



the
fono

2020 ANNUAL REPORT



caring is our culture

THE FONO TRUST

TRUST DIRECTORY AND OPERATIONS PROFILE

As at 30th June 2020

PRINCIPAL ACTIVITY:

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

TRUST ESTABLISHMENT DATE

30/06/08

PRINCIPAL ADDRESS

411 Great North Road
Henderson
Auckland

TRUSTEES

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

IRD NUMBER

95-306-713

BANKERS

Westpac Banking Corporation
Auckland

SOLICITORS

Corban Revell
Henderson
Auckland

AUDITORS

Mc Gregor Bailey
Chartered Accountants
Auckland

CHARITIES COMMISSION REGISTRATION

CC 32198



the fono

caring is our culture

THE FONO TRUST (TRADING AS THE FONO)
2020 ANNUAL REPORT
GROUP FINANCIAL STATEMENTS
For year ended 30th June, 2020

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THE FONO RISES TO THE CHALLENGES OF COVID-19

2020 will be remembered as the year that a global pandemic transformed how we live and work. Covid-19 has changed The Fono's operating environment. We have had to meet unprecedented need in our Pasifika communities. And at the same time, we have had to adapt our services to new ways of working.

It's been a demanding and sometimes difficult journey. However, The Fono has risen to the challenge. I am incredibly proud of how our Board members, senior leaders and staff have responded to the crisis.

The Fono's pandemic planning has proved to be exemplary. Our key stakeholders, including central and local government, district health boards and community partners, have looked to us to provide the lead. We mobilised our staff quickly and efficiently. From community testing to contract tracing, wraparound welfare services to food parcels, The Fono's response was comprehensive.

We have been tested. And we have not failed. The Fono's model of care is proven to be effective even in the most challenging of times.

My thanks go to Chief Executive, Tevita Filisonu'u Funaki and The Fono's senior management team. The leadership they have shown has been inspirational. They ensured The Fono efficiently and effectively responded to the rapidly changing demands of Covid-19. The senior management's team outstanding communication has been an important part of our success. Board members, employees and the whole Pasifika community were kept informed and involved.

I am also very grateful to my fellow Board members. Throughout the crisis, they provided a clear sense of direction and vision. Their wise counsel has been invaluable both to the senior management team and myself.

As Chair of this fantastic organisation, I am more proud than ever of our achievements this year. Highlights include our mobile testing units, which provided Covid tests in people's homes. I have no doubt that many lives were saved as a result. In addition, the Oceania Career Academy continued to succeed against



the odds. OCA maintained a high level of attendance and 100% pass rate, despite Covid-19. The pandemic has confirmed that The Fono's holistic, integrated approach is the right model of care. However, there are still many challenges ahead.

Covid-19 has exposed the inequalities our Pasifika people face. From poor housing and education to health issues and income disparities, the pandemic has highlighted the challenges that are still to be overcome.

It was a privilege to welcome Jacinda Ardern to our Manurewa offices in September. The Prime Minister's visit provided a fantastic opportunity

to discuss first-hand the needs of our Pasifika communities. And we will continue to advocate for our Pasifika peoples at the highest levels.

The priority for the Board is to build on the knowledge and experience we have gained this year. We will enhance our model of care in light of this experience. And we will ensure we have the capacity and capability to continuing meeting the needs of our communities whatever lies ahead.

Tapuai Fa'amalua Tipi
Chair





“CARING IS OUR CULTURE” RESILIENCE PROVEN BY COVID-19

In looking at the 2019-20 year in hindsight it falls quite dramatically into two sections. The first was about making solid progress on a number of fronts including new proposal and contracts while the second was dominated by the need to take on the pandemic. At The Fono, “caring is our culture” is our promise and it has never been more tested than by our responses during the various Covid-19 alert levels. The Fono’s team, from staff volunteering at the Feleoko (foodbank) right through to Board members, all stood up and delivered to those who needed us most in the most terrible of times for the country.

