



“ Our people are
our purpose ”



2019 ANNUAL REPORT

caring is our culture



West Fono Health Trust
Trust Directory and Operations Profile
As at 30th June 2019

PRINCIPAL ACTIVITY:

Health, Social, Education and
Whanau Ora Services Provider

TRUST ESTABLISHMENT DATE:

30/06/2008

PRINCIPAL ADDRESS

411 Great North Road
Henderson
Auckland 650

TRUSTEES

Mr Tapuai Fa'amalua Tipi, Chairperson
Mr Greg Traill, Vice-Chairperson
Mr Nacanieli Yalimaiwai, Treasurer
Mrs Ruby Manukia-Schaumkel, Secretary
Mr Filemoni Panisi, Member
Mr Harry Fatu Toleafoa, Member
Mr John Paterson, Member
Mrs Mele Halapua, Member
Mr Teina Akavi, Member
Mr Neil Woodhams, Member

IRD NUMBER

95-306-713

BANKERS

Westpac Banking Corporation
Auckland

SOLICITORS

Corban Revell
Henderson
Auckland

AUDITORS

Cynthia Forbes
Parnell, Auckland

CHARITIES COMMISSION REGISTRATION

CC 32198



**Growing strong
families and
communities**





WEST FONO HEALTH TRUST
(TRADING AS THE FONO)
2019 ANNUAL REPORT
GROUP FINANCIAL STATEMENTS

For year ended 30th June, 2019

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CHAIR'S REPORT

Growing strong families and communities.



This year has been one of consolidation and achievement for The Fono.

The Government's Wellbeing Strategy has provided many opportunities in the health and social services sector. However, Pasifika families still endure poor health and wellbeing outcomes. A priority for The Fono is continuing to build alliances and work in partnership to provide the holistic solutions our Pasifika communities need.

I have been particularly pleased with the great progress made by the Oceania Career Academy this year. There's no doubt we are making a big difference to individual lives. The number of courses and enrolled students has continued to grow. In addition, the academy launched its first year-long course in carpentry which represents a significant milestone.

A special highlight this year came in September when The Fono sponsored the playing shirts of the NZ Barbarian Legends team at the match against the Pacific Legends in Hamilton. As the curtain-raiser for the All Blacks versus Tonga test, this was a high profile opportunity to showcase our brand to a much wider audience. And it was great to see these rugby legends wearing our shirts and promoting positive healthy living for Pasifika peoples.

As always, I am very grateful for the advice and support of the board. They have worked hard throughout the year and we have enjoyed healthy discussion and debate during sometimes arduous meetings. The knowledge and expertise the board brings has been essential in providing the robust checks and balances necessary for the organisation's health.

We have had a few changes in personnel on the board this year. I want to acknowledge in particular the contribution of Ahukona Hatalafale, Mary Tavita, Tevita Sakopo 'Aho and Tavita Fesolai who have moved on to other opportunities.

The board extends a warm welcome to Ruby Manukia-Schaumkel and Harry Toleafoa who have joined us as new members this year.

My sincere thanks also to Tevita Funaki who has made an outstanding contribution as chief executive. His vision, dedication and energy are second to none.

The staff of The Fono have once again done fantastic work throughout the year. The many achievements detailed on every page of this annual report are a worthy testament to their efforts.

This past year has certainly been a busy one and we have achieved much together. However, The Fono is ambitious for our communities and is committed to achieving the best possible outcomes through partnership working. Scaling up our services along with continuous innovation and improvement will be a priority going forward.

I am confident that the organisation is in the best possible position to take advantage of the opportunities, as well as responding to the challenges that are undoubtedly ahead.

Tapuai Fa'amalua Tipi

Chair

“ We will continue to build alliances and work in partnership to provide the holistic solutions our Pasifika communities need. ”





CHIEF EXECUTIVE'S REPORT

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Our people are our purpose.



These are exciting times for health and social services providers.

The Government's Wellbeing Budget announced in May has for the first time directed that public spending is to be determined around wellbeing priorities. The Fono is committed to ensuring the roll-out of this positive initiative is as meaningful as possible.

When it matters we will have a seat at the table. We want to be part of a united Pasifika front advocating to Government and funders so that the needs of our communities are at the forefront of crucial policy decisions. And we will work together with our partners, families, patients and communities in the co-design of integrated solutions.

The Fono is all about having authentic relationships with communities and using our cultural capital to drive how we support and deliver services. However, we recognise that achieving positive wellbeing outcomes for Pasifika involves more than just delivering health and social services. Education, housing and improved job opportunities all have an effect on overall wellbeing. Integrated solutions are therefore required and to this end we will continue to work in partnership with complementary service providers.

I'm very proud of the wonderful work of The Fono and its many achievements this year.

