



2018 ANNUAL REPORT
caring is our culture

Caring is our culture



*“Our
responsibility
is to care
for each
other”*

WEST FONO HEALTH TRUST

**Trust Directory and Operations Profile
as at 30th June, 2018**

PRINCIPAL ACTIVITY:

**Medical, Dental, Social Services,
Public Health and Vocational Training**

TRUST ESTABLISHMENT DATE:

30 June, 2008

PRINCIPAL ADDRESS

**411 Great North Road
Henderson
Auckland 0650**

IRD NUMBER

95-306-713

BANKERS

**Westpac Banking Corporation
Auckland**

SOLICITORS

**Corban Revell
Henderson, Auckland**

AUDITORS:

**McGregor Bailey
Chartered Accountant
Auckland**

CHARITIES COMMISSION REGISTRATION

CC32198

TRUSTEES:

**Tapuai Fa’amalua Tipi - Chairperson
Ahukona Hatalafale - Vice Chairman
Tevita Sakopo ‘Aho - Treasurer
Mary Tavita - Secretary
Teina Akavi
Filemoni Panisi
Tavita Fesola’i
Mele Halapua
John Paterson
Greg Trail
Neil Woodhams
Nacanieli Yalimaiwai**

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Chair’s Message



It’s been another very busy year at The Fono and I have been impressed and delighted with the many achievements of the services that make up The Fono family which are documented in this Annual Report.

I have to acknowledge the hard work and dedication of my fellow Board members, the Chief Executive Tevita Filisonu’u Funaki, and the senior management team. In addition, I want to thank the incredible staff of The Fono who work so tirelessly for our Pasifika families and wider communities.

Caring is indeed our culture and this value has been demonstrated time and time again in the work of The Fono. We are proud to be a Pasifika-based health, education and social wellbeing organisation that delivers high quality services and programmes to Pasifika communities. And we make a difference. Our focus this year has been on providing a family-based, holistic approach to the physical, mental, emotional and spiritual wellbeing of families as well as the wider community.

Throughout the year we have been subject to a number of government sector reviews such as the Mental Health and Addictions enquiry, Whanau Ora review and Social Investment Agency review. Our participation is vital so that our expertise in Pacific wellness is integrated into the reviews and future re-setting of these services.

Furthermore, The Fono is pleased to be an integral partner in the Government’s wellbeing programme. We welcome this initiative and the opportunity to make a difference. We are committed to working closely with other agencies and being a co-designer in taking this agenda forward.

There is much to be proud of this year. In addition, we have a solid platform to move forward with our ambitious plans for next year with the new Wellbeing Realignment Strategy that will guide our work into the future.

Tapuai Fa’amalua Tipi
Chair

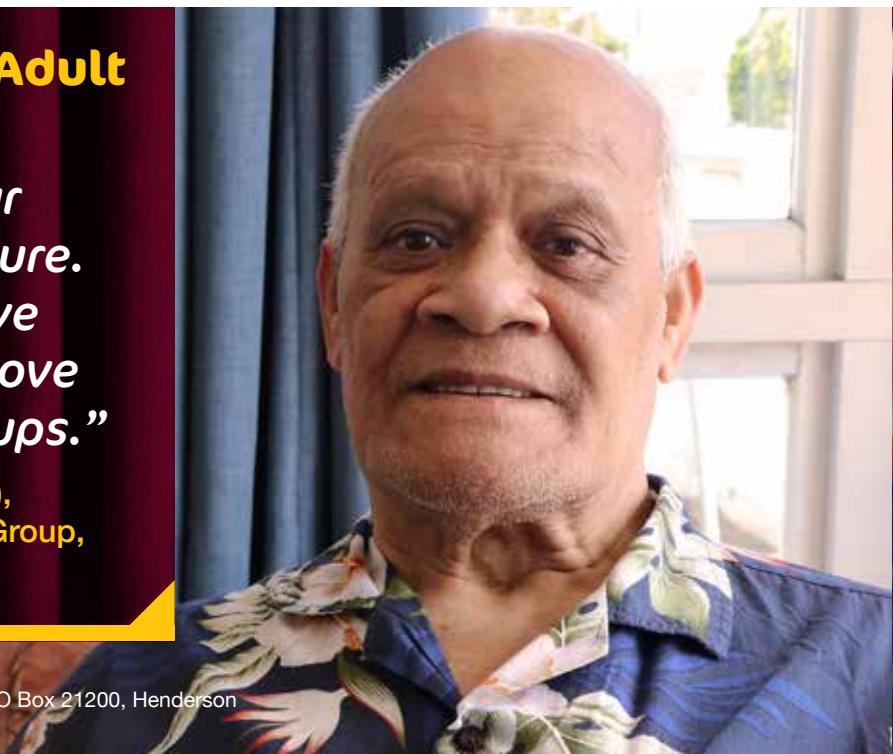
“Ia e fa’atau-aina ma amana’iaina isi”

