policies in place and various plans for 2018/19 to establish more links within the community.

Another area of responsibility for the Operations Team is the function

and development of our patient information system - PALCARE. PALCARE is a comprehensive IT platform which every year becomes more responsive to the needs of patients, caregivers and Whanau/ family members. For some time now, our community staff have been able to access PALCARE remotely via IPAD devices and from next year we plan to expand the service enabling patients to access some of their medical notes from home, send and receive SMS messages for appointment reminders and arrange medical equipment online. Also, the PALCARE system now features nationally-agreed, consistent patient outcomes measures across 19 of 26 NZ hospices. More recently, PALCARE has enabled further enhancements for our clinicians by hosting aspects of the Ministry of Health programme Te Ara Whakapiri (Principles and Guidance for the Last Days of Life).

One last footnote; we in the Operations Team would like to pay tribute to the willing and able group of volunteers who take over minding reception every week day evening and on Saturdays. These wonderful folk ensure there is a welcoming presence at the reception when visitors arrive to see patients and Whanau after hours. The reception volunteers also help with some admin jobs and ensure the reception area is kept tidy and welcoming. We think you are wonderful, thank you.

Cath Anderson
Operations Manager



Volunteering & Hospitality Services

HOSPITALITY/KITCHEN

It has been a busy 12 months in the kitchen with food turnover a constant.

We have employed one part time staff member in that time.

We were previously inspected by the DHB to ensure our kitchen standards were as they should be. We are now registered with the District council so a few changes in the kitchen processes have been made to comply with their regulations and we will now be inspected annually by them.

DAY PROGRAMME

This continues to be a popular programme for patients well enough to attend, it is a good place to be social, laugh and forget about your illness for a few hours. It continues to run on a Wed and Frid from 10am-1.30pm. Averaging 6-12 patients per session. Many interesting speakers and outings through out the year. The garden party in February hit a lovely day and was held in the hospice garden.

Bucket list wishes have been carried out, things vary from a fishing trip for one man, a helicopter ride, to an assisted garden walk around Pukeiti. These are done quietly with the individual patients.

VOLUNTEERS

The inpatient and community volunteer team have been a reasonably stable team. Doing a great job of keeping hospice clean and well presented inside and out, as well as many other unseen jobs around the place. Then there is the community team assisting patients and families in their own homes with driving and sitting with patients. I have taken on 13 new volunteers in the 12 month period for a variety of roles.

We also get business groups that will come for half a day and clean outside windows or have done staining of wood for us eg the pergolas outside patient rooms.

MAINTENANCE

Maintenance has been a constant and ongoing job. Paul and I do a walk around the inside and outside of the buildings six monthly, then determine what needs to be addressed/repaired.

Some of this is done by volunteers and other work by paid contractors.

The Iona lounge/ dining area and Kowhai lounges have been painted and lightened, Iona lounge has also new drapes. Kowhai lounge wooden louvers have been replaced with glass on one wall to let more light in. A larger stainless steel splash back has been added to the drug room corner where the syringe drivers are made up. The whole outside building has been cleaned and water blasted. We were wanting some of our outside fences to be painted before June 2018 but as we are relying on a volunteer business group to do this we have to work by their time table. Cleaning of inside walls is an ongoing continual process. Touch up painting has been done inside.

There are many small repair jobs done by our volunteer maintenance men on a weekly/monthly basis. Maintenance is a constant thing and whether it is a large or small job is never ending.

Lianne McElroy
Volunteer & Hospitality Services
Manager



HospiceShops

Another very busy year across our retail group has contributed towards us continuing to provide our care services free of charge to all who need to access them.

The lead up to last years general election slowed retail spending somewhat across the community and this has had a flow on effect to our overall sales revenues. However, staff on all sites have worked very hard across the second half of the financial year to correct that issue.

In December 2017 we welcomed Lisa Andrews into the manager chair at Waiwhakaiho Shop. This was a promotion for Lisa from our Westown Shop and she has led a range of significant improvements that have made this shop into one of the strongest performers in our group. We also farewelled our long serving Area manager Judy Spranger into retirement and created two new group retail manager roles for north and south areas of the province. Lynda Bennett and Tania Brown

respectively filled these roles while based in their own sites in Westown and Stratford. They both have brought energy and enthusiasm to these senior leader positions.

Assisted by staff from Farmers Trading Company we have reviewed the interior layouts and environments of our north group sites. We have progressively been upgrading shop fittings, signage, lighting and stock placement in the New Plymouth shops to improve the shopper and staff experience of visiting one of our shops. Comments have been very positive around these improvements with more planned for the latter part of 2018.

The Hospice Warehouse team continue to be a key receiver of donated goods, fixer uppers of items

needing attention before sale and holders of our seasonal and bulk supplies of stock. The communities in which we operate continue to choose to give us significant support through giving us donations of items to resell and by shopping in their many thousands across our network. It is our community connections which make us the major charity shop group in the province and through which organisations and individuals choose to support us as volunteers.

Our newest development is a pop up shop in Waitara to see how the community might support us through donations, sales and volunteers. It is expected this will develop into a more substantial usual model hospice shop benefiting both our organisation and the communities of Waitara and its surrounding districts.



Every donor has made a difference – Thank you

Our community backing has been amazing, and it is crucial as we strive to support and care in the most compassionate way possible.

