



the
fono
caring is our culture

Annual Report

for the year ended 30 June 2024



Content

The Fono Trust

Annual Report 2024

The Fono Trust
411 Great North Road
PO Box 21200, Henderson
Auckland 0650

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Polyfest 2024: Community spirit shines at The Fono and OCA stall, where tug-of-war drew crowds.



Chair's Report



Our commitment to Pacific Peoples

Over the past 30 years, Pacific people have gained significant recognition for their contributions to New Zealand, largely through organisations championing Pacific values within the wider community. The Fono exemplifies this, advocating for essential priorities like health, wellbeing, education, and employment. However, our impact extends beyond these areas, enriching

our communities through culture, sports, civic engagement, and community activities, bringing vibrancy and depth to our collective experience. Throughout the year, The Fono reinforced its commitment to its communities through various initiatives, including updates to our Trust Deed to foster Auckland-wide connections, supporting fellow Pacific organisations, and leveraging the generosity of philanthropic donations who contribute to our mission.



⌘ Supporting healthier, smoke-free Pacific communities: In September 2023, The Catholic Tongan Congregation of East Auckland hosted our Pacific Smoke Free Innovation Programme, organised by Lingi Pulesea, Team Lead of our Smokefree Service.

Our recent review highlighted The Fono's active engagement with Pacific organisations, delivering support to individuals and families. We've also embedded the 'Pacific Way' within New Zealand society, fostering leadership, role models, and community involvement in sports, governance, coaching, and cultural events. Our people have led by example, with two individuals recently recognised for their outstanding contributions to Pacific peoples and broader New Zealand communities.

As examples for others to follow, two of our people were recognised for their impact on Pacific peoples and across New Zealand in their awards for distinguished service.

Our CEO Fiugalu Tevita Funaki MNZM was honoured in the New Years Honours 2024 as a Member of the New Zealand Order of Merit (MNZM). This is a testament to Tevita's outstanding contribution and service to Pacific health in various capacities, including being at the helm of the operational team of The Fono over the past decade. Tevita has been instrumental in helping the Board transform The Fono into now the largest Pacific community-owned organisation in New Zealand.

Similarly, in the King's Birthday honours, fellow Board member Leitualaalemalietao Lynn Pavihi MNZM was appointed a Member of the New Zealand Order of Merit for her services to Pacific education. Of Niuean and Samoan descent, the award recognised her outstanding work in advocating, serving, and supporting Niue communities over the years. Lynn's passion for Pacific education is highlighted in her dedication to and enthusiasm for the Niue language and culture.

Earlier this year, we celebrated the recognition of three of our people with prestigious Pacific titles. HM King Tupou VI of Tonga appointed staff member Tevita 'Unga Tangitau who has Tongan noble heritage, as Lord Ma'afu Tukui'aulahi, a noble of the realm and estate holder of Vaini and Tokomololo villages, while Board member Harry Fatu Toleafoa received the Matai title Te'o from his father, Semua Fatu's village Vaigalu Lepā in Samoa, and the Tupuivao title from his mother's village in Vaie'e Sāfata. Our own CEO, Tevita Funaki, was bestowed with the Matai title of Fiugalu from the village of Tiavea in Upolu, Samoa.

New Government direction

Following the recent election, the new National, Act and New Zealand First Coalition Government has ushered in a landscape marked by economic challenges and a political agenda set by a coalition rather than a single party. In late 2023, clarity on future direction emerged, with the release of joint action priorities, including a 100-day plan. The plan outlined significant adjustments to government spending to accommodate tax cuts, while signalling substantial changes that could reshape the wellbeing sector established under the previous Labour Government's "Wellbeing Budget" of 2019.

Working from our strengths

The Fono is not immune to the proposed changes from the coalition government. While these changes did not affect the year in review, we recognised the need to adapt our strategies to align with evolving health and wellbeing priorities.

Throughout the year in review, the Board dedicated considerable time assessing potential changes by a new government. It was crucial to evaluate our strategic direction to ensure that, despite external economic pressures, we maintain a sharp focus on our strengths and capacity to generate positive change. The Board determined that our Strategic Plan remains sound and resilient, guiding us well into the new year ending 30 June 2025.

Recognising excellence in Pacific education: Leitualaalemalietao Lynn Pavihi MNZM ∞



Our Board remains forward focused and supportive of management building on our solid foundation of services across health, social support and education, while exploring further innovative initiatives.

Finances

In the year ending 30 June 2024, amidst a challenging economic environment, The Fono continued to deliver value and uphold our principles as articulated in our vision and values. We remained committed to business sustainability, effective and efficient delivery of our model of care, and the continuing empowerment of our people. We maintained prudent management of our assets while effectively utilising our resources to fulfil our community purpose as the largest charitable Pacific health and wellbeing organisation, ensuring adequate reserves are in place for strategic investments and risk management.

Compliance

The Fono Trust has a sound record of compliance across all key measurement areas including, financial management, clinical standards, accreditations for medical, dental, and social services, health and safety, and effective management of outcomes required by contract funders. In the review period, the Board prioritised health and safety within our organisational culture. The Board received regular compliance reports through its specialised sub-committees focusing on Finance, Audit & Human Resources, and Clinical Governance.

Trust Deed updates: Reaffirming our commitment

- In addition to welcoming new Board members, significant updates to our Trust Deed were approved at a Special General Meeting last year. Key updates included:

- Incorporating expert advice to enhance decision-making and strategic direction
- Ensuring appropriate representation of our diverse Pacific communities
- Expanding our Board to include members from across the Auckland region

These changes have been pivotal and key to laying the groundwork for a more professional and effective governance structure, enhancing our organisation's ability to meet the evolving needs of Pacific communities across the region.

Bringing new faces to the Board

Following the updates to our Trust Deed, I am pleased to announce the appointment of two exceptional individuals to our Board: Dr Ainsleigh Laumatia and Dr Siale 'Alo Foliaki. Their backgrounds and insights will be invaluable as we advance our mission and deepen our impact within the community. With their extensive experience in Pacific health, mental health, and community development, they bring a unique blend of clinical expertise, cultural understanding, and community connection to the Board.

Dr Ainsleigh Laumatia holds a Master of Public Health, and specialist training in Public Health Medicine with a focus on improving Pacific health equity and workforce development.

Dr Siale 'Alo Foliaki, is a renowned psychiatrist with over 20 years of experience making significant contributions to mental health services for Pacific communities. We look forward to their contributions and the fresh perspectives they bring to the Board table.

Acknowledgements

Firstly, I would like to acknowledge our former Trustee and Treasurer, Salote Lavemai-Likiafu, who left during the year to pursue a new opportunity in Australia. Salote provided invaluable counsel and financial expertise to the Board and the Finance, Audit and HR Committee.



» Youth excellence celebrated: Kalapu Kolomotu'a youth took home the top prize in 'The Dance Off' competition at The Fono and OCA Youth Expo.

The Trust has a well-functioning Board with all members actively engaged in strategic considerations amid the changing environment presented by the coalition government. I commend the diligent efforts of our Board office holders, and the valuable services provided by our Finance, Audit & HR, and Clinical Governance Committees.

I acknowledge and thank the management group led by our Executive Leadership Team - Fiugalu Tevita Funaki MNZM (The Fono Trust CEO), Sally Dalhousie (Chief Operations Officer), Jennifer Tupou (Chief Financial Officer/Director of Corporate Services), Anthony Tu'itahi (Chief Development Officer/Executive Director Oceania Career Academy) and Dr Malia Funaki (Clinical Director) – they have continued to serve us well.

I recognise the efforts of the Senior Management Team leading The Fono's clinical and other services, including the OCA management team, and the Corporate Services managers providing shared services across the organisation.

Finally, I express my sincere gratitude to our dedicated staff across all nine locations for their commitment to delivering a wide range of clinical, social and educational services, supported by our administration and finance teams. Thank you.

Mo ni kaukauwa ka qaqā tiko!

Vinaka Vakalevu.