Samoan

Day Activities for Older Adult

“My generation has an important job, to teach our young generation our culture. Your job is to keep us active and healthy. That’s why I love coming to our weekly groups.”

**Mr. Ulugia Richard Solofa Ulugia (75yrs),
President of the Tuaa Sinasina Elderly Group,
Mt. Roskill.**



CE's Message



First, I want to echo the thanks expressed by the Chair in his message. The support and dedication of the Board and senior management team have been exceptional this year. I also want to thank the hardworking and dedicated staff of The Fono who do incredible things on a daily basis. Tapuai Fa'amalua Tipi has done an outstanding job this year as Chair and I am very grateful for his guidance and leadership.

We have achieved much in 2018 at Fono and can be justifiably proud of all that we have accomplished together.

However, there is still much to be done and our main focus next year will be on developing the substance of our new Wellbeing Alignment Strategy that will guide our work until 2024. The strategy will recognise the growing complexity of problems and challenges affecting Pasifika families and communities. This requires a more holistic, joined-up approach to providing family-based solutions, which uses the great strengths of individual people and our communities.

It's clear from the feedback we receive from staff on the frontline that the following issues will be priorities for us to address going forward:

- supporting positive mental health initiatives particularly among our young people
- tackling family violence by promoting safer families
- developing opportunities for the young through education and the work of the OCA
- addressing chronic illness through lifestyle changes and education programmes.

We are also committed to developing our cultural footprint both locally and nationally. This involves acknowledging the specific needs of Pasifika communities and our strong commitment to collective care. It also encompasses self-awareness of our problems and issues and requires us to take responsibility and ownership for addressing them.

The Fono is committed to finding solutions to these and all the other issues facing Pasifika communities.

We are proud of our considerable achievements throughout this past year and we look forward to the challenges ahead in 2019.

Tevita Filisonu'u Funaki
Chief Executive

**“Ko
hota
fatongia ke
fe'ofa'aki”**
Tongan

Oceania Career Academy

“I've wasted a lot of time floating around and getting into trouble. Now I want to get into the building trade to make a life for me and help support my parents.”

Taukolo Ma'ake (19). Enrolled at OCA the NZ Certificate in Foundation Skills (Carpentry & Fabrication).



Medical



Completed Performance across all clinics

95% **Smoking Brief Advice**
National Target (NT) 90%

95% **Cardiovascular Risk Assessment** (NT) 90%

89% **8/12 Immunisations**
(NT) 95%

90% **2 years Immunisations**
(NT) 95%

80% **Cervical Smears**
(NT) 80%

91% **Diabetes Annual Review**
(NT) 90%

71% **Secondary Prevention**
(NT) 70%

Total Registered Patients 15,991

Henderson

7,352

Blockhouse Bay

1,730

St Patrick's, CBD

2,366

Manurewa

4,543

What has gone well?

The Fono is committed to embedding a culture of ongoing improvement throughout the whole organisation, and our Henderson medical clinic is leading the way by transforming into a Health Care Home (HCH), which places the patient at the centre of services.

This has included implementing a call centre to remove the need for phone answering from the Reception area so that patients can have the undivided attention of the Reception team, holding morning team check-ins (huddles) to build a more connected team, providing online services for appointment bookings and repeat prescriptions, and preparing for GP phone triaging to free up additional appointments each day.



Bring on 2019

In terms of the HCH, we will be reviewing how we can change the clinics' layouts to improve the patient journey. This will lead to a facelift of the current clinics, including extensions of clinical services throughout our sites.

Blockhouse Bay showcases how a small clinic can demonstrate a lean model and still grow in size, popularity and in its quality performance.

The St Patrick's Square clinic is in a prime location in the CBD and with stable staffing is expected to grow its patient population. This clinic will start to adapt some of the HCH features like team huddles, GP phone triage and standardised room settings.