During the first part of the year in review we improved our ability to provide suitable support across the organisation. This included an upgraded I.T. system to expand our capability and efficiency. The Manurewa practice was made more accessible to our patients and the families of our expanded Southern Whanau Ora team. Dental practices had state of the art equipment installed to ensure quality standards are maintained. Importantly, there was an emphasis on enhancing ways to unify our model of care, so it is even more relevant to the families and individuals we serve through our various units and programmes.

The effort put in was extremely timely as the pandemic arriving in March soon placed our Integrated Model of Care under enormous pressure. Not only did it thrive, we were able to use the impetus of the crisis to swiftly design and deliver further improvements to the ways we connect with our patients, clients and our students at the Oceania Career Academy. Innovations such as our drive through Flu vaccination set ups, medication deliveries and our Mobile Testing facility with medical staff being supported by social workers to ensure that we were tackling important longer-term risk factors as well as immediate needs. Along with these special advances extremely relevant to Pasifika, we also were fully involved with contact tracing, remote support in medical, public health and social services. Ensuring access and much needed support at a difficult time. Importantly too, we have great examples



from this period to follow as we review and further improve the Integrated Model of Care. During the year we consolidated our relationships with government, in the ministries, DHBs and agencies as we extended contracts and worked with partnering funders on broader based additional programmes and opportunities. The cooperation between organisations during Covid-19 restrictions was very welcome and I was able to support this in a meaningful way through my involvement in a number of planning and oversight forums. Working with our partners we appreciate very much that fresh thinking and ideas are welcomed and we are invited in many cases to contribute to the design of projects and platforms for future initiatives. An example is our partnership with Pacifica Futures Ltd on Whanau Ora activities at The Fono and Oceania Career Academy. These are making measurable differences to lives of families we walk alongside. With other funding partners and associates we similarly jointly share the responsibility to improve equity in wellbeing outcomes through ground-breaking concepts. I wish to pay tribute to the people of The Fono who during the year contributed so much. In our practices – dedicated doctors, nurses, dentists, dental assistants, call centre workers

and receptionists. Our Communications team worked tirelessly to manage incoming and out going messages, notices and enquiries. In our public health team – nurses, coaches and coordinators really engaged with the community. In social services our teams achieved so much for our clients and their families, particularly in working towards better futures. At OCA, the tutors and mentors set records for Pasifika achievement and transitions to work. Supporting the front-line staff are a superb group of finance and administrative staff. Special recognition should be given to the unit managers who led by example as well as the COO Sally Dalhousie (recently given a Pacific Community Leadership Award at the Sunpix Pacific Peoples Awards) and our soon to retire CFO, Peter Aldous. I am also personally appreciative of our Chair, Tapuai Fa'amalua Tipi and his fellow Board members for their commitment to The Fono, providing it with sound governance and supporting The Fono team to carry out the strategy. 2019-20 was certainly the year that showed our promise, "caring is our culture" is very resilient and is a pledge we can make with pride.

Tevita Filisonu'u Funaki
Chief Executive Officer



SUSTAINABILITY THROUGH REINVESTING

The 2020 financial year's focus was around the consolidation of the gains we have made during the previous year. Operations had put in place a new structure which was starting to show results and this year these changes were given the opportunity to solidify. We also continued with the reinvesting of sustainable community projects that are consistent with our vision and mission.

In continuation from the previous year's restructure, 2020's objective was to resume investment in Oceania Career Academy's development which has been a notable focus this year and extremely rewarding. There was also an added focus on our social, medical and dental services with a significant investment towards our IT systems, strategic direction and marketing initiatives to help bring to fruition the plans of the last few years.

Then Covid-19 hit and fortunately we had somewhat prepared ourselves in the years prior. The consolidation, direction and organisational structures had already been established therefore we had the personnel, resources and structures in place to meet the challenge from March 2020 and our response was extraordinarily successful.