Nacanieli Yalimaiwai

Chair of The Fono Trust

CEO's Report



A year of accomplishment, with significant achievements by The Fono

In the year ending 30 June 2024, The Fono Trust continued to realise the potential of the organisation and its people, allowing new contracts to be awarded and service enhancements progressed. There were new projects developed, and others brought to fruition. Highlights included were:

- A drive to be ready for the next major event, such as a pandemic. This was seen in the investment in training, infrastructure and the capacity of our locations.
- The complete refurbishment of The Fono's flagship practice base, the Henderson Healthcare Centre was completed and opened in September 2023 with a special Te Wāhi Whakaora - place of healing blessing. It was a complete internal change offering more usable space, new equipment and facilities boosting

Blessing Ceremony: We celebrated the opening of a new, independently owned Pharmacy within our Manurewa Healthcare Centre, enhancing healthcare accessibility and convenience for our community.



The Fono's ability to provide minor surgery and other services. It now provides 13 consult rooms, 3 triage rooms, 1 isolation/red zone room, 1 resus room, 1 nurses room, 2 dental surgeries, together with administration and reception areas.

- It was a year of service development.
 - » The Kahu Taurima (Well Child) Service was established with a plan designed by The Fono.
 - » A co-design project was initiated to determine the best use of additionally funded specialised clinical staff for our diabetes services across our practices.
 - » We introduced two Care Coordinators at our medical practices, responsible for streamlining patient referrals to other services within The Fono. This expansion further enhanced the utility of FonoCare, our integrated model of care.
 - » There was an expansion of the Whānau Resilience team
- The development of the 'Care – Connect – Wellness' data unification and analysis project continued.
- In March 2024, a pharmacy was opened on The Fono's Manurewa Healthcare Centre site under independent ownership and management.
- The process of moving from RNZCGP Foundation Accreditation to Cornerstone commenced to support our accredited GP training practice programme.
- The Fono's fleet of cars used for client and patient visits began to be replaced by hybrid vehicles. This continues.

These were challenging times for the people we serve

Under both the previous and current governments in the year ending 30 June 2024 economic topics had been high profile and were a key feature of the election. The CPI indicator began the year in review with an annual increase for the Sept 2023 Quarter at 5.6% steadily trending down to 3.3% in the June 2024 Quarter.

All New Zealand health services were under cost/revenue pressures, primary health included. I note, as a low-cost access practice The Fono is unable to recover increases in operating expenses in any significant way through price adjustments. This also applies to contracted public health, social services and the Oceania Career Academy.

Increases were felt by the people we serve in the price of food, rents or mortgages, loans for vehicles and household needs such as appliances. The deteriorating value of income people received from remuneration and/ or benefits deterred some from accessing even the low-cost, high value care provided by The Fono's services. Where our social services staff saw the need, they referred families to The Fono's Feleoko (our food and necessities warehouse).

Preparing for new approaches to social investment

From issuing the "first 100 days" agenda the new coalition government signalled it would be seeking to drive change in government expenditure priorities, throughout government departments, ministries, agencies and onto service providers. The Budget 2024 and progressive "action plans" have further set the shape for the next two years.



Although up to 30 June 2024, there had been no direct effects on The Fono from the coalition government, our Executive Leadership Team determined the essentials to ensure resilience amidst the changing environment and meet the goals set out in the Strategic Plan:

- Maintain the utility of our FonoCare, our integrated model of care across all services and preserve it.
- Be nimble and swift to adapt as variations in budgets are advised.
- Seize emerging opportunities arising from shifts in government priorities to leverage The Fono and Oceania Career Academy's capabilities, expanding their impact across the wellbeing sector.

Open House

The Fono often welcomes distinguished visitors. From Pacific politicians and senior officials seeking insights for their own health and wellbeing services to New Zealand parliamentarians and sector figures looking for examples of what is working well for Pacific.

In April 2024, the Right Honourable Christopher Luxon, and Minister of Health/Pacific Peoples, the Honourable Dr Shane Reti, visited The Fono's City Healthcare Centre to promote flu vaccination. It was quite a media event making the news on both main national channels with The Fono identification very prominent. They were given a tour of the medical, dental and Healthy Minds – LagiOla facilities and said they were impressed by

the resources, especially the community dental practice. The Fono has three dental practices (City, Henderson and Manurewa).

We had the pleasure of hosting the Honourable Tama Potaka at our Oceania Career Academy Māngere campus on Wednesday 7th February. As Minister for Whānau Ora, he was keen to learn more about our work and how he can continue to support our integrated services for Pasifika families.

In December 2023, The Fono received an unexpected visit from the Tonga Brass Band of Lavengamalie Christian School, Tokaikolo 'ia Kalaisi Christian Church, while they visited New Zealand. The band delivered impromptu concerts at our Feleoko warehouse and Henderson Healthcare Centre, delighting staff. The visit was a gesture of gratitude for The Fono's support to families affected by the devastating November fire that destroyed homes within the church compound in Māngere Bridge.

Compliance integrity & risk management – putting safety first

Risk management is the number one priority for The Fono in protecting our patients, clients, visitors and staff. Clinical safety is managed by the medical and dental teams with guidance from the Clinical Director and oversight by the Clinical Governance Committee. During the year, The Fono's Health and Safety Committee's operations were reviewed, with new Terms of Reference being established as a result. Through the Committee's collaborative approach, with representatives from every service,

Transforming lives: Kaloline Fameitau's remarkable 8.5kg weight loss and 5.3kg body fat reduction through Kasia Fitness & Wellbeing Community Group's 8-week Challenge inspires healthier living. ∞





⌘ Community champions: We were joined at Polyfest 2024 by NiuFM and members of the Moana Pasifika team, including Julian Savea – as always, supporting and advocating our collective work to improve the wellbeing of our communities.

the latest health and safety measures and standard operating procedures (SOPs) are well communicated throughout the organisation, fostering a culture of safety and well-being. Building on this momentum, The Fono commenced further upgrades to safety:

- Redesigned clinic reception areas, boosting security and streamlining patient flow
- Emergency alert systems throughout premises
- Improved and integrated security systems
- Support to major event contingency planning

Oceania Career Academy developed new courses

Oceania Career Academy (OCA) realised a long-held ambition of its Board and management to establish courses in health and wellbeing. The Level 2 and Level 3 NZQA-accredited programmes offer Pacific influenced pathways into work or further study in this vital sector. The courses were launched with a new West Auckland campus. Work continues to obtain Level 4 accreditation in Health and Wellbeing.

- New Health and Wellbeing pathway introduced in 2023
- New Level 1 programme approved in 2024, specifically targeting youth disengaged with education
- New part time option for Carpentry introduced in 2024

As Executive Chair of the Oceania Career Academy Board I am proud of its valuable contribution and the encouragement it provides for progressing the organisation toward its goals.

High quality training for our staff and recruiting the best

Through the year a series of training programmes to increase skills of groups and individuals were carried out, including established and new programmes, using internal resources or external training providers. Training was provided across all levels of the organisation.

One focussed training event was Care Concepts. It is adapted from the Southcentral Foundation's 'Nuka System of Care', pioneered in Alaska and very compatible with The Fono's own integrated model of care, FonoCare.

A holistic system that continually evolves through learning from others, adapting to changing circumstances, and tailoring our approach to meet the unique requirements of Pacific and high-needs communities.

Most staff participated mid-January in the Care Concepts training where they were guided to recognise the importance of relationships and personal connections within FonoCare – creating a suitable environment and demonstrating sharing and responding.

Staff learned more about themselves and others working across the organisation. This improved their ability to build and develop stronger relationships with service users and colleagues, resulting in healthier relationships overall. Subsequently, a second session was held in July for new staff and those unable to attend the first session.

When recruiting, we look for skilled individuals who can share our values and show that they really want to be a part of The Fono and its environment.

Our rigorous recruitment process, encompassing screening, interviews, onsite orientation, and skills assessments, yielded 48 highly qualified new staff members across all units in the 2023-24 year. This influx was driven by new contracts, variations, and internal career advancement opportunities. During the same period, 25 staff members departed due to the completion of fixed-term agreements or personal decisions to pursue career advancement elsewhere.