Our Manurewa clinic will implement team huddles and GP phone triage. In addition, connecting numbers 7 and 9 Halver Road will enhance patient movement between the buildings and encourages more effective nurse-led clinics.

“Sa nodai tavi me da veikauwaitaki talega vakai keda”

Fijian

Pacific Provider Development Funding

What has gone well?

The Fono has continued to receive Pacific Provider Development Funding from the Ministry of Health in order to successfully deliver on phase two of its five-year organisation development plan.

We were honoured to have been able to co-design Group-Based Treatment programmes with Professor Hayden McRobbie to address Pacific obesity. Programmes have been delivered within our community and will continue to be refined as an important tool for ongoing workforce development.

Plans to connect the two buildings at 7 and 9 Halver Road, Manurewa have been finalised for completion by November 2019. This renovation will ensure our buildings are fit for purpose and enhance the patient's journey when they need to move between our Manurewa buildings.

Fono patients deserve the very best service, which requires frontline staff to be appropriately supported to deliver excellent services. To meet these outcomes, line managers received in-house training on building high performing teams.

Bring on 2019

The Fono will continue to develop its workforce as the skillsets required of our practitioners are significantly more specialised than those required in mainstream providers. Responding to equity issues is a priority at The Fono, and management is committed to ensuring that staff are supported appropriately to address these issues effectively. We will be reviewing our Strategic Plan in the coming year and look forward to stepping up with our enormous talents and caring professionalism in order to hit a home run for the benefit of our families and communities.



Public Health

Programmes

- » **Enea Ola Coordination**
- » **Enea Ola Parish Community Nurses**
- » **Physical Activity and Nutrition Promotion**
- » **Day Activities for Older People**
- » **Healthy Babies, Healthy Futures**
- » **Breast Screening Support**
- » **Bowel Screening Support**
- » **Ready Steady Quit**
- » **OI@or@ Research Project**

What has gone well?

Our Public Health team is comprised of enthusiastic health promoters who continue to display adaptability, a willingness to go above and beyond, and an enjoyment of working collectively for the benefit of the communities they serve.

The optimum time when people are most motivated to make healthy changes is during pregnancy. Growing our Healthy Babies, Healthy Futures programme has, therefore, become a key priority programme at The Fono, and was delivered in several Pacific languages this year. Incentivising participation has been successful, and we are now considering other ways to build this service into a key Building Optimal Futures programme.

For our matua, the Day Activities for Older Adults programme achieved ACC approval as a Strength and Balance Exercise Provider. Activity sessions are now purposefully designed to build strength and balance, as well as providing valuable social time with peers.

This year, the Enea Ola Parish Community Nurses supported the Waitemata District Health Board to deliver the intensive school-based measles mumps and rubella (MMR) vaccination programme. The nurses achieved independent vaccinator status and utilised their knowledge to successfully engage Pacific students into the immunisation project.

The Fono maintained formal links with 35 Pacific churches and community groups through our Enea Ola programme. The Enea Ola network has been actively involved in mobilising their groups to be physically active and informed about healthy nutrition.

Another exciting project we have been involved with is the OI@or@ research project which has involved supporting over 20 Pacific community groups (more than 560 participants) to complete a 12-week programme on the co-designed OI@or@ mobile application.

Bring on 2019

We will be rolling out our new Integrated Service (Aiga Fono Care) which will include three diabetes and asthma nurses and three change agents or navigators. This multi-disciplinary team will provide a wraparound service for Henderson medical patients.

Enea Ola turns 10 in 2019, and we are looking forward to celebrating this awesome milestone!

The OI@or@ research findings will be compiled and disseminated back to the 20 participant groups, and we will be presenting the findings at the 23rd World Conference on Health Promotion in April 2019.

We look forward to celebrating 10 years of Enea Ola with the current and past Enea Ola communities.





Ready Steady Quit

“Over half of our staff smokes. I want you to help them quit, for themselves and their families. Our company will give you as much support as you need.”

Mr. David Phyn, CEO Taylors Industries

**“Ha
mautolu
a matagahua
mahuiga lahi ke
felevekiaki e taha
kehe taha”**
Niuean

12
129

Six module Healthy Babies, Healthy Futures programmes.
Delivered to:
Pregnant mothers and parents with children under 4 years old.