It's been satisfying to see extra investment in the Whanau Ora programme. As a vehicle for delivering the holistic services needed to improve wellbeing, the model provides a blueprint.

In addition, given the current mental health crisis in New Zealand, we are proud of our achievements in this area. Nearly 7,000 hours of mental health support have been delivered this year to vulnerable families and individuals. We have also extended our programme of activities to address the social isolation that is impacting on our peoples.



Likewise, our efforts in helping to combat family violence have been important. The Fono's wraparound crisis support service as well as education and prevention programmes are helping to address what is still a big issue for our communities.

My thanks must go to Tapuai Faámalua Tipi for his knowledge and expertise as chair. Tapuai continues to be an important source of advice and support to both myself and the senior management team.

In addition, the board has provided courageous leadership in what have been sometimes challenging situations. I thank board members for their vision and guidance.

I would also like to acknowledge the contribution of The Fono's staff. Their dedication, enthusiasm and sheer hard work are outstanding. Furthermore, the commitment and leadership of the senior management team must also be acknowledged.

We can rightly be proud of all that we have achieved in 2019. The Wellbeing Budget provides many new opportunities to bring about transformative and sustainable change. We intend to capitalise fully on those opportunities by advocating for the wider needs of Pasifika and providing visionary leadership.

Bring on 2020 – we are excited and ready for what lies ahead.

Tevita Filisonu'u Funaki

Chief Executive



We will work together with our partners, families, patients and communities in the co-design of integrated solutions.'





The Fono provides affordable Medical, Dental, Social and Health services across Auckland and Northland.

A proven leader in delivering quality Health services to foster, safe, vibrant and well informed communities.

For more information on the services provided please see our website.

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| WEST | CENTRAL | NORTH SHORE | SOUTH | WEST CENTRAL | NORTHLAND |

2019: A Year In Review

Early in 2019 The Fono undertook an evaluation of its structure and brand. With our rapid expansion and the ever-changing operational landscape and Government priorities, the timing was right for a review.

The evaluation has resulted in the creation of a Fono umbrella brand with four operational sub-brands that reflect our key service areas as follows:

- Medical
- Dental
- Social
- Health.

In addition, the Oceania Career Academy remains a fundamental part of the overall Fono brand.

This new relationship provides more autonomy to the operational areas. It means that they can innovate, collaborate and excel at providing responsive services. It also provides a platform for the creation of meaningful partnerships with other service providers and Pasifika communities.

Furthermore, the organisation's structure is now much easier to understand for partners, funders and the communities we serve. Ultimately, it makes our services more accessible to local communities which means we can make a difference to even more Pasifika.

2020: A Year To Anticipate

By the end of next year the new structure will be firmly embedded within our operations. The rebranding will be reflected in all our marketing and promotional efforts as well as a new-look website.

The Fono is all about achieving transformative and sustainable change for Pasifika through social investment. The new structure allows us to do that more efficiently and effectively.

We are now better placed to collaborate with others and take full advantage in the coming year of the opportunities offered by the Government's Wellbeing Budget.

“ Providing our
diverse, vibrant
communities
with care
services through
meaningful
partnerships ”





Full GP and Medical services delivered by friendly, caring, qualified professionals.

The Fono offers a wide range of Medical services to meet the highest quality accreditations, and deliver a wide range of professional services at one of our friendly clinics.

For more information on our Medical services please see our website.

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| WEST | CENTRAL | NORTH SHORE | SOUTH | WEST CENTRAL | NORTHLAND |

2019: A Year In Review

After a year of changes within our medical management and receptionist teams, the number of registered patients across all practices is stable at 15,950.

Smoking cessation, cardiovascular disease and diabetes have a disproportionate impact on the health and wellbeing of Pacific communities and so we are delighted to have exceeded the government's national targets.

In the context of the Auckland measles crisis, our performance in relation to 8-month immunisations and 2-year immunisations has been satisfying with most of our clinics exceeding their targets. The immunisation take-up rate among Pasifika is historically lower than the general population; however, we are getting out into local communities to encourage take-up and educate young families about the importance of vaccinations.

This year our Henderson clinic became accredited as a Health Care Home, placing patients at the centre of services. Among initiatives introduced were GP phone triage and online appointments. We also improved the layout of clinics and refreshed the environment for an enhanced patient experience.

2020: A Year To Anticipate

For our primary care practices to have significant impact on the poor health outcomes experienced by Pasifika, our medical staff need to work together. This means removing the barriers that separate our workforce and co-designing collaborative pathways.

An example of this in action is our 'Aiga Fono Care (AFC) service based in the Henderson and Blockhouse Bay clinics. AFC takes primary care services into patients' homes. As well as freeing up clinic appointment spaces, it makes life easier for families who struggle to attend clinic appointments. Families can also access home-based clinical procedures provided by the nurse and wraparound services offered by social workers.