Communication with our community is changing and we see an increasing following on our Facebook pages. Our website has been upgraded to a new platform giving it a fresher and more inviting look– thank you to Efinity for there on-going support.

Taranaki is a very innovative province with a broad range of small businesses, this is highlighted with the shift from people no longer thinking of an event being the only way to raise funds for us – there are now more offers to donate part of what they make from their business. We welcome these initiatives.

Our gratitude goes to our principal sponsors:

Budget Rentals, The Devon Hotel & Conference Centre, Dilmah, House of Travel, BNI Chapters – “Energise”, “Ignite” and “Success Like No Other”, Craigs Investment Partners, Jacinta & John Hurley, Quest Apartments, BDO, Bach on Breakwater Café and McDonald Real Estate

Our appreciation goes to our Community Fundraising events & Community groups:

Our own Dr Catherine Page with Cath’s Ice Cream Tour of NZ, wonderful Rodney Maiden joined The Great NZ Tractor Trek, Koru Lions with the Drive-in Movies, Jennifer Tooley with

a Bingo night at The Good Home, Judy Drummond with Ballentynes Fashion Parade, Daniel & Rene Radcliffe, Jessica Griffiths with Barbara Henderson-Olsen with Kitchen Tours, Gravetye Gardens, Z with Good in the Hood, Fabricarna, Andy Bassett with his Album Launch, Longest Day Golf Tournament in Baku – Azerbaijan, New Plymouth Bowling Club with the Bowls Tournament, Mangatoki Dance Club, Patriotic Trust, Ngamotu Rotary with the Harcourts Golf Tournament, Pakeke Lions, Stratford Lions Club, Paradise Berry Gardens – donating volumes of fresh strawberries, Waitara Pharmacy, Fernbrooke Farm, Kitchen Studios, Farmers with Christmas Baubles and our Tree of Remembrance.

Amazing businesses that support us with their skills including Graphix Explosion, Tony Epplett Signs, More FM and McCurdy Engineering

In summary: Thank you to the wonderful people that speak to the media in support of us. Thank you to the people who support our requests for equipment or a plea for help. Looking forward to the next financial year is the Marsh Golf Day, Brave Heart calendar sales, 12 Days of Christmas and optimistically many other creative ways people raise money to support our delivery of free of charge palliative cares.

“No one has ever become poor from giving”

Anne Frank

Rose Whitaker
Marketing and Promotion



A look inside the year



HOSPICE TARANAKI GROUP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

HOSPICE TARANAKI GROUP
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FOR THE YEAR ENDED 30 JUNE 2018

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HOSPICE TARANAKI GROUP

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Hospice Taranaki Group ("the Group") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at date, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion

The Group's control over income received from sales of donated goods and recorded in the consolidated statement of comprehensive revenue and expenses as \$2,588,291 and donations received of \$349,840 and disclosed in the notes is limited prior to recording and there are no practical audit procedures to determine the effect of this limited control. Consequently we were unable to determine whether any adjustments should be made to the reported outcome of these income streams.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* 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 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 auditor we have no relationship with, or interests in, the Group or any of its subsidiaries.

Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees' Responsibilities for the Consolidated Financial Statements

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with PBE Standards RDR, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible on behalf of the Group 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 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) 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 decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Group's trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them 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 Group and the Group's trustees, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Taranaki
New Plymouth
New Zealand
5 December 2018

HOSPICE TARANAKI GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2018

| | | 2018 \$ | 2017 \$ |
|---|------|--------------------|--------------------|
| Revenue | Note | | |
| Revenue from exchange transactions | 6 | 2,662,057 | 2,674,271 |
| Revenue from non-exchange transactions | 7 | 596,816 | 1,116,477 |
| Services rendered | 8 | 2,662,239 | 2,636,106 |
| Total revenue | | 5,921,112 | 6,426,854 |
| Other Income | 9 | 62,637 | 37,815 |
| Expenses | | | |
| Wages, salaries and employee benefits | 10 | (4,562,059) | (4,259,000) |
| Property expenses | | (29,380) | (18,788) |
| Supplies and consumables used | | (96,545) | (76,020) |
| Depreciation and amortisation expense | 11 | (225,315) | (236,137) |
| Fundraising | | (22,288) | (28,371) |
| Other expenses | 12 | (997,334) | (1,018,810) |
| Total expenses | | (5,932,921) | (5,637,126) |
| Finance income | | 139,672 | 135,005 |
| Finance expenses | | (7,740) | - |
| Net finance income/(expense) | 13 | 131,932 | 135,005 |
| Surplus/(deficit) for the year from continuing operations | | 182,760 | 962,548 |
| Other comprehensive revenue and expense | | | |
| Fair value movement on available-for-sale financial assets | | 247,142 | 60,329 |
| Gain or loss on available-for-sale financial assets transferred to the profit or loss | | 2,297 | (24,067) |
| Total Comprehensive revenue and expense for the year | | 432,199 | 998,810 |

These financial statements should be read in conjunction with the notes to the accounts.