People, People, People

One of The Fono's four strategic pillars is "People, People, People". As The Fono Trust Chief Executive Officer, I have many people to acknowledge as significant contributors.

The support given to The Fono and Oceania Career Academy by our funders, partners, advisers and suppliers. I commend the efforts of all staff at our nine locations, who make the difference for the people we serve. The Senior Management Team who accepts the responsibility to lead and support their people in meeting the organisation's goals. Sincere appreciation is extended to the Boards of The Fono Trust and Oceania Career Academy for their stewardship of the Trust and dedication to fulfilling the Trust's obligations to its beneficiaries. And finally, I thank my dedicated fellow Executive Leadership Team members.

Faka'apa'apa atu



Fiogalu Tevita Funaki MNZM

Chief Executive Officer – The Fono Trust

Delivering quality care: Dentist Dr Seema Supekar and team provide essential dental services at our City clinic. ♾





Online Enrolment Initiative

On 4 June 2024, The Fono launched online enrolment forms, modernising its services to improve patient experience and accessibility. This innovation ensures healthcare is more convenient and inclusive. The primary goal of this initiative is to provide easier access to our services through a simple and intuitive process. By allowing patients to enrol anywhere, anytime, we empower them to take control of their health.

Addressing the digital divide was also a key consideration. We recognised the importance of ensuring everyone, regardless of age or technical ability, can access our services easily.

Key benefits of online enrolment include - convenience, with enrolment available anywhere, anytime; accessibility, through forms available in Māori, Samoan and Tongan languages; and efficiency, through streamlined processing for staff.

By streamlining the enrolment process, we reduce barriers and foster stronger connections with our community. Our online enrolment initiative embodies a patient-centric approach, designed to simplify healthcare for all.

Upon enrolment with The Fono's medical services, patients gain full access to our comprehensive range of services, including virtual consults, affordable care, and access to our community and wrap-around services.

This shift towards digital innovation demonstrates our commitment to delivering exceptional healthcare and wellbeing services that truly care for the unique needs of our community.

The Fono – Caring in our Community



Polyfest

The Fono and Oceania Career Academy marquee and mobile clinic made a strong impact at Polyfest in March 2024. Our Measles Outreach campaign raised awareness, while our Health Minds - LagiOla team shared tools and strategies for better physical and mental wellness. The Fono on-site medical team provided information, answered questions and over 50 people were checked and immunised. The site also featured our dental services, social services and OCA courses and training opportunities. The Fono enjoyed strong support from NiuFM and Moana Pasifika at Polyfest, highlighting their continued collaboration. We were grateful for the opportunity to connect and empower Pacific youth and our wider community.



The Fono and OCA Youth Expo, 2024

The Fono hosted two Youth Expos on January 26 and April 26, 2024, at OCA, engaging 16-24 year old Pacific youth and their families. The events promoted education, training, and career pathways, inspiring youth to prioritise learning and explore opportunities. Attendees benefited from information stalls and workshops, career guidance from NZ Defence Force and NZ Police, and health and wellbeing advice from industry experts. Over 100 youth attended, gaining valuable insights and connections to support their future careers, health, and wellbeing. By highlighting the importance of education, we empower Pacific youth to make informed choices, unlock their potential, and shape their futures.



Kahu Taurima Play Day

The Fono's community play day on June 15, 2024, at Our City Church, Henderson, brought families together for fun and education. Our Kahu Taurima programme was showcased, providing free healthcare, referrals, and education for Pacific mothers and babies. This event encouraged young mothers to take their health seriously, paving the way for their children to adopt healthy habits. By supporting families, we empower healthier, happier communities, foster positive role modeling for future generations, and contribute to improved Pacific health outcomes.



Enua Ola Programme

The Enua Ola programme celebrated its 2023-2024 journey with a vibrant evening event on June 22nd at Church Unlimited, Glendene. Over 370 attendees gathered to recognise achievements, including the Pasifika Outrigger Health Challenge. The programme's year-round initiatives included leader meetings, health awareness events, sports days, and community projects. Special guests Markerita Poutasi (National Director Pacific Health) and Harriet Pauga (Pacific Health Northern Regional Director) joined the celebration.



« Fiji Day

The Fono and Oceania Career Academy proudly sponsored the 2023 Fiji Day celebrations on 14 October, marking 53 years of independence and 149 years since the Deed of Cession. The vibrant event, attended by The Deputy Speaker of Parliament (Fiji) Lenora Qereqeretabua, showcased Fijian culture with food, music, and fun, thanks to Fiji Marist Old Boys NZ and the local community. We were honoured to support this special occasion, celebrating Fiji's rich heritage and strong community bonds.

OCA Graduation »

On June 30, 2023, we proudly celebrated Oceania Career Academy's graduation day. Students achieved certifications in Construction, Health & Wellbeing, and Foundation Skills. Through comprehensive training, we equip Pacific youth with in-demand skills, life skills, and expertise, enhanced earning capacity, financial independence, and career success. The Fono is committed to empowering Pacific youth through education and support, shaping their future and empowering them to thrive. We're honoured to be part of their journey.



« Street BBQs with NZ Police

In 2023/24, The Fono worked alongside the NZ Police's Pacific Responsiveness Workgroup to host community events in West Auckland and North Shore neighbourhoods. These Street BBQs raised awareness about support services, fostered community connections, and promoted safer environments, demonstrating The Fono's commitment to community empowerment and wellbeing.

Dr Saia Ma'u Piukala's appointment (WHO) »

On 20 July 2024, The Fono co-hosted a historic event with the Pasifika Medical Association (PMA) and 'Ākihehu Health and Social Services to celebrate Dr Saia Ma'u Piukala's appointment as the first Pacific Islander to hold the position of Regional Director of the Western Pacific at the World Health Organisation (WHO). This milestone marks significant progress for Pacific representation in global health leadership. Dr Piukala's achievement was celebrated alongside Dr Dyxon Hansell from the WHO's Apia office, who was visiting New Zealand as part of his official tour to the 37 member countries in the region.



« Moana Pasifika – Christmas 2023

The Fono, as Moana Pasifika's official community partner, collaborated on various initiatives throughout the year, including delivering Kerisimasi packages to Pasifika families. Christian Leali'ifano, international rugby veteran, described this experience as "truly special", highlighting the positive impact of their partnership.



Consolidated
Financial Statements
for the year ended 30 June 2024

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Consolidated Financial Statements for the year ended 30 June 2024

The Fono Trust
411 Great North Road
PO Box 21200, Henderson
Auckland 0650

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The Fono Trust

Trust Directory and Operations Profile

Principal Activity

Medical, Dental, Social Services, Public Health, Mental Health, Whānau Ora, and Vocational Training

Trust Establishment Date

30 June 2008

Principal Address

411 Great North Road, Henderson
Auckland 0650

The Fono Trustees

Nacanieli Yalimaiwai	<i>Chairperson</i>
Ruby Manukia-Schaumkel	<i>Vice-chairperson</i>
Salote Lavemai-Likiafu	<i>Treasurer, ceased December 2024</i>
Latasi Koro	<i>Secretary</i>
Harry Fatu Toleafoa	
Greg Traill	
Filemoni Panisi	
Manava Parakoti	
Lynn Pavihi MNZM	
John Paterson	<i>Treasurer, start December 2024</i>
Neil Woodhams	

IRD Number

095-306-713

Bankers

Westpac Banking Corporation
Auckland

Solicitors

Corban Revell
Henderson
Auckland

Auditors

Forbes Audit and Accounting
Chartered Accountants
Auckland

Charities Commission Registration

CC 53923

The Fono Trust

Consolidated Statements of Comprehensive Revenue and Expenses for the year ended 30 June 2024