At The Fono we are always seeking new ways to improve how we work together. We look forward to 2020 and innovating further to meet the needs of our communities.

“ A full range of quality Medical services for better health and wellbeing ”

Key Statistics

- 93% of patients offered smoking cessation advice (national target is 90%)
- 91% of patients given a cardiovascular risk assessment (national target is 90%)
- 227 diabetes self-management education sessions delivered (national target is 180)

Medical Services

General Medical Services

Family Doctors

Check-ups

Men's Health

Women's Health

Children's Health

Sexual Health & Contraception

Chronic Disease Management

Nurse-Led Clinics

Vaccinations

Accident Care

Pharmacy

Prescription & Renewals

Lab Tests & Results

Home-Based Services





Striving to deliver honest, reliable and trustworthy Dental services.

The Fono staff are trained and qualified to provide you with the best quality treatment dedicated to maintaining good oral hygiene over the years to come.

For more information on the Dental services provided please see our website.

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| WEST | CENTRAL | NORTH SHORE | SOUTH | WEST CENTRAL | NORTHLAND |

2019: A Year In Review

This year has certainly been a busy if somewhat challenging one for The Fono's dental team. With significant changes occurring within our dental management and reception teams, we are looking forward to improving how we deliver a financially sustainable dental service. Dental services are not funded like medical services and we have continued to struggle with meeting the financial targets for a viable business. However, our commitment to providing a great dental service for all remains firm.

We are pleased that the team exceeded the targets in the key areas detailed overleaf. Our aim is to ensure that everyone can access high quality, affordable dental care and these statistics demonstrate the progress we have made.

We are also very proud of the recognition given to our Clinical Director Dental, Dr Mowafaq Amso, who was awarded NZ Outstanding Young Dentist by the New Zealand Dental Association.

With six upgraded chairs located in Manurewa, Auckland City and Henderson, our determination to develop a sustainable model remains strong so that we can maintain our commitment to the community in providing dental services.

2020: A Year To Anticipate

Next year we are looking forward to serving more people with our high quality dental services. We want to continue to grow and extend our current offering.

To this end the dental team will undertake a range of activities including the following:

- work in partnership with other Fono services and complementary providers to deliver holistic services to the Pasifika community
- continue using innovative marketing channels including social media to reach out to more potential patients in the wider community
- look to expand our service offering with a dedicated dental hygienist at the City clinic
- develop opportunities to provide outreach oral health education initiatives with Pasifika church and community organisations.

“Honest and reliable family Dental services for good oral hygiene”

Key Statistics

Henderson clinic:

- 416 emergency treatments, target 400

City clinic:

- 835 emergency treatments, target 800

Manurewa clinic:

- 796 emergency treatments, target 700

Dental Services

General & Family Dentistry

Dental Hygienists

Cosmetic Dentistry

IV Sedation

Fillings

Root Canal Treatment

Crowns & Bridges

Extractions

Surgical Extractions

Check-ups & Exams

Emergency Treatments

Adolescent & Child Treatments

ACC Treatments

WINZ Quotes

Dental X-rays





**Building great communities
through effective,
Social and family services.**

The Fono offers a range of Social services to cater for community needs including mental health, family support, family start and youth mentoring programmes.

For more information on the full range of Social services provided please see our website.

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| WEST | CENTRAL | NORTH SHORE | SOUTH | WEST CENTRAL | NORTHLAND |

2019: A Year In Review

The past year has been one of consolidation and has seen us strengthen our position as a significant provider of Social services for Pasifika.

We continue to make a difference with our flagship programmes Whanau Ora and Waitemata Family Start. We understand that our communities experience multiple issues requiring joined-up solutions. These programmes provide home-based support for Pasifika to improve their health and also their education, financial wellbeing and sense of community.

Social isolation continues to be a key issue affecting our families. This year we have developed a full programme of social activities providing mutual support and connection for Pasifika families and individuals. The programme includes physical activities such as Zumba, walking groups, volleyball and netball as well as cultural groups, music and dance. In addition, we have encouraged individuals to take control of their wellbeing with nutrition classes and health checks.

2020: A Year To Anticipate

The Government's Wellbeing Budget is welcomed for the emphasis it places on wellbeing as a health outcome. As Government ministries make detailed decisions about how the Wellbeing Budget will be spent at the grass roots level, we will do all we can to ensure this translates into meaningful initiatives for Pasifika communities.

A priority for The Fono is to continue advocating for the needs of our communities as the roll-out of wellbeing initiatives begins. The success of Whanau Ora and Waitemata Family Start offer a blueprint for delivering joined-up services that make a real difference.

We look forward to working with the Government to ensure the Wellbeing Budget has the impact it needs to for our clients.