HOSPICE TARANAKI GROUP
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

| 30 June 2018 | Available for sale asset fair value reserve \$ | Accumulated revenue and expenses \$ | Total net assets/equity \$ |
|---|---|--|----------------------------------|
| Balance at 1 July 2017 | | | |
| Comprehensive revenue and expense | 233,712 | 9,641,525 | 9,875,237 |
| Surplus for the year | - | 182,760 | 182,760 |
| Fair value movement on available for sale financial assets | 247,142 | - | 247,142 |
| Gain/(loss) on available for sale financial assets transferred to profit or loss on sale | 2,297 | - | 2,297 |
| Total comprehensive income for the year | 483,151 | 9,824,285 | 10,307,436 |
| Balance at 30 June 2018 | 483,151 | 9,824,285 | 10,307,436 |

| 30 June 2017 | Available for sale asset fair value reserve \$ | Accumulated revenue and expenses \$ | Total net assets/equity \$ |
|---|---|--|----------------------------------|
| Balance at 1 July 2016 | | | |
| Comprehensive revenue and expense | 197,450 | 8,678,977 | 8,876,427 |
| Surplus for the year | - | 962,548 | 962,548 |
| Fair value movement on available for sale financial assets | 60,329 | - | 60,329 |
| Gain/(loss) on available for sale financial assets transferred to profit or loss on sale | (24,067) | - | (24,067) |
| Total comprehensive income for the year | 233,712 | 9,641,525 | 9,875,237 |
| Balance at 30 June 2017 | 233,712 | 9,641,525 | 9,875,237 |


These financial statements should be read in conjunction with the notes to the accounts.



**HOSPICE TARANAKI GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018**

| | | 2018 \$ | 2017 \$ |
|---|------|-------------------|-------------------|
| | Note | | |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 14 | 1,023,081 | 2,553,142 |
| Receivables | 16 | 296,797 | 284,396 |
| Medical consumables | | 727 | 707 |
| Prepayments | | 15,357 | 21,072 |
| Other investments | 17 | 208,260 | - |
| <i>Total current assets</i> | | <u>1,544,222</u> | <u>2,859,317</u> |
| Non-current assets | | | |
| Property, plant and equipment | 18 | 5,155,043 | 5,342,785 |
| Term Investments | 15 | 1,730,000 | - |
| Intangible assets | 19 | 188 | 314 |
| Other investments | 17 | 2,560,565 | 2,289,618 |
| <i>Total non-current assets</i> | | <u>9,445,796</u> | <u>7,632,717</u> |
| Total assets | | <u>10,990,018</u> | <u>10,492,034</u> |
| NET ASSETS/EQUITY AND LIABILITIES | | | |
| NET ASSETS/EQUITY | | | |
| Equity at start of the period | | 9,875,237 | 8,876,427 |
| Accumulated revenue and expense movement | | 182,760 | 962,548 |
| Available for sale financial assets fair value reserve movement | | 249,439 | 36,262 |
| Total net assets/equity | | <u>10,307,436</u> | <u>9,875,237</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 20 | 143,153 | 167,351 |
| Employee benefit liability | 21 | 489,811 | 404,143 |
| GST Payable | | 49,619 | 45,304 |
| <i>Total current liabilities</i> | | <u>682,582</u> | <u>616,798</u> |
| Total Liabilities | | <u>682,582</u> | <u>616,798</u> |
| Total net assets/equity and liabilities | | <u>10,990,018</u> | <u>10,492,034</u> |

Approved for and on behalf of the Board of Trustees:


Chairperson
4/12/18
Date


Trustee

These financial statements should be read in conjunction with the notes to the accounts.



**HOSPICE TARANAKI GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

| | 2018 | 2017 |
|--|---------------------|------------------|
| | \$ | \$ |
| Note | | |
| Cash flows from operating activities | | |
| Proceeds from: | | |
| Goods and services provided | 5,326,381 | 5,257,576 |
| Grants, donations and bequests | 230,437 | 843,007 |
| Fundraising | 366,378 | 353,038 |
| Payments to suppliers and employees | (5,636,128) | (5,359,092) |
| Net cash inflow/(outflow) from operating activities | <u>287,068</u> | <u>1,094,529</u> |
| Cash flows from investing activities | | |
| Proceeds from: | | |
| Interest and dividends received | 171,849 | 167,379 |
| Proceeds from disposal of investments | 184,402 | 225,053 |
| Gain on disposal of property, plant & equipment | 80,915 | 1,913 |
| Payments for purchase of property, plant and equipment | (101,129) | (161,529) |
| Payments for purchase of investments | (2,151,502) | (892,094) |
| Gain on disposal on investments | (1,667) | 24,067 |
| Net cash inflow/(outflow) from investing activities | <u>(1,817,132)</u> | <u>(635,211)</u> |
| Net increase/(decrease) in cash and cash equivalents | (1,530,064) | 459,318 |
| Cash and cash equivalents at beginning of year | 2,553,142 | 2,093,823 |
| Cash and cash equivalents at end of year | 15 <u>1,023,081</u> | <u>2,553,142</u> |

These financial statements should be read in conjunction with the notes to the accounts.



HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 1 - Reporting entity

Hospice Taranaki Incorporated (the "controlling entity") is incorporated under the Incorporated Societies Act 1908.

The consolidated financial statements for the year ended 30 June 2018 comprise Hospice Taranaki Incorporated, Hospice Taranaki Foundation and Noel Yarrow Hospice Trust. Hospice Taranaki Foundation and Noel Yarrow Hospice Trust are incorporated under the Charitable Trusts Act 1957.