	Note	2024 Group \$	2023 Group \$
Revenue from exchange transactions			
Operating revenue	5	22,870,900	22,282,102
Interest income		780,528	197,374
Rental income		2,089	20,067
Sundry income		554,625	307,231
		24,208,142	22,806,774
Revenue from non-exchange transactions			
Operating grants		8,442,183	1,283,561
Covid Relief grant		-	7,192,092
Donations		100,019	7,610
		8,542,202	8,483,263
Total Revenue		32,750,344	31,290,037
Expenses			
Operating expenses		11,038,647	12,269,437
Depreciation	6	904,801	815,014
Amortisation	7	74,119	12,648
Staff expenses	8	16,073,739	14,860,169
Finance costs		6,498	4,870
Operating lease	9	1,203,576	1,002,481
Audit fees		65,443	54,876
Trustee fees		181,881	153,770
Total Expenses		29,548,704	29,173,265
Surplus /(Deficit)		3,201,640	2,116,773
Total comprehensive revenue and expense for the year		3,201,640	2,116,773

The Fono Trust

Consolidated Statement of Changes in Equity for the year ended 30 June 2024

	Note	2024 Group \$	2023 Group \$
Balance at 1 July 2023		13,488,098	11,371,325
Surplus/(deficit) for the year		3,201,640	2,116,773
Total comprehensive revenue and expenses for the year		3,201,640	2,116,773
Balance at 30 June 2024		16,689,738	13,488,098

The Fono Trust

Consolidated Statement of Financial Position for the year ended 30 June 2024

	Note	2024 Group \$	2023 Group \$
Current Assets			
Cash and cash equivalents	10	7,110,252	5,524,116
Trade and other receivables	11	4,637,600	3,358,014
Inventories	12	175,106	747,091
Short-term investments	13	6,795,433	9,000,000
Total Current Assets		18,718,391	18,629,221
Non-Current Assets			
Properties, plant and equipment	6	11,104,207	10,777,621
Investments		12,000	12,000
Intangible assets	7	373,413	5,352
Total Non-Current Assets		11,489,620	10,794,973
Total Assets		30,208,011	29,424,194
Current Liabilities			
Trade and other payables	14	1,981,148	2,356,530
Income received in advance	15	10,210,859	12,359,922
Employee benefits	16	1,326,267	1,219,645
Total Current Liabilities		13,518,274	15,936,096
Total Liabilities		13,518,274	15,936,096
Total Net Assets		16,689,738	13,488,098
Equity			
Accumulated Surplus/Deficit		16,689,738	13,488,098
Total Equity		16,689,738	13,488,098

The Fono Trust

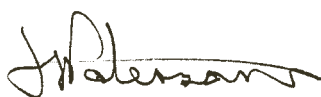
Consolidated Statement of Financial Position for the year ended 30 June 2024

These Financial Statements have been approved by the Board of Directors.



Trust Board Chairperson, Nacanieli Yalimaiwai

Date: 31/10/2024



Trustee, John Paterson

Date: 31/10/2024



The Fono Trust

Consolidated Statement of Cash Flows for the year ended 30 June 2024

	2024 Group \$	2023 Group \$
Cash flows from operating activities		
Proceeds from:		
Operating revenue	23,151,152	24,658,482
Donations and grants	8,542,202	8,483,263
Interest received	212,430	123,671
Rent income	2,089	20,067
Sundry income	554,625	307,231
Payments to:		
Suppliers	14,681,254	13,177,509
Employees	17,294,207	15,280,249
Interest expense	-	4,870
Net cash flows from operating activities	487,039	5,130,086
Cash flows from investing activities		
Proceeds from:		
Interest received from term deposits	568,097	73,703
Payments for:		
Purchase of property, plant and equipment	(1,673,567)	(4,576,328)
Investing in short term investments	2,204,567	(9,000,000)
Net cash flow used in investing activities	1,099,098	(13,502,625)
Cash flows from financing activities		
Payments for:		
Repayment of loan principal	-	(681,372)
Net cash flow from financing activities	-	(681,372)
Net increase/(decrease) in cash and equivalents	1,586,136	(9,053,911)
Cash and cash equivalents at the beginning of the year	5,524,116	14,578,027
Cash and cash equivalents at the end of the year	7,110,252	5,524,116

The Fono Trust

Accounting policies and notes to the financial statements

For the year ended 30 June 2024

1 Reporting Entity

The Fono Trust is a charitable organisation, based in Auckland, incorporated under the Charitable Trusts Act 1957, and registered under the Charities Act 2005.

The primary activity of The Fono Trust is the provision of accessible health care services to those in need.

The Fono Trust and its subsidiaries have been established to carry on activities for the exclusive benefit of charitable purposes within New Zealand.

These consolidated financial statements comprise The Fono Trust and its subsidiaries (together referred to as the 'Trust').

2 Basis of preparation

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") as required by the Charities Act 2005. They comply with the Public Benefit Entity Accounting Standards ("PBE Standards") as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit Entities. For the purpose of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is applying Tier 1 Not-For-Profit PBE Standards as it has expenditure of more than \$30 million in the previous reporting periods.

The financial statements are for the year ended 30 June 2024. They were authorised for issue by the Board of Trustees on 29 October 2024.

2.2 Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for net identifiable assets in a business combination, which are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency, rounded to the nearest dollar. There has been no change in the functional currency of the Trust or any significant foreign operations of the Trust during the year.

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 consolidated financial statements include the following:

- Determining the fair values of assets and liabilities acquired with subsidiary companies.

(b) Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that could have a significant impact on the financial statements are the depreciation and amortisation rates applied to the Trust's assets.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

New and amended IFRS standards that are effective for the current year

Standards and amendments issued that are effective and have been adopted are:

- **PBE IPSAS 41 Financial Instruments**

The Trust has adopted PBE IPSAS 41, which supersedes PBE IPSAS29 Financial Instruments: Recognition and Measurement. The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets held at amortised cost, based on expected credit losses, which may result in earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

- **PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2024.

This new standard introduces high-level requirements for Tier 1 and Tier 2 PBEs relating to service performance information.

All Not-for-profit (NFP) PBEs, and those Public Sector (PS) PBEs which are legally required to provide service performance information, must provide the following information:

- The reason for the entity's existence, what the entity aims to achieve over the medium to long term (in broad terms), and how it will go about achieving this; and
- What the entity has done in order to achieve its broader aims and objectives, as stated above.
- The Trust's Statement of Service Performance can be found on pages 45 - 55.

4 Significant accounting policies

The accounting policies used in the preparation of these financial statements are set out below and have been applied consistently by the Trust.

4.1 Basis of consolidation

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Trust.

The Trust controls an entity when it has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

4.1.1 Subsidiaries

The consolidated financial statements include the Trust's subsidiaries:

- Fono Nesian Services Limited,
- Pasifika Horizon Limited Partnership, and
- Oceania Career Academy Limited.

The companies are incorporated under the Companies Act 1993 and the partnership under the Limited Partnerships Act 2008. All the entities are wholly owned subsidiaries of the Trust with 30 June balance dates.

The Trust, as the parent entity, consolidates these subsidiaries because it has the capacity to control the financing and operating policies of the entities so as to obtain benefits from their activities.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

4.2 Business combinations

The consideration transferred by the Trust to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Trust, which includes fair value of any asset or liability arising from a contingent consideration arrangement. Any acquisition costs are expensed in the surplus or deficit as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in the reported surplus or deficit.

The Trust recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree and (c) acquisition date fair value of any existing equity interest in the acquiree, over the acquisition date fair values of identifiable net assets. If the fair values of the identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the reported surplus or deficit immediately.

If the business combination is achieved in stages, the acquisition date fair value of the Trust's previously held equity interest in the acquiree is re-measured to a fair value at the acquisition date through the reported surplus or deficit.

4.3 Income Tax

Due to its charitable status, the entity is exempt from income tax.

4.4 Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST except for receivables and payables that are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

4.5 Revenue Recognition

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

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

i. Revenue from exchange transactions

Rendering of services

The Trust provides accessible medical and dental services to those in need, vocational training, community social services and health education services. These are paid for by a combination of patient fees and taxpayer funded grants.

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. Each contact with a client is regarded as a separate service, completed on the day of contact.

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Rental income

Rental income is recognised in surplus or deficit on a straight line basis over the term of the lease.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Interest

Interest income is recognised using the effective interest method.

ii. Revenue from non-exchange transactions

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

Except for donated services, 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.