“Caring support through a great range of effective Social services”

Key Statistics

- 1,399 financial mentoring sessions delivered in Waitemata
- Over 700 families reached through the Whanau Ora programme
- 715 family violence police call-outs followed up
- 101 families provided with wraparound family violence crisis support
- 200 families participated in the Family Start programme
- 6,971 Pacific mental health support hours delivered

Social Services

Whanau Ora: Improving Wellbeing

Family Violence Services

Waitemata Family Start

Mental Health Support

Budgeting Support



Public Health services that help build strong families, and communities.

The Fono offers a range of public Health services to encourage healthy lifestyles through physical exercise and fitness, good nutrition and social activities.

**For more information on
all the Health services provided
please see our website.**

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2019: A Year In Review

The Fono's dedicated health staff spend most of their time getting out and about and working directly with the community, local groups and churches in raising awareness of health issues.

One highlight this year has been the Ol@Or@ mobile health tool. Ol@Or@ is an exciting and innovative project which has been developed with a number of agencies as well as 22 Pacific community groups who co-designed and trialled the app. The initiative has featured as good practice in a number of academic journals and won two bronze awards at the recent Designers Institute of New Zealand Best Design Awards.

Another standout achievement has been the Ready Steady Quit stop smoking programme. Successfully piloted in 2019, the programme is community-led. Local 'champions' are identified from Pacific churches and community groups. Champions are then specially trained to deliver the smoke-free message and organise local resources and support. Churches benefit from the fee for hosting Ready Steady Quit support groups. And the champion receives a financial reward for each person they enrol who successfully quits. More than 200 individuals participated in the two-month pilot. We are now looking to roll-out the programme so that more people in our communities can benefit.

2020: A Year To Anticipate

The Enea Ola community health advice initiative celebrated its 10-year anniversary in 2019. While very successful at supporting Pacific community groups and churches in promoting healthy and active lifestyles, the format was in need of a refresh.

A review of the programme was carried out with the involvement of community leaders and groups. We are excited about the launch of the Aiga Challenge initiative which expands on Enea Ola. The review has been significant because it stressed the importance of providing the 'va' or space to facilitate open talanoa with communities about our services.

We are continually looking at ways to innovate and create new and exciting ideas that support communities in determining their own wellbeing. We are looking forward to what's ahead in 2020.

“ Public Health services to build stronger families and communities ”

Key Statistics

- 360 free community exercise classes delivered in West Auckland
- 229 women supported with breast screening appointments
- 13 Healthy Babies Healthy Future parenting programmes delivered
- 35 Pacific community and church groups actively engaged in Eヌua Ola
- 383 people quit smoking

Health Services

Eヌua Ola: Health & Nutrition

Healthy Babies Healthy Futures

Free Exercise Classes

Breast and Bowel Screening Support

Quit Smoking



Inspiring tomorrow's leaders through trade qualifications.

Oceania Career Academy (OCA) is New Zealand's first Pacific-owned and led Private Training Establishment (PTE) for Trades. It builds on the Trades at School (TAS) Programme offered in schools since 2009.

For more information on the courses and training available please see the OCA website.

www.oca.nz

3A RENNIE DRIVE, AIRPORT OAKS, MANGERE, AUCKLAND 2022

2019: A Year In Review

This year has been a successful one for OCA with significant growth across all areas.

The highlighted performance indicators are testament to the inclusive model we have set up. Our supportive, mentoring approach which involves the whole family in re-engaging the disengaged is certainly making a difference.

OCA's retention and completion rates currently sit at around 80-85 per cent for level 2/3 students. Compare this with the standard 50 per cent rate experienced by Māori and Pacific Islanders in mainstream tertiary institutions and it's clear just how big our impact is.

We have continued to diversify and expand our programme this year. We successfully collaborated with the Ministry of Social Development on a pilot 12-week programme aimed at preparing students for work. In addition, we developed a programme sponsored by the Ministry of Health on awareness and prevention of youth suicide for students and the wider community.

2020: A Year To Anticipate

Next year is set to be even busier. Funding from the Tertiary Education Commission (TEC) will more than double enabling us to expand our student numbers and courses even more.

The biggest change, however, is that the increased TEC funding is primarily within the Māori and Pacific Trades Training initiative. This means for the first time we can extend our reach to those aged up to 40. Even more Pasifika will now be able to access our courses.

Furthermore, next year we are looking to move into health and wellbeing qualifications. In partnership with The Fono we will undertake a pilot programme to upskill the healthcare workforce.

The OCA building is currently in the middle of a full renovation to cater for the growth in courses and student numbers. New classrooms and improved facilities will benefit staff and students alike. It will also enhance our OCA brand identity ensuring that we are well equipped for what lies ahead.

“ OCA has made me change and I feel lucky now. ”



Key Statistics

- 151 students enrolled in 2019
- 160% increase in enrolled students since 2018
- 21 students gained employment as a result of OCA qualification (Feb-July)
- 4 programmes/courses delivered by OCA

OCA In Action: Nusipepa's Story

Nineteen-year-old Nusipepa 'Ahome'e is a first-year student on the level 3 carpentry course.