The Group is primarily involved in providing medical care and support to families in the Taranaki community.

Note 2 - Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with *Public Benefit Entity Standards Reduced Disclosure Regime* ("PBE Standards RDR"), as appropriate for Tier 2 not-for-profit sector public benefit entities and disclosure concessions have been applied.

The Group qualifies as a Tier 2 reporting entity as for the current and prior periods it has had between \$2m and \$30m operating expenditure.

These financial statements were authorised for issue by the Board of Trustees on 04 December 2018.

(b) Measurement basis

The financial statements have been prepared on the historical cost basis except for the following material items in the Consolidated Statement of Financial Position, which are measured at fair value: -other investments.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$) which is the entity's functional and presentation currency.

There has been no change in the functional currency during the year.

Note 3 - Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the following:

- Revenue recognition - non-exchange revenue (conditions vs. restrictions)
- Classification of lease arrangements



HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2018 include the following:

- Useful life, recoverable amount, depreciation/amortisation method and rate
- Determination at fair values (refer to 2(b))

Note 4 - Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the entity.

Certain comparative amounts in the statement of comprehensive revenue and expense and the statement of financial position have been reclassified and or represented as a result of changes in accounting policies for compliance with NZ PBE Standards.

The significant accounting policies of the entity are detailed below:

- (a) Basis of consolidation
- (b) Revenue
- (c) Employee benefits
- (d) Finance income and finance costs
- (e) Financial instruments
- (f) Impairment of non-derivative financial assets
- (g) Property, plant and equipment
- (h) Intangible assets
- (i) Leases
- (j) Provisions

(a) Basis of consolidation

i. Controlled entities

Controlled entities are entities controlled by the Group, being where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with controllers of the controlling entity in their capacity as controllers, within net assets/equity.

The financial assets of the controlled entities are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

ii. Loss of control of a controlled entity

On the loss of control, the Group derecognises the assets and liabilities of the controlled entity, any minority interest, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit.

If the Group retains any interest in the previously controlled entity, then such interest is measured at fair value at the date that control is lost. Subsequently, the retained interest is either accounted for as an equity-accounted associated or an available-for-sale financial asset depending on the level of influence retained.



HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates and jointly-controlled-entities are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the entity, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the entity's revenue streams must also be met before revenue is recognised.

(i) Revenue from exchange transactions

Membership fees and subscriptions

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time that period covering the membership or subscription occurs.

Sale of goods

Revenue from the sale of goods in the ordinary course of business activities is measured at the fair value of the consideration received or receivable.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and the possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

For Hospice Shop Sale Revenue the timing of the risks and rewards occurs at the point of sale when the significant risks and rewards of ownership transfer to the buyer.

(ii) Revenue from non-exchange transactions

Non-exchange transactions are those where the entity receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

Inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the entity's non-exchange transaction revenue streams must also be met before revenue is recognised.



HOSPICE TARANAKI GROUP NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Fundraising

The Group's fundraising activities involve telephone campaign annually and events. Fundraising non-exchange revenue is recognised at the point at which a receipt is formally acknowledged by the Board.

Grants, donations, legacies and bequests

The recognition of non-exchange revenue from *Donations, Legacies and bequests* depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the entity to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a *non-exchange liability* that is subsequently recognised as *non-exchange revenue* as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the entity to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a *non-exchange liability*, which results in the immediate recognition of *non-exchange revenue*.

There is limited control over non-exchange transactions and revenue derived from donated goods prior to it being recorded.

(iii) Rendering of services

The Group receives operating grants to fund the provision of services to the community. These grants are recognised as revenue for services rendered in surplus or deficit.

Revenue for services rendered is invoiced in arrears following provision of the services to the grant provider. There has been no adjustment to recognise amounts received in advance as a liability.

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the entity, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the entity's revenue streams must also be met before revenue is recognised.

(iv) Other income

Interest

Income from interest is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

Dividends received

Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

(c) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit liabilities are recognised when the entity has a legal or constructive obligation to remunerate employees for services provided within 12 months of the reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.



HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

(ii) Long-term employee benefits

Long-term employee benefit obligations are recognised when the entity has a legal or constructive obligation to remunerate employees for services provided beyond 12 months of reporting date. Long-term employee benefit obligations are measured using the projected unit credit method, with any actuarial gains or losses recognised in surplus or deficit.

(d) Finance income and finance costs

Finance income comprises interest income on financial assets, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through surplus or deficit, and gains on the re-measurement to fair value of any pre-existing interest in an acquired. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Finance costs comprises interest expense on financial liabilities, fair value losses on financial assets at fair value through surplus or deficit, impairment losses recognised on financial assets and losses on disposal of available for sale financial assets.

(e) Financial instruments

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises financial liabilities when its contractual obligations are discharged, cancelled, or expire.

The Group also derecognises financial assets and financial liabilities when there has been a significant change to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories: *fair value through surplus or deficit*, *held-to-maturity*, *loans and receivables*, and *available-for-sale*.

The Group classifies financial liabilities into the following categories: *fair value through surplus or deficit*, and *amortised cost*.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

(i) Fair value through surplus or deficit

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices without any deduction for transaction costs. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with objective of estimating what the transaction price would have been on the measurement date in arm's length exchange motivated by normal operating considerations.