35

Pacific Churches and Community Groups across West Auckland and North Shore delivered physical activity and nutrition programmes through our Enea Ola service.

828

People enrolled in the Fono’s Ready Steady Quit Stop Smoking Service.

246

Women were supported to Breast Screening and Assessment with our Breast Screening Support Service up

384

Free exercise classes were delivered in Waitakere by our Physical Activity and Nutrition Service.

1,772

People were referred to the Fono’s Ready Steady Quit Stop Smoking Service.

299

People successfully quit with the support of the Fono’s Ready Steady Quit Stop Smoking Service.

Social Services

Programmes

- » Pacific Whanau Ora
- » Waitemata Family Start
- » Mental Health Support
- » Family Support
- » Building Financial Capability (budgeting)
- » Family Harm Team
- » Talanoa Va Men’s Non-Violence Programme (voluntary)
- » Adult and Child Safety Programmes

146 Families supported through family violence crises

1,100 Family violence Police call outs were followed up

1,133 Building Financial Capability sessions were delivered throughout Auckland

825 Families reached through Whanau Ora

104 Families completed their interventions with Family Start

7,900 Pacific Mental Health support hours delivered

What has gone well?

The scope of Social Services has continued to grow this year, especially in the family harm area. A strong commitment to ongoing professional development ensures that staff members’ skillsets grow with their experience so that enhanced services are provided. This is especially important for our new services and we are looking forward to growing a highly skilled workforce that can meet the demands of their roles in innovative and effective ways.

Our Building Financial Capability staff have worked hard to develop positive working relationships with Central Auckland Work and Income staff, resulting in this area now providing our highest referral rates.

Family Start Waitemata continues to achieve our KPIs with the 208 families we are working with. Our North Shore site has been at full capacity since January 2018.

Walking the talk of ‘connecting to our community’, our Social Services’ team hosted an open day in April 2018 for local agencies to strengthen their working relationships, with over 120 people engaging with us.

Bring on 2019

The Fono understands that vulnerable Pacific families need solutions that are responsive to the needs and culture of each family. This means the workforce needs to be comprised of highly skilled professionals who have the relevant cultural skills to be understood by the families they work with, and who can navigate the system for the families to strengthen their positions.

In 2019, we are looking forward to continuing to extend the skillsets of staff by regular supervision and ongoing in-house training. Our family harm services for Pacific peoples will be extended across all of Auckland, and we will enhance our support to parents by improving how we integrate our services with a specific focus on child wellbeing.





**“Tou
tusaga sili
‘taua ko te
‘Atafai o tino ki
te sua tino”**

Tuvaluan

Our Whanau Ora Families

“We leave the The Fono’s Whanau Ora Programme after three years with a lot of confidence and hope for my family’s future...”

Mrs Litia Tufa with some of her children. Back L-R: Fuainuku (11), Leleao (6), Litia. Middle: Savaea (4), Manumalo (5). Sitting: Ivaselau (12) and Jasper (9).

Dental

“I’ve had six appointments and on every occasion I have found all of the staff to be warm and friendly. They are extremely professional and really live up to their motto of ‘Caring is our culture’.”

Margaret Carnie, Google Review



What has gone well?

2018 has been both a challenging and rewarding year for the Dental team. The clinicians, under the direction of Clinical Director, Dr Mowafaq Amso, have worked diligently to develop a high level of professionalism in the delivery of dental services offered by The Fono. In order to increase and maintain a loyal patient base, there has been a strong emphasis placed on the customer experience from a holistic perspective. Key areas of focus have been competency and caring. This has resulted in 2,052 new patients being added to our patient list this year.

The development of a culturally sensitive oral health programme amongst Pacific communities has been a high priority. This has been achieved through proactive participation in education programmes, providing work opportunities for Pacific students, in-depth consultation sessions and affordable options for patients.

Dr Amso presented at the 2017 Pasifika Medical Association conference on Pacific Oral Health in New Zealand and the new model of care developed at The Fono.

In February 2018, in conjunction with AUT, the dental team arranged for oral health students to present to our Community Services staff as part of their course requirements. This is the second year that the partnership programme has been running. The dental team also piloted an outreach education programme at Lea’atata Samoan Pre-School, Gladstone Primary School, and Henderson Methodist Church. This will form a template for future outreach programmes planned for 2019.