Nusipepa had an unsettled childhood moving around between family both in New Zealand and Tonga. After he finished school Nusipepa had various jobs in construction and retail, but couldn't hold them down and ended up getting fired.

Without any work or sense of direction, he found himself in trouble with the police.

Nusipepa realised he had to change.

A friend recommended OCA and Nusipepa hasn't looked back. The welcoming, friendly environment along with the mentoring and support from OCA's tutors has helped Nusipepa to get his life back on track.

'It's good learning about the real world,' he says. 'And I feel like I'm finally ready for work. OCA has made me change and I feel lucky now.'





The 2019 financial year has been focused on cash flow, the objective being the improvement of our Balance Sheet as evidenced by the following financial report.

Internal reorganisation and change have been made to improve our underlying performance and delivery of services. This is making a valued difference to our community. This 2019 plan will continue in 2020 as progress is being made towards the above objectives.

The financials are a continuing balance between the three key drivers of community, social investment and sustainability. Our aim is to reinvest any surpluses so that they benefit our communities, now and into the future.

In 2019 we have made significant social investment in dental services as well as the mentoring and vocational training offered by our private training establishment for trades otherwise known as Oceania Careers Academy Ltd.

Next year the board will continue with the above while reinvesting in sustainable, community projects that are consistent with our remit as a provider of health and social services and which have a long-term impact on Pasifika communities.

Peter Aldous
Chief Financial Officer

Peter Aldous background

Peter is a qualified accountant, with a background in financial control and management. He joined The Fono in October 2012 and previously worked as an accountant and manager and owned his own company. Peter holds a Bachelor of Business Studies, is an Associate Chartered Accountant (ACA) and a Certified Management Accountant (CMA).

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CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30th June 2019

| | Note | 2019 | 2018 |
|---|------|-------------------|-------------------|
| | | Group | Group |
| | | \$ | \$ |
| Revenue from Exchange Transactions | | | |
| Operating Revenue | 5 | 13,716,538 | 12,785,041 |
| Interest Income | | 1,450 | 1,211 |
| Rental Income | | 23,350 | 41,280 |
| Sundry Income | | 3,193 | 10,262 |
| | | 13,744,531 | 12,837,794 |
| Revenue from Non Exchange Transactions | | | |
| Operating Grants | | 642,189 | 850,000 |
| Donations | | 5,000 | 0 |
| | | 647,189 | 850,000 |
| Total Income | | 14,391,720 | 13,687,794 |
| Expenses | | | |
| Operating Expenses | | 3,247,540 | 3,580,216 |
| Depreciation | | 280,366 | 306,276 |
| Amortisation | 9 | 11,394 | 42,228 |
| Staff Expenses | 6 | 9,770,138 | 9,338,077 |
| Interest and Finance Charges | | 67,859 | 75,460 |
| Rental and Operating Lease Charges | | 460,707 | 364,772 |
| Auditors Fees | | 36,000 | 38,910 |
| Trustee Fees | | 99,368 | 73,456 |
| Total Expenses | | 13,973,372 | 13,819,395 |
| Net Surplus /(deficit) | | 418,348 | -131,601 |

The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the audit report attached.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS



For the year ended 30th June 2019

| | Note | 2019 | 2018 |
|--|------|------------------|------------------|
| | | Group | Group |
| | | \$ | \$ |
| Equity at Start of the year | | 4,673,197 | 4,804,798 |
| Net surplus (deficit) for the year, comprising | | 418,348 | -131,601 |
| Total recognised revenues and expenses | | 418,348 | -131,601 |
| Movement in Equity for the year | | 418,348 | -131,601 |
| Equity at end of the year | | 5,091,545 | 4,673,197 |

The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the audit report attached.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2019