A financial instrument is classified as *fair value through surplus or deficit* if it is:

- *Held-for-trading*: Derivatives where hedge accounting is not applied
- Financial Instruments acquired for the purpose of selling or repurchasing in the short term

HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

- *Designated at initial recognition:* If the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy.

Those *fair value through surplus or deficit* instruments sub-classified as *designated at initial recognition* comprise debt securities and equity securities.

Financial instruments classified as *fair value through surplus or deficit* are subsequently measured at fair value with gains or losses being recognised in surplus or deficit.

(ii) *Held-to-maturity*

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as *held-to-maturity*.

The Group doesn't hold any *held-to-maturity* financial assets.

(iii) *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise Receivables (from exchange transactions).

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense and presented in the *AFS fair value reserve* within net assets/equity, less impairment.

Upon de-recognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

Available for sale financial assets comprise debt securities and equity securities.

(iv) *Amortised cost financial liabilities*

Financial liabilities classified as *amortised cost* are non-derivative financial liabilities that are not classified as *fair value through surplus or deficit* financial liabilities.

Financial liabilities classified as *amortised cost* are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as *amortised cost* comprise accounts payable.

(f) *Impairment of non-derivative financial assets*

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.



HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the entity on terms that the entity would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the entity, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an equity security classified as an *available-for-sale* financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Individual trade receivables that are known to be uncollectable are written off when identified, along with associated allowances.

(i) *Financial assets classified as held-to-maturity and loans and receivables*

The Group considers evidence of impairment for financial assets measured at amortised cost (*loans and receivables*) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against *loans and receivables*. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Individual trade receivables that are known to be uncollectable are written off when identified, along with associated allowances.

(ii) *Financial assets classified as available-for-sale*

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity to surplus or deficit.

The cumulative loss that is reclassified from net assets/equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired *available-for-sale* debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired *available-for-sale* equity security is recognised in other comprehensive revenue and expense.

HOSPICE TARANAKI GROUP **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured under the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the entity will obtain ownership by the end of the lease term.

The diminishing value depreciation rates are:

| | | |
|-------------------------|-------------|----------------------|
| • Office equipment | 31.2% | (2017: 31.2%) |
| • Motor vehicles | 9.5%-26.0% | (2017: 9.5% - 26%) |
| • Fixtures and fittings | 9.5%-39.6% | (2017: 9.5% - 39.6%) |
| • Computer equipment | 30.0%-33.0% | (2017: 30% - 33%) |

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

(h) Intangible assets

(i) Recognition and measurement

Intangible assets are initially measured at cost, except for intangible assets acquired through non-exchange transactions (measured at fair value).

All of the Group's intangible assets are subsequently measured in accordance with the *cost model*, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment, except for the following items which are not amortised and instead tested for impairment:

- Intangible assets with indefinite useful lives, or not yet available for use.



HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

The Group has no intangible assets with indefinite useful lives.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

(iii) *Amortisation*

Amortisation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of each amortisable intangible asset.

The diminishing value amortisation rates are:

- Software 36.0-40.0% (2017: 36% - 40%)

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) *Leases*

(i) *Classification and treatment*

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as *finance leases*.

Operating leases

Leases that are not *finance leases* are classified as *operating leases*.

Operating leases are not recognised in the entity's statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(ii) *Determining whether an arrangement contains a lease*

At the inception of an arrangement the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific assets or assets, and
- The arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the entity's incremental borrowing rate.

(j) *Provisions*

A provision is recognised if, as a result of a past event, the entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost within surplus or deficit.

**HOSPICE TARANAKI GROUP
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FOR THE YEAR ENDED 30 JUNE 2018**

The Group has not recognised any provisions.

Note 5 - Changes in accounting policy

The accounting policies have been applied consistently to all periods presented in these financial statements. Certain comparative amounts in the financial statements have been reclassified to ensure consistency in presentation and disclosure.



HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 6 - Revenue from exchange transactions

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Sales of donated goods | 2,588,291 | 2,591,200 |
| Other income from exchange transactions | 73,766 | 83,071 |
| | <u>2,662,057</u> | <u>2,674,271</u> |

Note 7 - Revenue from non-exchange transactions

| | 2018 | 2017 |
|--|----------------|------------------|
| | \$ | \$ |
| Bequests | 94,039 | 610,936 |
| Donations received | 349,840 | 334,017 |
| Sponsorship received | 12,552 | 19,021 |
| Grants received | 136,398 | 149,000 |
| Other revenue from non-exchange transactions | 3,986 | 3,503 |
| | <u>596,816</u> | <u>1,116,477</u> |

Note 8 - Services rendered

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Funding received - Taranaki District Health Board | 2,653,170 | 2,628,833 |
| Funding received - Clinical Training Agency | 4,904 | 7,272 |
| Funding received - ACC | 4,165 | - |
| | <u>2,662,239</u> | <u>2,636,106</u> |

Note 9 - Other Income

| | 2018 | 2017 |
|------------------------|---------------|---------------|
| | \$ | \$ |
| Dividends received | 45,405 | 37,815 |
| Gain on sale of assets | 17,232 | - |
| | <u>62,637</u> | <u>37,815</u> |