New members welcomed to the Dental team include: Dr Sherin Takawi (Junior Dentist at St Pat’s), Ira Dennison (Business Manager Dental), Dr Pulkit Kinra (Senior Dentist at St Pat’s), Michael Ah Poe (Casual Dental Assistant/Receptionist), and Antonina Tupuola (Dental Receptionist at Manurewa).



DENTAL SERVICES: Dental Check-up/Consultation • Dental X-ray • Clean (Scale and Polish) • Fillings • Extractions
 Dentures • Crowns • Bridgework
IV Sedation (Available at City clinic only) • Cosmetic Gold and Diamond Teeth • Teeth Whitening
SPECIAL SERVICES: Free WINZ Quotes • Free Treatment for Adolescents and Children (Under 18s) • \$40 Emergency Dental Treatment (for Community Service Card holders) • Community Service Card Holder Discounts • Whanau Ora Quotes



109 Dental sessions for adolescents and special dental services for children and adolescents

Bring on 2019

The main objective for the Dental team in 2019 will be meeting the financial KPIs for the year. This will be achieved through:

- » prioritising excellent customer service
- » creating a warm and caring environment for both patients and staff
- » engaging with and providing support from other Fono services
- » establishing stronger business relationships with key partners like WINZ and DHBs
- » continually evaluating our services
- » training programmes for all dental staff
- » greater interaction with Pacific communities through oral health education initiatives
- » a rigorous and innovative marketing strategy.

“Ko te anga’anga pua’pinga rava atu kia tauturu tatou ki teta’i e teta’i”
 Cook Islands



1,697 Emergency dental sessions for Low Income Adults

65 Dental sessions for Socially Disadvantaged & Psychiatric Adults

2,052 New patients

3,893 Total dental sessions

4,052 Pasifika patients enrolled on our database

Oceania Career Academy

Programmes

- » New Zealand Certificate in Foundation Skills (Building & Carpentry) Level 2 – Youth programme
- » Carpentry Trade Skills programme – Secondary Schools programme
- » Maori and Pasifika Trades Training Navigator Services – MPTT at ITPs Programme



What has gone well?

OCA was awarded Government funding (Tertiary Education Commission – Youth Guarantee) for the first time in 2018. Investment funding from the TEC has been renewed for 2019.

Systems and processes at OCA are in place to meet stakeholder requirements including the following:

- A TEC audit was completed which is vital to ensuring ongoing funding.
- NZQA compliance for moderation has been achieved to safeguard academic integrity.
- ITOs' compliance has been assured to meet the expectations of industry standard-setting bodies.

The OCA teaching and management team has worked hard to strengthen the standing of OCA with key industry and education stakeholders. A strong Pacific ethos and identity is being developed and strengthened through teaching and cultural practices that make OCA uniquely placed to support the learner journey and aspirations.

Student retention is high because of the authentic relationships that staff have with students. Central to this is the ability of OCA to draw on the expertise at The Fono and to work collaboratively with partner schools.

The early part of the year was marked by staff turnover, but OCA has used this to build a highly accomplished and cohesive team with strong Pacific leadership focused on student and community needs as well as high academic standards that lead to successful outcomes.

Bring on 2019

OCA is now well placed to deliver an expanded offering in 2019 and is also committed to examining the feasibility of extending its reach into other areas of study such as health, which offer vibrant career opportunities for the young people of South Auckland.

The strong community relationships that OCA has been building in 2018 will see OCA students doing a range of projects that both deliver great educational outcomes and also give back to the community. For example, OCA students will build 40 pataka kai (community food pantries) by the end of 2019.

OCA looks forward to developing its profile with the industry, learners and the wider community through a broad range of promotional activities such as open days, industry breakfasts, parent and family events. The value of its relationship with The Fono is to create excitement amongst the young Pacific people of South Auckland and develop it into meaningful second chance pathways that change their lives. We are excited about the potential of OCA to play a key role in the Government's agenda to address the income and educational inequality that disproportionately impacts Pacific families.