| | Note | 2019 Group \$ | 2018 Group \$ |
|--|---|---------------------|---|
| Current Assets | | | |
| Cash & Equivalents | 7 | 1,318,556 | 685,514 |
| Trade Debtors | | 495,336 | 479,617 |
| Other Receivables | | 217,153 | 81,580 |
| Total Current Assets | | 2,031,045 | 1,246,711 |
| Non-Current Assets | | | |
| Properties, Plant and equipment | 8 | 5,826,856 | 5,899,969 |
| Westcare Shares | | 7,000 | 7,000 |
| Procare Shares | | 8,000 | 8,000 |
| Intangible Assets | 9 | 387,125 | 394,889 |
| Total Non Current Assets | | 6,228,981 | 6,309,858 |
| Total Assets | | 8,260,026 | 7,556,569 |
| Current Liabilities | | | |
| Trade and other Payables | 10 | 1,297,582 | 1,343,718 |
| Income Received in Advance | 11 | 557,551 | 120,008 |
| Employee Benefits | 12 | 229,899 | 246,348 |
| Current portion Mortgages (secured) | 13 | 94,829 | 89,630 |
| Total Current Liabilities | | 2,179,861 | 1,799,704 |
| Non Current Liabilities | | | |
| Mortgages (secured) | 13 | 988,620 | 1,083,668 |
| Total Non-Current Liabilities | | 988,620 | 1,083,668 |
| Total Liabilities | | 3,168,481 | 2,883,372 |
| Total Net Assets | | 5,091,545 | 4,673,197 |
| Represented by: | | | |
| Equity | | | |
| Accumulated Funds | | 5,091,545 | 4,673,197 |
| Total Accumulated Funds | | 5,091,545 | 4,673,197 |
| For and on behalf of the Board: | | | |
| Trust Board Chairperson |  | Trustee |  |
| Date: 22/11/2019 | | Date: 22/11/2019 | |

The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the audit report attached.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June 2019

| | Note | 2019 | 2018 |
|--|------|-------------------|-------------------|
| | | Group | Group |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Operating revenue | | 14,002,789 | 12,402,973 |
| Donations and grants | | 647,189 | 850,000 |
| Interest received | | 1,450 | 1,211 |
| Rent income | | 23,350 | 41,280 |
| Sundry income | | 3,193 | 10,262 |
| | | 14,677,971 | 13,305,726 |
| Payments | | | |
| Suppliers | | 3,889,751 | 3,993,693 |
| Employees | | 9,786,587 | 9,282,990 |
| Interest expense | | 67,859 | 75,460 |
| Cash used in operating activities | | 13,744,197 | 13,352,143 |
| Net cash flows from operating activities | | 933,774 | -46,417 |
| Cash provided from investing activities | | 0 | 0 |
| Cash used in investing activities | | | |
| Purchase property, plant and equipment and intangibles | | -210,883 | -252,580 |
| Purchase Shares | | 0 | 0 |
| Net cash flow used in Investing activities | | -210,883 | -252,580 |
| Cash flow from financing activities | | | |
| Drawdown of loans | | 0 | 0 |
| Cash used in financing activities | | | |
| Repayment of loans | | -89,849 | -85,625 |
| Net cash flow from financing activities | | -89,849 | -85,625 |
| Net increase/(decrease)in cash and cash equivalents | | 633,042 | -384,622 |
| Cash and cash equivalents Opening July 1, 2018 | | 685,514 | 1,070,136 |
| Cash and cash equivalents Closing June 30, 2019 | | 1,318,556 | 685,514 |

The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the audit report attached.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2019

1 Reporting entity

West Fono Health Trust (the 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 Trust is the provision of accessible health care services to those in need.

The 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 trust and its subsidiaries (together referred to as the 'Group').

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 Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

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

The financial statements are for the year ended 30 June 2019. They were authorised for issue by the board of trustees on 15/10/2019.

2.2 Measurement basis

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 and Group's functional currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Group or any significant foreign operations of the Group 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.

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 Group.

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 Group.

The Group 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.

4.2 Business combinations

The consideration transferred by the Group 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 Group, 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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2019

The Group 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 Group'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 Revenue

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

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

i. Revenue from exchange transactions

Rendering of services

The Group 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.

ii. Revenue from non-exchange transactions

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

With the exception of 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 Group'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 Group 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 Group 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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2019

iii. Other income

Rental income

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

4.4 Employee benefits

i. Short-term employee benefits

Wages, salaries and annual leave liabilities are recognised when the Group 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 Group 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.

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.

4.5 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 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 Group is recognised as a separate asset or liability.

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

The Group classifies financial assets into the following categories: fair value through surplus or deficit (none held during the period), held-to-maturity (none held during the period), loans and receivables, and available-for-sale (all other financial assets).

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

Financial instruments are initially measured at fair value plus 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. 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 cash and cash equivalents, trade debtors and other receivables.

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.

ii. 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.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost.

Upon derecognition, the gain or loss is reported in surplus or deficit.

Available-for-sale financial assets comprise the investment in Westcare shares, which are carried at cost.

iii. Financial liabilities

Financial liabilities classified as amortised cost are

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2019

subsequently measured at amortised cost using the effective interest method.

4.6 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 Group 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.

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 Group will obtain ownership by the end of the lease term.

Land is not depreciated.

The diminishing value depreciation rates are:

| | |
|-------------------------------|---------|
| Buildings | 0-12% |
| Leasehold improvements | 16.67% |
| Plant and equipment | 9.6-67% |
| Furniture and fittings | 12-25% |
| Office and Computer equipment | 9-60% |
| 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 Group'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.