Note 10 - Wages, salaries and employee benefits

Note 11 - Depreciation and amortisation expense

Note 12 - Other expenses

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HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 13 - Net finance income

| | Note | 2018 \$ | 2017 \$ |
|---|------|------------|------------|
| Finance Income | | | |
| <i>Interest income:</i> | | | |
| Investment portfolio | | 12,244 | 16,255 |
| Loans and receivables | | 128,687 | 97,418 |
| <i>Total interest: financial assets not measured at fair value through surplus or deficit</i> | | 140,931 | 113,674 |
| <i>Financial assets at fair value through surplus or deficit:</i> | | | |
| Realised fair value gain/(loss) - Investment portfolio | - | 2,297 | 24,067 |
| Realised gain/(loss) - other Investments | | 1,038 | (2,736) |
| Total finance income | | 139,672 | 135,005 |
| Finance Expenses | | | |
| <i>Financial assets at fair value through surplus or deficit:</i> | | | |
| Impairment | 17 | (7,740) | - |
| Total finance expense | | (7,740) | - |
| NET FINANCE INCOME | | 131,932 | 135,005 |

Note 14 - Cash and cash equivalents

| | 2018 \$ | 2017 \$ |
|---|-------------|------------|
| Cash on hand | 2,145 | 1,644 |
| Bank deposits | 52,511 | 70,465 |
| Call deposits | 643,425 | 823,819 |
| Short term deposits | 325,000 | 1,657,214 |
| Total cash and cash equivalents | 1,023,081 | 2,553,142 |
| Per annum Interest Rates applying to Term Deposits | 3.25%-4.40% | 3.2%-5.2% |



HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 15 - Term Investments

| | 2018 | 2017 |
|-------------------------|------------------|----------|
| | \$ | \$ |
| Long term bank desposit | 1,730,000 | - |
| Total term investments | <u>1,730,000</u> | <u>-</u> |

Per annum Interest Rates applying to Term Deposits 2018: 3.25% - 4.40% (2017: 3.2%-5.2%)

Note 16 - Receivables

| | 2018 | 2017 |
|--|----------------|----------------|
| | \$ | \$ |
| Trade and other receivables (from exchange transactions) | 259,083 | 261,168 |
| RWT refund due | 1,681 | 1,681 |
| Accrued interest | 36,033 | 21,546 |
| | <u>296,797</u> | <u>284,396</u> |

There has been no impairment of receivables from exchange transactions.

Note 17- Other investments

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| <i>Held-to-maturity financial assets</i> | | |
| Debt securities (New Zeland corporate - private) | 632,945 | 632,945 |
| <i>Available-for-sale financial assets</i> | | |
| Equity securities (New Zealand publically listed) | 839,830 | 770,290 |
| Equity securities (New Zealand unlisted) | 8,260 | 16,000 |
| Equity securities (Australia publically listed) | 483,499 | 415,375 |
| Equity securities (International publically listed) | 804,291 | 455,008 |
| | <u>2,768,825</u> | <u>2,289,618</u> |
| Current | 208,260 | - |
| Non current | 2,560,565 | 2,289,618 |
| Total other investments | <u>2,768,825</u> | <u>2,289,618</u> |

HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Per annum annual interest rate ranges applicable to debt securities:

| | 2018 | 2017 |
|-----------------------------|--------------|---------------|
| Debt securities (corporate) | 4.0% - 6.65% | 4.592% - 7.0% |

Contractual maturities of debt securities:

| | 2018 | 2017 |
|-----------------------------|----------------|-----------------|
| Debt securities (corporate) | 3 - 228 months | 15 - 240 months |

The publicly listed investments are held by the Foundation in unit funds managed by Craigs Investment Partners. The carrying amount of Available-for-sale financial assets, as stated above, is their fair value. Held to maturity financial assets are carried at amortised cost.

During the year Waikato Property Investments Limited went into liquidation. These shares have been revalued to the amount the Society will receive. The write down value in shares has been taken to impairment in the profit or loss.



**HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 18 - Property, plant and equipment

| Cost or valuation | Land \$ | Buildings \$ | Motor vehicles \$ | Office equipment \$ | Furniture & fittings \$ | Computer hardware \$ | Plant & equipment \$ | Total \$ |
|--|------------|-----------------|-------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|-------------|
| Balance at 1 July 2017 | | | | | | | | |
| Cost | 1,197,948 | 5,156,002 | 306,686 | 58,324 | 503,440 | 46,834 | 370,024 | 7,639,258 |
| Additions | - | 10,986 | 31,730 | 863 | 40,126 | - | 17,424 | 101,129 |
| Transferred to intangible asset | - | - | - | - | - | - | - | - |
| Disposals | - | (69,000) | (56,010) | - | - | - | - | (125,010) |
| Balance at 30 June 2018 | 1,197,948 | 5,097,988 | 282,406 | 59,187 | 543,566 | 46,834 | 387,448 | 7,615,377 |
| Accumulated depreciation | | | | | | | | |
| Balance at 1 July 2017 | - | 1,410,895 | 186,443 | 46,387 | 340,760 | 32,935 | 279,053 | 2,296,473 |
| Current year depreciation | - | 143,365 | 24,159 | 2,773 | 25,337 | 9,634 | 19,922 | 225,190 |
| Less Disposals during year | - | (21,693) | (39,635) | - | - | - | - | (61,328) |
| Less accumulated depreciation on disposals | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | - | 1,532,567 | 170,967 | 49,160 | 366,097 | 42,569 | 298,975 | 2,460,335 |
| Net book value | | | | | | | | |
| At 1 July 2017 | 1,197,948 | 3,745,107 | 120,243 | 11,937 | 162,680 | 13,899 | 90,971 | 5,342,785 |
| At 30 June 2018 | 1,197,948 | 3,565,421 | 111,439 | 10,027 | 177,469 | 4,265 | 88,473 | 5,155,043 |

**HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 18 - Property, plant and equipment

| Cost or valuation | Land \$ | Buildings \$ | Motor vehicles \$ | Office equipment \$ | Furniture & fittings \$ | Computer hardware \$ | Plant & equipment \$ | Total \$ |
|--|------------------|------------------|-------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|------------------|
| Balance at 1 July 2016 | | | | | | | | |
| Cost | 1,197,948 | 5,076,758 | 291,469 | 54,444 | 459,668 | 41,771 | 358,736 | 7,480,794 |
| Additions | - | 79,244 | 15,217 | 3,880 | 45,685 | 5,063 | 11,288 | 160,377 |
| Transferred to intangible asset | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | (1,913) | - | - | (1,913) |
| Balance at 30 June 2017 | 1,197,948 | 5,156,002 | 306,686 | 58,324 | 503,440 | 46,834 | 370,024 | 7,639,258 |
| Accumulated depreciation | | | | | | | | |
| Balance at 1 July 2016 | | | | | | | | |
| Current year depreciation | - | 1,262,713 | 156,967 | 43,938 | 314,149 | 27,248 | 256,682 | 2,061,697 |
| Less accumulated depreciation on disposals | - | 148,182 | 29,476 | 2,449 | 27,763 | 5,687 | 22,371 | 235,928 |
| Balance at 30 June 2017 | - | 1,410,895 | 186,443 | 46,387 | 340,760 | 32,935 | 279,053 | 2,296,473 |
| Net book value | | | | | | | | |
| At 1 July 2016 | 1,197,948 | 3,814,045 | 134,502 | 10,506 | 145,519 | 14,523 | 102,054 | 5,419,097 |
| At 30 June 2017 | 1,197,948 | 3,745,107 | 120,243 | 11,937 | 162,680 | 13,899 | 90,971 | 5,342,785 |

HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 18 - Property, plant and equipment (continued)

In 2018 the Group received no plant and machinery through non-exchange transactions attached with restrictive stipulations that require the entity to disclose.

Note 19 - Intangibles

| | 2018 | | 2017 | |
|---|---------------|---------------|---------------|---------------|
| Cost | Software | Total | Software | Total |
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July | 23,848 | 23,848 | 23,848 | 23,848 |
| Additions | - | - | - | - |
| Balance as at 30 June | <u>23,848</u> | <u>23,848</u> | <u>23,848</u> | <u>23,848</u> |
| Accumulated amortisation and impairment | Software | Total | Software | Total |
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July | 23,534 | 23,534 | 23,325 | 23,325 |
| Current amortisation | 125 | 125 | 209 | 209 |
| Balance as at 30 June | <u>23,659</u> | <u>23,659</u> | <u>23,534</u> | <u>23,534</u> |
| Carrying value as at 30 June | <u>189</u> | <u>189</u> | <u>314</u> | <u>314</u> |

Note 20 - Payables - exchange transactions

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Trade payables (from exchange transactions) | 77,661 | 89,392 |
| Accruals | 65,492 | 77,959 |
| | <u>143,153</u> | <u>167,351</u> |

HOSPICE TARANAKI GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 21 - Employee benefits

| | 2018 \$ | 2017 \$ |
|--------------------------------|----------------|----------------|
| Provision for employee leave | 403,915 | 344,361 |
| Provision for salary and wages | 85,896 | 59,782 |
| | <u>489,811</u> | <u>404,143</u> |
| Current | 489,811 | 404,143 |
| Non Current | - | - |
| | <u>489,811</u> | <u>404,143</u> |

Note 22 - Operating leases

| | 2018 \$ | 2017 \$ |
|----------------------------|------------------|----------------|
| Less than one year | 632,602 | 289,919 |
| Between one and five years | 801,041 | 104,414 |
| More than five years | - | - |
| Balance at 30 June | <u>1,433,643</u> | <u>394,333</u> |

The Group has entered into an operating lease for land and buildings in New Plymouth, Hawera and Stratford.

- Contingent rentals - Nil
- Renewal and/or purchase options - Rights of Renewal Hawera (2 x 6 years), Stratford (2 x 3 years) Waiwhakaiho (2 x 4 years)
- Restrictions (i.e. return of surplus, return on capital contributions, dividends and distributions, debt, leasing). - Nil



HOSPICE TARANAKI GROUP **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 30 JUNE 2018**