126
students
were
supported by
OCA in 2018

25
students who
have gained
employment
as a result of
being at OCA

21
apprentice-
ships or
traineeships
gained by
OCA students

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30th June 2018

	NOTE	2018 Group \$	2017 Group \$
Revenue from Exchange Transactions			
Operating Revenue	5	12,785,041	12,544,512
Interest Income		1,211	2,331
Rental Income		41,280	42,500
Sundry Income		10,262	2,887
		12,837,794	12,592,230
Revenue from Non Exchange Transactions			
Operating Grants		850,000	887,000
Donations		0	8,300
		850,000	895,300
Total Income		13,687,794	13,487,530
Expenses			
Operating Expenses		3,580,216	3,733,519
Depreciation		306,276	294,400
Amortisation	9	42,228	122,208
Staff Expenses	6	9,338,077	8,634,061
Interest and Finance Charges		75,460	77,342
Rental and Operating Lease Charges		364,772	334,309
Auditors Fees		38,910	28,850
Trustee Fees		73,456	74,224
Total Expenses		13,819,395	13,298,913
Net Surplus / (deficit)		(131,601)	188,617

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 2018

NOTES	2018 Group \$	2017 Group \$
Equity at Start of the year	4,804,798	4,616,181
Net surplus (deficit) for the year, comprising	(131,601)	188,617
Total recognised revenues and expenses	(131,601)	188,617
Movement in Equity for the year	-131,601	188,617
Equity at end of the year.	4,673,197	4,804,798

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 2018

	NOTE	2018 Group \$	2017 Group \$
Current Assets			
Cash & Equivalents	7	685,514	1,070,136
Trade Debtors		479,617	627,271
Other Receivables		81,580	64,036
Total Current Assets		1,246,711	1,761,443
Non-Current Assets			
Properties, Plant and Equipment	8	5,899,969	5,953,666
Westcare Shares		7,000	7,000
Procare Shares		8,000	8,000
Intangible Assets	9	394,889	437,117
Total Non Current Assets		6,309,858	6,405,783
Total Assets		7,556,569	8,167,226
Current Liabilities			
Trade and other Payables	10	1,343,718	1,280,057
Income Received in Advance	11	120,008	632,187
Employee Benefits	12	246,348	191,261
Current portion Mortgages (secured)	13	89,630	85,628
Total Current Liabilities		1,799,704	2,189,133
Non Current Liabilities			
Mortgages (secured)	13	1,083,668	1,173,295
Total Non-Current Liabilities		1,083,668	1,173,295
Total Liabilities		2,883,372	3,362,428
Total Net Assets		4,673,197	4,804,798
Represented by:			
Equity			
Accumulated Funds		4,673,197	4,804,798
Total Accumulated Funds		4,673,197	4,804,798

For and on behalf of the Board;

Trust Board Chairperson 

Date: 29/11/2018

Trustee 

Date: 29/11/2018

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 2018

	NOTE	2018 Group \$	2017 Group \$
Cash flows from operating activities			
Receipts			
Operating revenue		12,402,973	12,431,725
Donations and grants		850,000	895,300
Interest received		1,211	2,331
Rent income		41,280	42,500
Sundry income		10,262	2,887
		13,305,726	13,374,743
Payments			
Suppliers		3,993,693	3,918,605
Employees		9,282,990	8,619,323
Interest expense		75,460	77,342
		13,352,143	12,615,270
Cash used in operating activities		13,352,143	12,615,270
Net cash flows from operating activities		(46,417)	759,473
Cash provided from investing activities		0	0
Cash used in investing activities			
Purchase property, Plant and equipment and intangibles		252,580	514,460
Purchase Shares		0	8,000
Net cash flow used in Investing activities		(252,580)	(522,460)
Cash flow from financing activities			
Drawdown of loans		0	0
Cash used in financing activities			
Repayment of loans		-85,625	82,192
Net cash flow from financing activities		(85,625)	(82,192)
Net increase/(decrease)in cash and cash equivalents		(384,622)	154,821
Cash and cash equivalents Opening July 1, 2017		1,070,136	915,315
Cash and cash equivalents Closing June 30, 2018		685,514	1,070,136

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 2018

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 2018. They were authorised for issue by the board of trustees on 29 November 2018.

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.

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 measured 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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2018

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.

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 AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2018

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 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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2018

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.