Benefits from non-exchange transactions that are recognised as assets are recognised as 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 Trust's non-exchange transaction revenue streams must also be met before revenue is recognised.

Grants and Donations

The recognition of non-exchange revenue from grants and donations depends on the nature of any conditions attached to the benefits received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Where conditions require the Trust to return the cash or other benefits received if they are not utilised in the way stipulated, the benefits are initially recognised as a liability and subsequently recognised as non-exchange revenue as and when the conditions are satisfied.

Conditions that are 'restrictions' do not specifically require the Trust to return the benefits received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a liability.

The non-exchange revenue is recognised immediately.

4.6 Employee benefits

i. Short-term employee benefits

Wages, salaries and annual leave liabilities are recognised when the Trust has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

ii. Long-term employee benefits

Long-service leave, and cumulative sick leave obligations are recognised when the Trust 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.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

iii. Defined contribution plans (KiwiSaver)

Defined contribution plans are post-employment benefit plans under which an employer pays fixed contributions into a separate entity (the plan) and will have no legal or constructive obligation to pay further amounts. Obligations for employer contributions to KiwiSaver plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees.

4.7 Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the Trust.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in surplus or deficit as a reduction of operating lease expense over the lease term.

4.8 Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in surplus or deficit in the year of the write-down.

4.9 Financial instruments

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

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the contractual rights to receive cash flows from the asset expire or are waived, or it sells the asset or otherwise transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial instruments are initially measured at fair value plus directly attributable transaction costs.

The Trust subsequently classifies its financial assets into the following measurement categories:

- Those to be measured subsequently at fair value either through other comprehensive revenue and expenses (FVOCRE) or through surplus and deficit (none held during the period), and
- Those to be measured at amortised cost.

The classification depends on the Trust's business model for managing the financial assets and the contractual terms of the cash flows.

The Trust classifies financial liabilities into the following categories: fair value through surplus or deficit (none held during the period), and amortised cost.

i. Measured at fair value through other comprehensive revenue and expense

Financial assets measured at fair value through other comprehensive revenue and expenses include investments in Westcare and Procure.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

On initial recognition, the Trust may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCRE. Designation at FVOCRE is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVOCRE are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive revenue and expense and in the investment revaluation reserve. The cumulative gain or loss is not reclassified to surplus or deficit on disposal of the equity investments, instead, it is transferred to retained earnings.

ii. Measured at amortised cost

Financial assets carried at amortised cost include cash and cash equivalents, trade debtors and other receivables.

Trade debtors and other receivables

Trade debtors and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL.

Expected credit loss

The Trust applies the simplified ECL approach, in measuring ECLs, receivables have been grouped, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

iii. Financial liabilities

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

4.10 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 at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- **The cost of materials and direct labour;**
 - Costs directly attributable to bringing the assets to a working condition for their intended use;
 - When the Trust has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- **Capitalised borrowing costs.**

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.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

ii. Depreciation

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, 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 Trust will obtain ownership by the end of the lease term.

Land is not depreciated

The straight-line method depreciation rates are:

Land and buildings	0-12%
Leasehold improvements	16.67%
Plant and equipment	17.5-20%
Fixtures and fittings	10-25%
Office and computer equipment	40-50%
Motor vehicles	20-36%

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

iii. Impairment

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Any impairment losses are recognised in surplus or deficit.

4.11 Intangible Assets

i. Recognition and measurement

Intangible assets are initially measured at cost, except for goodwill, which is measured in accordance with business combination accounting – refer Note 4.2.

All of the Trust's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment, except for goodwill, which is not amortised and instead tested for impairment.

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

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

ii. Amortisation

Amortisation of software is recognised in surplus or deficit on a diminishing value basis over its estimated useful life.

The straight-line amortisation rate is: 60% (2023: 60%)

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

4.12 Borrowing Policy

All borrowing costs are expensed in the period they are incurred.

4.13 Changes in Accounting Policies

There have been no changes to the accounting policies during the financial year.

5 Operating Revenue

	2024 Group \$	2023 Group \$
Medical services	6,619,721	7,018,960
Dental services	1,175,760	1,181,751
Community services	8,007,083	7,565,733
Mental health	2,984,609	2,023,474
Vocational training	2,597,560	1,264,709
Whānau Ora	1,486,167	3,227,475
Total Operating Revenue	22,870,900	22,282,102

The increase in operating revenue from prior year is mainly driven by contract income related to increases in operational activities and development projects, this has equivalent associated costs.



The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

6 Property, Plant and Equipment

	Land and buildings	WIP	Lease-hold Improvement	Plant & Equipment	Fixtures and fittings	Office & Computers	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$

Cost

Balance

as at 1 July 2023 5,920,903 2,804,682 1,449,752 1,453,458 272,765 1,183,418 1,580,203 14,665,179

Additions 3,129,838 - 14,422 137,151 - 253,327 341,336 3,876,074

Disposals - 2,639,609 - - - - 344,111 2,983,720

Balance as at 30 June 2024 9,050,741 165,073 1,464,174 1,590,609 272,765 1,436,745 1,577,428 15,557,533

Accumulated depreciation and impairment losses

	Land and buildings	WIP	Lease-hold Improvement	Plant & Equipment	Fixtures and fittings	Office & Computers	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$

Balance

as at 1 July 2023 529,430 - 509,287 650,345 172,626 779,351 1,246,518 3,887,557

Depreciation 115,879 - 137,613 93,125 19,982 364,027 174,175 904,801

Disposals - - - - - - 339,032 339,032

Balance as at 30 June 2024 645,309 - 646,900 743,470 192,608 1,143,378 1,081,661 4,453,326

Carrying amounts

	Land and buildings	WIP	Lease-hold Improvement	Plant & Equipment	Fixtures and fittings	Office & Computers	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
As at 30 June 2023	5,391,473	2,804,682	940,465	803,113	100,139	404,067	333,685	10,777,621
As at 30 June 2024	8,405,432	165,073	817,274	847,139	80,157	293,367	495,767	11,104,207

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

Market values

No valuations were conducted as at 30 June 2024. The trustees obtained market valuations of its land and buildings as at 30 June 2023. The valuations were prepared by R. M. Ganley, Registered Valuer, of Eyles McGough Limited.

Land	7,710,000
Buildings	1,740 000
Total	9,450,000

Work in progress

Building assets in the course of construction total \$165,073 (2023: \$2,804,682). No other classes have assets in the course of construction.

Security held over items of property plant and equipment

At reporting date land and buildings with a carrying amount of \$2,648,271 (2023: \$2,668,588), are subject to first mortgages to secure bank overdraft facility and unlimited guarantee of existing lease agreement for 92 Ascot Road, Airport (refer to Note 9).

7 Intangible Assets

	Software \$	Total \$
Cost		
Balance as at 1 July 2023	110,040	110,040
Additions	442,179	442,179
Disposals	0	0
Balance as at 30 June 2024	552,219	552,219
Accumulated amortisation and impairment losses		
Balance as at 1 July 2023	104,688	104,688
Amortisation	74,119	74,119
Disposals		
Balance as at 30 June 2024	178,807	178,807
Carrying amounts		
As at 30 June 2023	5,352	5,352
As at 30 June 2024	373,412	373,412

8 Staff Expenses

	2024 Group \$	2023 Group \$
Wages and Salaries	15,534,523	14,586,373
Kiwi saver contributions	530,797	476,761
Increase/ (decrease) in employee entitlements	8,419	(202,966)
Total Staff Expenses	16,073,739	14,860,169

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

9 Operating Leases

The Trust lease several buildings under operating leases.