Note 23 - Financial instruments

| | Note | Loans and receivables | Available for sale | Financial assets and liabilities at amortised cost | Total carrying amount |
|---|------|--------------------------|-----------------------|--|-----------------------------|
| 30 June 2018 | | \$ | \$ | \$ | \$ |
| <i>Available for sale:</i> | | | | | |
| Equity securities (NZ publicly listed) | 17 | - | 839,830 | - | 839,830 |
| Equity securities (Australian publicly listed) | 17 | - | 483,499 | - | 483,499 |
| Equity securities (International publicly listed) | 17 | - | 804,291 | - | 804,291 |
| Equity securities (NZ unlisted) | 17 | - | 8,260 | - | 8,260 |
| <i>Subsequently not measured at fair value:</i> | | | | | |
| Cash and cash equivalents | 14 | 1,023,081 | - | - | 1,023,081 |
| Receivables (from exchange transactions) | 16 | 259,083 | - | - | 259,083 |
| Payables (from exchange transactions) | | - | - | (143,153) | (143,153) |
| Debt securities (NZ corporate) | 17 | - | - | 632,945 | 632,945 |
| | | <u>1,282,164</u> | <u>2,135,880</u> | <u>489,792</u> | <u>3,907,836</u> |
| 30 June 2017 | | \$ | \$ | \$ | \$ |
| <i>Available for sale:</i> | | | | | |
| Equity securities (NZ publicly listed) | 17 | - | 770,290 | - | 770,290 |
| Equity securities (Australian publicly listed) | 17 | - | 415,375 | - | 415,375 |
| Equity securities (International publicly listed) | 17 | - | 455,008 | - | 455,008 |
| Equity securities (NZ unlisted) | 17 | - | 16,000 | - | 16,000 |
| <i>Subsequently not measured at fair value:</i> | | | | | |
| Cash and cash equivalents | 14 | 2,553,142 | - | - | 2,553,142 |
| Receivables (from exchange transactions) | 16 | 261,168 | - | - | 261,168 |
| Payables (from exchange transactions) | | - | - | (167,351) | (167,351) |
| Debt securities (NZ corporate) | 17 | - | - | 632,945 | 632,945 |
| | | <u>2,814,310</u> | <u>1,656,673</u> | <u>465,594</u> | <u>4,936,577</u> |

(ii) Fair values

Fair value determination for financial instruments subsequently measured at fair value are as follows:

Debt securities (listed) and Equity securities (listed)

Fair values are based on the quoted market price in the active market of the security at reporting date.

HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Note 24 - Group entities

A listing of the Group's significant controlled entities is presented below:

| | Country of incorporation | Ownership interest | |
|-------------------------------|--------------------------|--------------------|-----------|
| | | 2018 % | 2017 % |
| Hospice Taranaki Foundation | New Zealand | 100 | 100 |
| Hospice Taranaki Incorporated | New Zealand | 100 | 100 |
| Noel Yarrow Hospice Trust | New Zealand | 100 | 100 |

All controlled entities have the same reporting date as the controlling entity.

There are no significant restrictions regarding to the transfer of loan repayments, and other funds from controlled entities.

Note 25 - Related party transactions

The controlling and ultimate controlling party of Hospice Taranaki Group is Hospice Taranaki Incorporated.

The following transactions take place between the entities:

Lease of land and buildings

During the period Hospice Taranaki Foundation leased land and buildings to Hospice Taranaki Incorporated for an amount of \$358,033 (2017: \$320,010) on trade terms and conditions.

Grants received

During the period the Hospice Taranaki Foundation paid an operating grant of \$38,167 (2017: \$nil) to Hospice Taranaki Incorporated

Advances received

Hospice Taranaki Foundation has provided a short-term advance facility to Hospice Taranaki Incorporated for \$1 (2017: \$5,317). The advance is non-interest bearing. A reconciliation of opening and closing balances with payments received and additional advances made is presented below:

| | 2018 \$ | 2017 \$ |
|------------------------|------------|--------------|
| Opening balance 1 July | 5,317 | 5,317 |
| Repayments received | (40,167) | - |
| Further advances made | 34,851 | - |
| Balance at 30 June | <u>1</u> | <u>5,317</u> |



HOSPICE TARANAKI GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Contract Works

2018: Nil. (2017: During the period Clelands Construction undertook the alterations to the entranceway of the Hospice Building in David Street at a total cost of \$73,404. Peter Cottam is a director of Clelands Construction and a Trustee of Hospice Taranaki Inc.)

Key management personnel remuneration

The Group classifies its key management personnel into one of three classes:

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body
- Chief operating officers, responsible for the operation of the Group's operating segments, and reporting to the Senior executive officers.

Members of the governing body receive no remuneration payments.

Senior executive officer and senior operating officers are employed as employees of the Society, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full-time-equivalents' (FTE's) for Senior executive officers and Chief operating officers) in each class of key management personnel is presented below:

| | 2018 | | 2017 | |
|-------------------|----------------|-----------------------|----------------|-----------------------|
| | Remuneration | Number of individuals | Remuneration | Number of individuals |
| Board of Trustees | - | 10 people | - | 10 people |
| Executive Team | 505,316 | 4.4 FTE's | 485,547 | 4.4 FTE's |
| | <u>505,316</u> | | <u>485,547</u> | |

Note 26 - Commitments and contingencies

(i) Commitments

There are no commitments as at 30 June 2018. (Commitments as at 30 June 2017: Nil)

(ii) Contingent liabilities

There are no contingent liabilities as at 30 June 2018. (Contingent liabilities as at 30 June 2017: Nil)

(iii) Contingent assets

There are no contingent assets as at 30 June 2018. (Contingent assets as at 30 June 2017: Nil)

Note 27 - Events after reporting date

There have been no events subsequent to balance date that impact on these financial statements.