5. Operating Revenue

	2018	2017
Operating revenue includes:	\$	\$
Medical services	5,007,795	4,907,731
Dental services	1,558,596	1,565,073
Community Services	6,039,626	5,838,005
Vocational training	179,024	233,703
	12,785,041	12,544,512

6. Staff Expenses

	2018	2017
Staff expenses include	\$	\$
Wages and salaries	9,088,281	8,447,844
Kiwisaver contributions	194,709	171,479
Long-service leave provision	6,784	2,541
Provision for cumulative sick pay	48,303	12,197
	9,338,077	8,634,061

7. Cash & Cash Equivalents

	2018	2017
	\$	\$
Cash on hand and at bank	410,804	444,173
Business saver accounts	206,929	206,447
Whanau Ora account	67,781	419,516
	685,514	1,070,136

8. Property, Plant and Equipment

	Land	Buildings	Leasehold improvements	Plant & Furniture & Equipment	Office & Computer Equipment	Motor Vehicles	Total
30 June 2017							
Cost	1,556,924	3,660,218	429,198	555,680	110,695	388,982	7,584,693
Accumulated depreciation		306,608	102,553	272,722	68,353	245,115	1,631,028
	1,556,924	3,353,610	326,645	282,958	42,342	143,867	5,953,665
Additions		104,394	24,379	38,984	40,188	13,701	252,602
Disposals							
Depreciation for year		(22,072)	(62,181)	(60,800)	(10,726)	(53,117)	(306,297)
Balance as at 30 June 2017	1,556,924	3,435,932	288,843	261,142	71,804	104,451	5,899,970
30 June 2018							
Cost	1,556,924	3,764,612	453,577	594,664	150,883	402,683	7,837,295
Accumulated depreciation		328,680	164,734	333,522	79,079	298,232	1,937,325
	1,556,924	3,435,932	288,843	261,142	71,804	180,875	5,899,969

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 \$1,173,298 (2017: \$1,258,923), are subject to first mortgages to secure bank loans (see Note 13).

The group had no material capital commitments at balance date (2017: Nil).

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2018

9. Intangible Assets

	Goodwill	Software	Total
30 June 2017	\$	\$	\$
Cost	488,660	232,306	720,966
Accumulated amortisation	99,589	184,260	283,849
	389,071	48,046	437,117
Additions	-	-	-
Disposals	-	-	-
Amortisation for year	(20,215)	(22,013)	(42,228)
Balance as at 30 June 2018	368,856	26,033	394,889
30 June 2018			
Cost	488,660	232,306	720,966
Accumulated amortisation	119,804	206,273	326,077
	368,856	26,033	394,889

10. Trade & Other Payables

	2018	2017
	\$	\$
Trade creditors	500,540	428,499
Sundry Accruals	843,178	851,558
	1,343,718	1,280,057

11. Income Received in Advance

	2018	2017
	\$	\$
Income in Advance	76,682	104,657
Whanau Ora Families Fund	42,326	527,530
	120,008	632,187

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 2017	52,128	139,133	191,261
Additional provisions made	28,733	251,406	280,139
Amounts paid during the year	(21,949)	(203,103)	(225,052)
Balance at 30 June 2018	58,912	187,436	246,348

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

	2018	2017
	\$	\$
Current portion	89,630	85,628
Non-current portion	1,083,668	1,173,295
	1,173,298	1,258,923

	Balance	Interest rate at balance date	Security (see Note 8)
Loan 1	\$905,909	4.95% - fixed until 1/6/2021	First mortgage over land and buildings at 7 and 9 Halver Road, Manurewa.
Loan 2	\$267,389	4.7 % - fixed until 6/7/2018	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 2018

15. Operating Leases

The Group has the following operating lease commitments:

1. 2nd Floor, 33 Wyndham Street, Auckland. This lease expires on the 31st January, 2019.
2. 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,

3. 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.

4. The future non-cancellable minimum lease payments at reporting date are detailed in the table below:

	2018	2017
	\$	\$
Less than one year	260,335	232,760
Between one and five years	556,900	455,777
Greater than five years	86,548	-
Total non-cancellable operating	903,783	921,297

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:

	2018		2017	
	Remuneration \$	Number of persons	Remuneration \$	Number of persons
Trustees/ Directors	73,456	14	74,224	14
SMT*	673,924	4	688,879	4
	747,380		763,099	

* Senior management team

Intra-group transactions

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

	2018	2017
	\$	\$
Fono Nesian Services Ltd	1,047,029	1,047,029
Pasifika Horizon Partnership	258,067	258,067
Oceania Career Academy Ltd	(500,000)	(375,000)

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.

AUDITOR'S REPORT



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 2018, 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 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (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.



AUDITOR'S REPORT



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.

McGregor Bailey

30 November 2018
McGregor Bailey
Ponsonby, Auckland