The details of the main property leases are as follows:

1. Ground Floor, 33 Wyndham Street, Auckland. This lease has final expiry 31st March 2031 if renewal exercised.
2. Second Floor, 33 Wyndham Street, Auckland. This lease has final expiry 31st March 2031 if renewal exercised.
3. Subsidiary Oceania Career Academy limited leases 92 Ascot Road, Airport. This Lease commenced 1st March 2021. This lease expires 28th February 2029.
4. Level 2, 6 Alderman Drive, Henderson. This Lease expires 31st January 2030.
5. 117 Carbine Road, Mt Wellington. This lease has final expiry 30 April 2034 if renewal exercised.
6. The future non-cancellable minimum lease payments at reporting date are detailed in the table below:

	2024 Group \$	2023 Group \$
Within one year	1,013,007	967,300
Between two and five years	3,927,028	3,725,942
Greater than five years	1,707,281	1,895,251
Total non-cancellable operating lease payments	6,647,316	6,588,494

10 Cash & cash equivalents

	2024 Group \$	2023 Group \$
Cash at bank and on hand	5,524,701	4,815,447
Term deposits with maturities of three months or less	1,301,094	565,794
Whānau Ora account	284,457	142,875
Total cash and cash equivalents	7,110,252	5,524,116

11 Trade and other receivables

	2024 Group \$	2023 Group \$
Receivables from non-exchange transactions	-	1,320,890
Receivables from exchange transactions	4,520,309	1,934,021
Allowance for expected credit losses	-	-
Total trade receivables	4,520,309	3,254,911
Other receivables	117,291	103,103
Total trade and other receivables	4,637,600	3,358,014

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

12 Inventories

	2024 Group \$	2023 Group \$
Raw materials	28,055	68,045
Work in progress	16,766	598,046
Finished goods	130,286	81,000
Total inventories	175,106	747,091

The amount of inventories recognised as an expense during the year was \$26,234 (2023: \$182,303).

The write-down of inventories held for distribution amounted to \$0 (2023: \$0). There have been no reversals of write-downs.

13 Investments

	2024 Group \$	2023 Group \$
Westpac term deposits > 3 months	6,795,433	9,000,000
Total Short-term Investments	6,795,433	9,000,000

14 Trade & Other Payables

	2024 Group \$	2023 Group \$
Trade creditors	1,109,289	1,527,305
Sundry accruals	871,859	829,225
Total trade & other payables	1,981,148	2,356,530

15 Income Received in Advance

	2024 Group \$	2023 Group \$
Income in advance	9,173,407	7,301,696
Grant revenue	583,044	4,731,933
Dental receipts	454,408	326,293
	10,210,859	12,359,922

Grant revenue relates to grants, donations, legacies, and bequests received to which there are stipulated conditions are attached. Revenue in relation to this balance is recognised as each stipulated condition is satisfied.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

16 Employee Benefits

	2024 Group \$	2023 Group \$
Long service leave	73,204	50,699
Sick pay	135,155	157,484
Holiday pay & accruals	1,117,908	1,011,461
Total current portion	1,326,267	1,219,645
Total Employee benefits	1,326,267	1,219,645

17 Borrowings

There was no borrowing balance at 30 June 2024. (2023 \$0)

2022:

Loan 1	\$617,372	5.75% - fixed until 4/6/2026	First mortgage over land and buildings at 7 and 9 Halver Road, Manurewa.
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18 Related Party Transactions

Key management personnel remuneration

The Trust classifies its key management personnel (KMP) into two classes:

- Members of the board of trustees and board of directors.
- Senior management team, responsible for reporting to the trustees via the chief executive officer.

Trustees /Directors are paid an annual fee as well as an honorarium for each meeting attended during the period.

Members of the senior management team are engaged as employees of the Trust, on normal employment terms.

The aggregate level of remuneration paid, including Kiwi saver contributions at 3%, and number of persons (measured in 'people' for members of the board of trustees, and 'full-time equivalents' (FTEs) for the senior management team) in each class of key management personnel is presented below:

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

	2024		2023	
	Group		Group	
	\$		\$	
	Remuneration	FTE	Remuneration	FTE
Trustees/directors	102,361	17	140,803	18
Senior management team	1,774,758	6	1,866,481	7
Total key management personnel remuneration	1,877,119	23	2,007,284	25

The Fono is a not-for-profit entity with a wide range of transactions involving government agencies and other entities. All transactions are conducted on terms and conditions no more or less favourable than those which it is reasonable to expect the Fono would have adopted if dealing with that entity or service providers at arm's length in the same circumstances. Whenever there may be actual or perceived conflict of interest, alternative management persons, usually with consultant advice, assume decision-making to ensure clarity. This process applied to the transactions below.

				2024	2023
				Group	Group
				\$	\$
KMP	Relationship	Related party	Type		
Trustees	Community leader or member	Community organisations	Purchase of community engagement ethnic specific services	2,813	10,094
CEO	Board director, ceased 1 July 2024	Moana Pasifika Limited	Purchase of community partnership services for Pacific youth health education and training, completed March 2024	148,801	111,826
CEO	Trustee	Family Action	Purchase of rental space	3,840	600
CFO	Non-executive director, ceased 30 June 2023	JKCA	ERP system implementation service, completed February 2024	128,250	57,295
CEO & COO	Non-executive director	Pro Care	Purchase of specialist clinical and support services	46,566	96,751

Some close family members of key management personnel were employees and patients (Medical and Dental) of The Fono.

Intra-group Transactions

The Trusts has received advances from and (made advances to) its subsidiaries. These eliminate on consolidations.

	2024	2023
	Group	Group
	\$	\$
Fono Nesian Services Ltd	1,289,000	739,000
Pasifika Horizon Partnership	258,067	258,067
Oceania Career Academy Ltd	900,100	900,100
Total Borrowings	2,447,167	1,897,167

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

19 Reconciliation of surplus/ deficit with net cash flows from operating activities

	2024 Group \$	2023 Group \$
Net Surplus /(Deficit)	2,421,111	2,116,773
Add back: Depreciation and amortisation	978,920	827,662
Less: Interest income	212,430	(73,703)
Net movement in Working Capital	3,612,461	2,870,731
(Increase) decrease in trade receivables	(1,265,398)	889,338
(Increase) decrease in other receivables	(14,188)	57,415
(Increase) decrease in inventories	571,985	(225,380)
Increase (decrease) in trade payables	(375,382)	528,435
Increase (decrease) in income in advance	(2,149,063)	1,429,628
Increase (decrease) in employee benefits	106,622	(420,080)
Cash flow from operating activities	487,039	5,130,086

20 Categories of financial assets and liabilities

	2024 \$	2023 \$
Financial assets measured at amortised cost		
Cash and cash equivalents	7,110,252	5,524,116
Trade and other receivables	4,637,600	3,358,014
Inventories	175,106	747,091
Short-term investments	6,795,433	9,000,000
Financial assets measured at fair value through other comprehensive income		
Investments	12,000	12,000
	18,730,391	18,641,221
Financial liabilities measured at amortised cost		
Trade and other payables	1,981,148	2,356,530
Employee	1,326,267	1,219,645
Income in advance	10,210,859	12,359,922
	13,518,274	15,936,097

The Trust's Cash Reserve policy requires it to maintain an emergency reserve equivalent to a minimum of three months of core operational expenses. This fund will be used to address unforeseen emergencies such as sudden drops in funding, the need for immediate repairs or replacements, or unexpected operational costs.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

21 Financial instrument risk

The Trust is exposed to various risks in the course of its business, they are:

i. Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to fair value interest rate risk is limited to its short-term deposits which are held at fixed rates of interest. The Trust does not actively manage its exposure to fair value interest rate risk.

ii. Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet its financial obligations as they fall due. The Trust's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and abnormal circumstances, without incurring significant losses.

iii. Credit risk

Credit risk is the risk of failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Trust. The Trust incurs credit loss on its trade debtors and other receivables and amounts on deposit. All cash and short-term investments are held at reputable banks with high quality external credit risk ratings [AA-] hence the risk is considered negligible. Credit exposure on trade debtors and other receivables is not materially concentrated in any one counterparty.

The Trust's risk management policy is to ensure they can continue to adhere to their objectives in the long term in providing comprehensive, quality primary healthcare to enhance the health and wellbeing of Pacific individuals, families and communities within New Zealand.

The Trust does not actively engage in trading of financial assets for speculative purposes.

There were no material changes in the trust's risk exposure and risk management objectives and policies during the reporting period.