4.7 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 Group'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.

ii. Amortisation

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

The diminishing value amortisation rate is: 60% (2017: 60%)

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

4.8 Borrowing Policy

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

4.9 Changes in Accounting Policies

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

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2019

5 Operating Revenue

| | 2019 | 2018 |
|-----------------------------|-------------------|-------------------|
| Operating revenue includes: | \$ | \$ |
| Medical services | 5,637,471 | 5,007,795 |
| Dental services | 1,478,260 | 1,558,596 |
| Community Services | 5,994,393 | 6,039,626 |
| Vocational training | 606,414 | 179,024 |
| | 13,716,538 | 12,785,041 |

7 Cash & Cash Equivalents

| | 2019 | 2018 |
|--------------------------|------------------|----------------|
| | \$ | \$ |
| Cash on hand and at bank | 663,020 | 410,804 |
| Business saver accounts | 354,921 | 206,929 |
| Whanau Ora account | 300,615 | 67,781 |
| | 1,318,556 | 685,514 |

6 Staff Expenses

| | 2019 | 2018 |
|--|------------------|------------------|
| Staff expenses include | \$ | \$ |
| Wages and salaries | 9,579,700 | 9,088,281 |
| Kiwisaver contributions | 206,887 | 194,709 |
| Long-service leave provision | 13,229 | 6,784 |
| Provision for cumulative sick pay (29,678) | | 48,303 |
| | 9,770,138 | 9,338,077 |

8 Property, Plant and Equipment

| | Land | Buildings improvements | Leasehold Equipment | Plant & Equipment | Furniture & Equipment | Office & Computer | Motor Vehicles | Total |
|-----------------------------------|------------------|---------------------------|------------------------|----------------------|--------------------------|----------------------|-------------------|------------------|
| 30 June 2018 | | | | | | | | |
| Cost | 1,556,924 | 3,764,212 | 453,577 | 594,664 | 150,883 | 402,683 | 913,952 | 7,837,295 |
| Accumulated depreciation | | 328,680 | 164,735 | 333,523 | 79,079 | 298,232 | 733,078 | 1,937,327 |
| | 1,556,924 | 3,435,932 | 288,842 | 261,141 | 71,804 | 104,451 | 180,874 | 5,899,969 |
| Additions | 54,527 | 25,479 | 48,643 | 2,188 | 45,460 | 30,957 | 207,252 | |
| Disposals | | | | | | | | |
| Depreciation for year | (28,959) | (58,969) | (52,825) | (14,083) | (53,520) | (72,010) | (280,366) | |
| Balance as at 30 June 2019 | 1,556,924 | 3,461,500 | 255,353 | 256,960 | 59,909 | 96,391 | 139,822 | 5,826,856 |
| 30 June 2019 | | | | | | | | |
| Cost | 1,556,924 | 3,819,139 | 479,056 | 643,307 | 153,071 | 448,143 | 944,909 | 8,044,547 |
| Accumulated depreciation | | 357,639 | 223,703 | 386,347 | 93,162 | 351,752 | 805,087 | 2,217,691 |
| | 1,556,924 | 3,565,500 | 255,353 | 256,960 | 59,909 | 96,391 | 139,822 | 5,826,856 |

Market Values

The trustees have obtained market valuations of land and buildings at 30 June 2017. The valuations were prepared by R. M. Ganley, Registered Valuer, of Eyles McGough Limited.

| | |
|------------------|------------------|
| Land | 3,800,000 |
| Buildings | 3,050,000 |
| Total | 6,850,000 |

Security held over items of property plant and equipment

At reporting date land and buildings with a carrying amount of \$1,083,449 (2018: \$1,173,29), are subject to first mortgages to secure bank loans (see Note 13). The group had no material capital commitments at balance date (2016: Nil).

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2019

9 Intangible Assets

| | Goodwill | Software | Total |
|-----------------------------------|----------------|---------------|----------------|
| 30 June 2018 | \$ | \$ | \$ |
| Cost | 488,660 | 232,306 | 720,966 |
| Accumulated amortisation | 119,804 | 206,273 | 326,077 |
| | 368,856 | 26,033 | 394,889 |
| Additions | | 3,630 | 3,630 |
| Disposals | - | - | - |
| Amortisation for year | | (11,394) | (11,394) |
| Balance as at 30 June 2019 | 368,856 | 18,269 | 387,125 |
| 30 June 2019 | | | |
| Cost | 488,660 | 235,936 | 724,596 |
| Accumulated amortisation | 119,804 | 217,667 | 337,471 |
| | 368,856 | 18,269 | 387,125 |

10 Trade & Other Payables

| | 2019 | 2018 |
|-----------------|------------------|------------------|
| | \$ | \$ |
| Trade creditors | 440,224 | 500,540 |
| Sundry Accruals | 857,358 | 843,178 |
| | 1,297,582 | 1,343,718 |

11 Income Received in Advance

| | 2019 | 2018 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Income in Advance | 252,249 | 76,682 |
| Whanau Ora Families Fund | 305,302 | 42,326 |
| | 557,551 | 120,008 |

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

The Whanau Ora Families Fund is cash held for assisting needy families.