The Trust is impacted mainly by credit risk and liquidity risk in relation to financial instruments with maximum exposure to credit risk which is limited to the carrying amount of financial assets recognised at the reporting date as follows:

	2024 \$	2023 \$
Classes of financial assets		
Carrying amounts		
Cash and cash equivalents	7,110,252	5,524,116
Inventories	175,106	747,091
Receivables from non-exchange transactions	-	1,320,890
Receivables from exchange transactions	4,520,309	1,934,021
Short-term Investments	6,795,433	9,000,000
	18,601,100	18,526,118

No receivables from exchange or non-exchange transactions are required to be impaired. The trustees have assessed that none of the above financial assets are impaired for each of the reporting periods under review and are of good credit quality. The carrying amounts disclosed above are the trust's maximum possible credit risk exposure in relation to these instruments.

The trust's policy is to deal only with creditworthy counterparts. No collateral is held by the trust in respect of its exposure to credit risk.

The Fono Trust

Accounting policies and notes to the financial statements (continued)

For the year ended 30 June 2024

Liquidity Risk Analysis

Liquidity risk is the risk that the trust might not be able to meet its obligations. The trust manages its liquidity needs by monitoring forecast cash inflow and outflows due in day-to-day operations. The data used for analysis these cash flows is consistent with those used in the contractual maturity analysis below. Liquidity needs are monitored on a monthly basis projected for the next 3 years.

The trust's objective is to maintain sufficient cash and marketable securities to meet its liquidity requirements for 3 months at a minimum. This objective was met for the reporting period.

The trust considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources, receivables and short-term deposits.

The trust's existing cash resources (including short-term deposits) significantly exceed the current cash flow requirements.

22 Contingent Liabilities

There are no contingent liabilities at 30 June 2024 (2023: \$0).

23 Events after the balance date

The trustees are not aware of any events subsequent to the balance date and prior to adopting these statements that require disclosure.



Statement of Service Performance

For the year ended 30 June 2024

This Statement of Service Performance is prepared for The Fono Trust ("The Trust") for the year ended 30 June 2024. This statement was authorised by the Board of Trustees on 29 October 2024. The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period and complies with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

Who we are and why we exist?

The Trust is a charitable trust dedicated to providing a comprehensive and coordinated wellbeing model of care for Pasifika and high needs people across Auckland and into Northland, from nine locations. The integrated services (branded "FonoCare") include Primary Health, Mental Health, Dental, Public Health, Social Services, Whānau Ora and Vocational Training.

Our Purpose

We are built on a *culture of caring*. This is expressed in the improvements we want to see in the lives of our people, and also in our approach on the ground to ensure that everyone we work with feels respected and supported. This *culture of caring* is combined with the drive to be a force for equity. The core outcomes are reducing inequalities in outcomes for Pasifika and providing enhanced access to comprehensive wellbeing services and advice. Our services are delivered with a cultural awareness of the special identities within our Pacific communities to empower them with knowledge and resources to take greater control.

Vision

Well, safe, vibrant and informed communities.

Mission

To improve equity and wellbeing for the people and communities we serve.

Who We Support

The Trust has many stakeholders which include:

- Communities, families and individuals we support through our services
- Our funding providers
- Our Board of Trustees and employees

Our support services take various forms and include:

- Our FonoCare model as outlined above and on our website – www.thefono.org
- An inclusive and diverse workplace
- Opportunities to collaborate with Partners to achieve our shared goals (as jointly agreed to support specific communities' interests) through the development and implementation of support programs
- Timely and transparent reporting to stakeholders on the use of our funds and the impact the contribution to wellbeing achieves for our service users

Statement of Service Performance *(continued)*

For the year ended 30 June 2024

How We Generate Income

We operate with funding provided by central government, local government, philanthropic grants and through patient user fee charges.

Key Judgements

In developing the statement of service performance information for the period ending 30 June 2024, The Trust's management have made key judgements regarding the information to be presented.

The key judgements include:

- An evaluation of what information is most appropriate and meaningful to users and stakeholders when assessing performance against the Trust's purpose and objectives.
- Providing an appropriate balance between comprehensive information on the Trust's service performance and avoiding information overload. Ensuring the report is concise and focused.
- Consistent presentation and disclosure of performance information, to facilitate meaningful comparisons over time - allowing users to evaluate changes and trends in service performance effectively.

To enhance transparency, disclosure of relevant assumptions, estimates and limitations have been included within the report.

The service performance information should be read in conjunction with our Strategic Plan 2023 – 2026, and our activity reports in the Annual Report.

Our Objectives and How We Measure Them

We use four strategic pillars to guide our actions and achieve our vision (our objectives). They provide a clear framework for evaluating our service performance and tracking against our goals.

Celebrating achievements: 2024 Enua Ola programme awards evening.



Statement of Service Performance *(continued)*

For the year ended 30 June 2024

1 **Become the preferred provider for Pacific**

A goal to grow enrolment across current services while looking for opportunity in new areas, with the long-term goal to become a national and Pacific based organisation.

Grow services to meet additional wellbeing outcomes aligned with Treasury's Wellbeing Framework.

Convert Pacific that are currently using mainstream services to switch to Pacific services delivered by The Fono.

2 **Increase influence and impact**

Gain additional funding to complete research work.
Create notable impact across Government and have an influence in policy creation for Pacific.

Form and build strong partnerships with stakeholders across Government, community groups and leaders.

We will utilise data to demonstrate impact and increase influence to get the right messaging to the right people.

3 **Become the preferred provider for funders and stakeholders**

Be the agency and organisation of choice for delivery of services in our specialised areas.

Be known for being a modern organisation with reliable delivery of outcomes that are tracked and measured.

4 **People, People, People**

Our people are happy, driven, passionate, professional and committed to delivering the very best of value to our stakeholders.

To position The Fono within our sector as an employer of choice.

Ensuring that we have the right people, in the right roles at the right time.



Become the preferred
provider for the Pacific



Statement of Service Performance *(continued)*

For the year ended 30 June 2024

1. Become the preferred provider for the Pacific

Continuous quality improvement ensures recognition as the leading performer delivering wellbeing and educational services to informed individuals, families and communities.

Performance measure	2024	2023	Commentary
Number of enrolled general practice patients	13,979	14,637	The ongoing scarcity in clinical workforce continue to impact on unavailability of appointments in 2024 impacting on patient numbers and patient satisfaction. Initiatives are underway to make services more readily available.
Number of enrolled general practice Pacific patients	7,338	7,656	
Number of medical consultations by General Practitioners and Registered Nurses	38,596	46,593	Significant effort went into our clinics to make them more fit for purpose in the provision of Primary health care to ensure safe and quality premises for staff and communities. This resulted in the interim relocation of services which had an adverse impact on patient numbers for both medical and dental clinics.
Number of dental patients seen	5,600	6,690	Healthy Minds – LagiOla this year reflects higher FTEs and increase in demand. In addition, automation in reporting process resulted in more timely and accurate recording of consultation data. The consultation data reported includes individual (one-on-one) and group sessions. Total revenue by service can be found in note 5 of the financial statements.
Number of LagiOla (mental health/ wellbeing) consultations*	7,303	4,860	
Number of service locations operating in New Zealand	9	9	
Percentage of medical patients satisfied with the quality of the treatment/care received	62%	63%	Assessing the satisfaction of the patients helps the Trust identify whether the expectations of patients have been met and areas requiring improvement. A patient satisfaction survey is carried out quarterly across the four medical practice clinics. 408 patients (2023: 354 patients) completed the survey. Each survey produces an overall satisfaction score. The reported satisfaction score is determined by calculating the average score across the clinics.