12 Provisions for Employee Benefits

| | Long-service leave | Sick pay | Total |
|--------------------------------|--------------------|----------------|----------------|
| | \$ | \$ | |
| Opening balance 1 July 2018 | 58,912 | 187,436 | 246,348 |
| Additional provisions made | 15,870 | 242,160 | 258,030 |
| Amounts paid during the year | (2,641) | (271,838) | (274,479) |
| Balance at 30 June 2019 | 72,141 | 157,758 | 229,899 |

Long-service leave becomes available when the employee completes the specified number of years of continuous service. It does not have to be taken immediately so it is impossible to accurately predict the periods when the provision will be utilised.

Similarly, it is not possible to determine in advance when cumulative sick pay benefits are likely to be claimed.

13 Term Liabilities - Secured

| | 2019 | 2018 |
|---------------------|------------------|------------------|
| | \$ | \$ |
| Current portion | 94,829 | 89,630 |
| Non-current portion | 988,620 | 1,083,668 |
| | 1,083,449 | 1,173,298 |

| | Balance | Interest rate at balance date | Security (see Note 8) |
|--------|-----------|--|-----------------------|
| Loan 1 | \$854,973 | 4.95% fixed until 1/6/2021 | * |
| | | *First mortgage over land and buildings at 7 and 9 Halver Road, Manurewa. | |
| Loan 2 | \$228,476 | 4.35 % fixed until 1/6/2021 | * |
| | | *First mortgage over land and buildings at 297 Blockhouse Bay Road, Auckland | |

The loans are designated in NZ dollars and are due for repayment in June 2021.

14 Subsidiaries and Business Combinations

14.1 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 a 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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2019

15 Operating Leases

The Group has the following operating lease commitments:

- 2nd Floor, 33 Wyndham Street, Auckland. This lease expires on the 31st January, 2022
- Subsidiary Oceania Career Academy limited has the following operating lease commitment for the rental of Unit 1, 3 Rennie Drive, Airport Oaks, Auckland.

West Fono Health Trust is a Guarantor on the above lease.

The lease expires in August 2021,
- Level 2, 6 Alderman Drive, Henderson. This Lease expires 31st January 2030. The Lease can be terminated on the sixth anniversary or the ninth anniversary of the commencement date by giving 6 months written notice to the Landlord and the payment of \$45,000 or \$30,000 respectively.
- The future non-cancellable minimum lease payments at reporting date are detailed in the table below:

| | 2019 | 2018 |
|---|----------------|----------------|
| | \$ | \$ |
| Less than one year | 307,553 | 260,335 |
| Between one and five years | 638,271 | 556,900 |
| Greater than five years | 0 | 86,548 |
| Total non-cancellable operating lease payments | 945,824 | 903,783 |

16 Related Party Transactions

Key management personnel remuneration

The Group classifies its key management personnel 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 Group, on normal employment terms.

The aggregate level of remuneration paid, including Kiwisaver 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:

| | 2019 | | 2018 | |
|------------------------|------------|--------------|------------|--|
| Remuneration | Number | Remuneration | Number | |
| \$ | of persons | \$ | of persons | |
| Trustees/Directors | | | | |
| 99,368 | 16 | 73,456 | 14 | |
| Senior management team | | | | |
| 648,027 | 4 | 673,924 | 4 | |
| 747,395 | | 747,380 | | |

Intra-group transactions

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

| | 2019 | 2018 |
|------------------------------|---------|-----------|
| | \$ | \$ |
| Fono Nesian Services Ltd | 750,000 | 1,047,029 |
| Pasifika Horizon Partnership | 258,067 | 258,067 |
| Oceania Career Academy Ltd | 0 | (500,000) |

17. Contingent Liabilities

The Group had no material contingent liabilities as at balance date. (Last year \$nil.)

18. Events After Balance Date

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

INDEPENDENT AUDITOR'S REPORT
To the Trustees of West Fono Health Trust

Opinion

We have audited the consolidated financial statements of West Fono Health Trust and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in net assets 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of West Fono Health Trust as at 30 June 2019, 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 (Tier 2) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

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 opinion.

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

Restriction on Responsibility

This report is made solely to the members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. Fully permitted by law, we do not accept or assume responsibility to anyone other than the members 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 Public Benefit Entity Standards Reduced Disclosure Regime (Tier 2) issued by the New Zealand Accounting Standards Board, 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 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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 expressing an opinion on the effectiveness of the entity's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 those charged with governance 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.



17 October 2019

Cynthia Forbes

Parnell



“ Our people are
our purpose ”

caring is our culture



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