Increase influence
and impact



Statement of Service Performance *(continued)*

For the year ended 30 June 2024

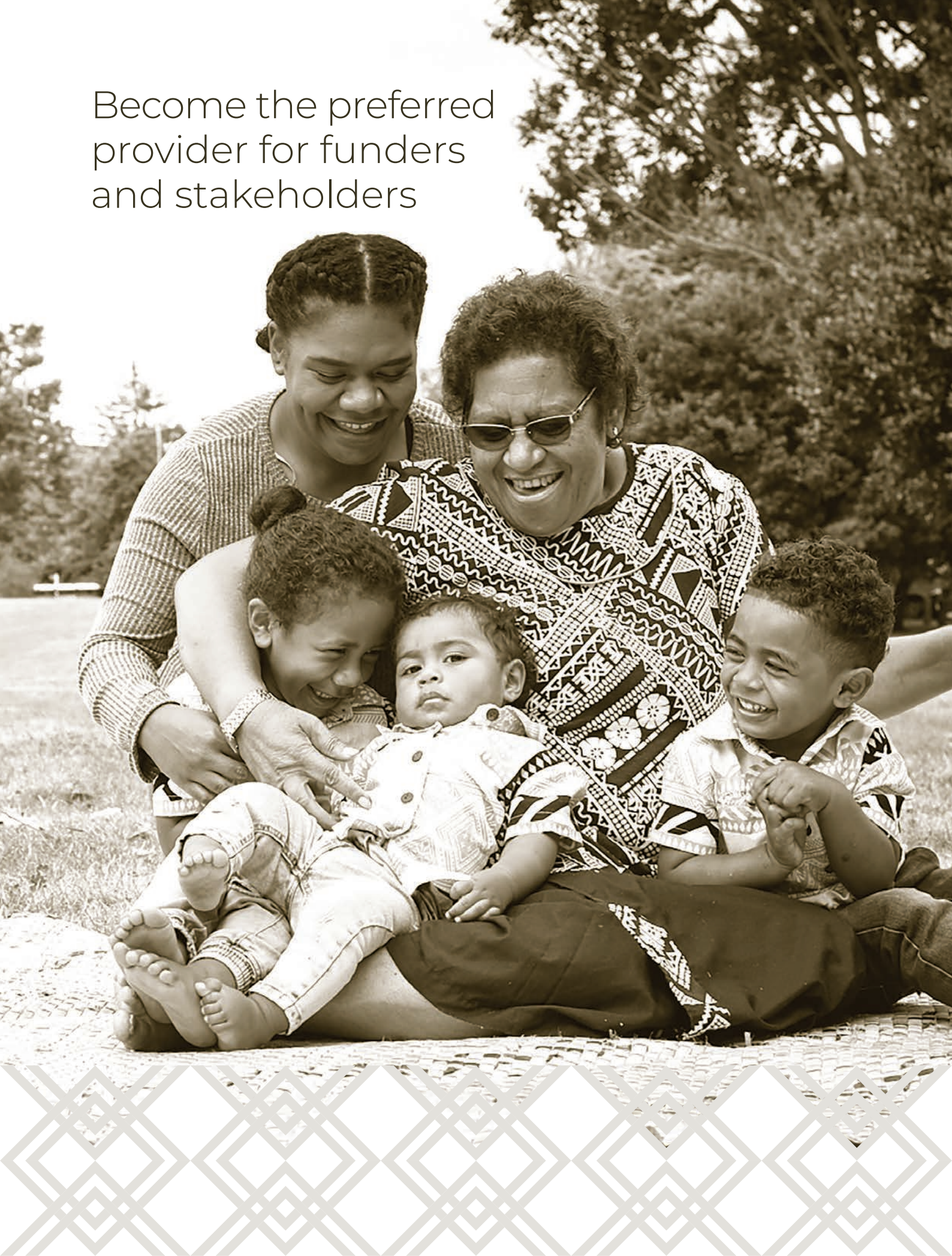
2. Increase influence and impact

Driving sustainable change to the wellbeing of communities through effective health promotion, education and other actions.

Performance measure	2024	2023	Commentary
Number of research projects that the Trust has substantially* contributed to	9	3	Active involvement in contributing to research shows the Trust's commitment to sharing knowledge insights and expertise.
Number of incorporated community groups with which the Trust has specific partnerships through its community outreach work	51	48	Working with incorporated community groups allows the Trust to leverage their existing influence to reach a wider audience and implement more effective health promotion. Government and funding agencies/organisations have been excluded from this measure.
Education and training qualification completion rates	65%	67%	Course completion rates of Oceania Career Academy measures the Trust's commitment to education and skill development, and sustainable change through education.
Number of seats held by the Executive Leadership Team on government boards and committees	18	18	The Trust's Executive Leadership Team sit on a combined total of 18 government boards/committees, NGOs and community funding organisations. This demonstrates the Trust's participation and contribution to the creation of government policies that directly impact Pasifika communities.
Number of community outreach health preventative care events	1,031	1,221	The community outreach preventive care events include breast and bowel screening, health checks and preventative education. This demonstrates the Trust's efforts in promoting effective health and wellbeing and broad community engagement. This includes organised immunisation events but does not include home visits.

* Means the research could not occur without The Fono providing access, resources, expertise and facilities

Become the preferred
provider for funders
and stakeholders



Statement of Service Performance *(continued)*

For the year ended 30 June 2024

3. Become the preferred provider for funders and stakeholders

The Trust wants to embed a culture of innovation – steering nimble and dynamic operations. With delivery, attracting and retaining users and funders for long term sustainability.

Performance measure	2024	2023	Commentary
Number of development projects which have been funded out of development funding.	Completed projects: 15 New projects: 3 Total projects in progress as at 30 June 2024: 9	21	<p>The Trust is committed to innovation and considers that digital transformation will improve the patient experience. Digital transformation will provide access to personalised care, including online appointment booking, patient portals for accessing health records, telehealth and accessible patient pathways into provision of the full portfolio of FonoCare services, as needed.</p> <p>A number of the 2023 completed development projects identified the need for the “Care Concept Wellness” (CCW) project which is now the Trust’s leading digital transformation and development project. What were initially identified as projects have become workstreams to CCW and requires a review of the appropriateness of this measure in the financial year 2025. The review will be to ensure the measure is relevant to what is being reported against this strategic goal.</p>
Number of NZQA approved programmes and programme changes	8	5	Innovation comes from The Trust having a unique stake in Pasifika tertiary education across the health and wellbeing sector and also in construction trades. We develop programmes that specifically aim at teaching in ways that reach Pacific youth.





People, People, People



Statement of Service Performance *(continued)*

For the year ended 30 June 2024

4. People, People, People

Ensuring that our people are happy, passionate, high performing professionals committed to delivering the very best value in care knowledge and education to our communities.

Performance measure	2024	2023	Commentary
Funds applied to staff development and training	\$231,802	\$210,915	The number of staff participating in further education reflects the Trust's and employee's commitment to growth and growth opportunities. There are a number of non-NZQA standard training/ study programmes which forms part of the Trust's staff professional development and training during the year that are not reflected in the reported result. To ensure all required professional development training are reported, we will assess this measure in the financial year 2025 to include all training study/ programmes. Funds applied to staff development and training form part off operating expenditure in the Statement of Comprehensive Revenue and Expense.
Number of training or study programmes equivalent to New Zealand Qualification Accreditation standards completed by staff	42	30	
Percentage of staff that are happy in their role	70%	68%	The Trust is committed to ensuring that their employees are fulfilled in their role. Assessing the satisfaction of employees helps the Trust further understand its employees, identify whether their expectations have been met and any areas requiring improvement. The response rate to the survey was 73% (2023: 80%).



INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Fono Group Trust

Opinion

We have audited the consolidated financial statements of The Fono Group Trust and its subsidiaries (the Group) which comprise the consolidated entity information, the consolidated statement of service performance, the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion:

a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the consolidated statement of service performance are suitable;

b) the consolidated performance report presents fairly, in all material respects:

- the entity information for the year ended 30 June 2024;
- the consolidated service performance for the year then ended; and
- the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, statement of accounting policies and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and consolidated statement of service performance in accordance with New Zealand Auditing Standard (NZ AS1) 'The Audit of Service Performance Information (NZ)'. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 'International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) 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 opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, The Fono Group Trust or any of its subsidiaries.

Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibility 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 Tier 1 PBE, 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) and NZ AS1 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/.

Forbes

Forbes Audit and Accounting Limited
Auckland
4 November 2024



“Our People: Recognising the dedication and hard work of our team members across our nine locations. You make a real difference in the lives of our community.”





the
fono
caring is our culture
thefono.org