On one level it was chaos. Being forced into almost illogical ways of doing things and operating in ways we would have never previously considered. OCA's carpentry course suddenly went online whilst retaining all their students, doctor's appointments became phone consults and our dental services, though extremely challenged by strict and limiting protocols managed remarkably well. Fortunately due to the heavy investment in our IT platforms and marketing we were organisationally very strong with the ability to face this unprecedented situation before us.

Augmented by our social services and public health teams who were testing, delivering food, pharmaceuticals and mobile services to our communities this opened up one of the best forms of marketing and brand awareness opportunities we could have ever hoped for. The Fono went from just being an organisation to being a nationally recognised organisation

for the wonderful work of the staff and their response to this pandemic. Reflecting back on this year the key component really was our staff – the people of The Fono. Their incredible service-wide response and their commitment to serve in such an empowered way, consistent with The Fono's mission and purpose was and remains remarkable. Combining the smart use of resources and their own potential they have made the organisation what it is today and now, moving forward we just need to continue on that same theme and we'll be a very successful organisation building on the success of our Covid-19 response.

From a financial perspective we must also be continually balancing the drivers of the community, social investment and sustainability. And in this new environment it's essential that they remain secure. Because we had been doing that we were able to meet the challenge from a financial point of view. With comprehensive resources we have the potential to manage new developments extremely well if we continue to focus on balancing these three initiatives.

Covid-19 has sharpened our focus and understanding on what projects can be started and will remain sustainable for The Fono. Our decision making has become bolder and highlights our ability to make swift and critical decisions, ensuring this sustainability. The stability of our structures have also been proven this year and imbedded in for the future. So as we confront these new times, the 'new norm', we enter 2021 anticipating a continuation of this year's learnings from our response to Covid-19. The IT and virtual system platforms that we have in place and the extensive work being done on our strategic plans to understand where we are going for the next few years is giving us an added confidence in our sustainability and the achievement of our mission - to provide a model of care that will support and secure a sustainable future for our pacific communities.

Please refer to page 26 for the full financial report for the year 2019/2020.

Peter Aldous
Chief Financial Officer





ALAI SIA - ALAI KOLONGA

Here at The Fono, caring is our secure sense of identity is important for any organisation's integrity, and this year has been particularly poignant for The Fono in claiming its status as a strong and vibrant Pacific community. As such, The Fono is now ready to assert the wisdom it has acquired over its 33 years of existence, in how best to serve Pacific families and communities.

This year, The Fono has continued to extend the number and range of services it provides and looks forward to maintaining a steady rate of growth along with its commitment to ongoing improvement of how services are delivered.

Without doubt, COVID-19 made this year a dynamic period of empowering transformation for The Fono. For the first time ever, over 60 staff were redeployed into new roles which were physically demanding and vastly different to what they had been trained for. The willingness of staff to help was undeniably strong, and while many New Zealanders spent their 5 weeks in their homes, Fono staff were



OUR SERVICES

SOCIAL SERVICES:

- » Pacific Whanau Ora
- » Building Financial Capabilities
- » Feleoko Foodbank
- » Family Violence Services
 - ▶ Police call-outs to Pacific families
 - ▶ Non-violence and safety programmes
 - ▶ Whanau Resilience
- » Waitemata Family Start
- » Edge of Care Intensive Support
- » Mental Health Support

PUBLIC HEALTH SERVICES:

- » Enea Ola Programme
- » Community Exercise Classes
- » 'Aiga Fono Care
- » Healthy Babies, Healthy Futures
- » Ready Steady Quit
- » Breast Screening Support
- » Bowel Screening Support

giving their all to help those in great need. Across all services the initial stages of Alert Level 4 were unique and exciting, and once the novelty had worn off after a few weeks, work became increasingly demanding but remained rewarding.

While core services continued to be delivered in mainly contactless ways, the following new services were quickly stood up during Alert Level 4 Lockdown:

- » COVID-19 Relief Packages and Support
- » Integrated COVID-19 Mobile Swabbing Services
- » Pacific Integrated Mobile Service

Alai sia, Alai Kolonga (Tongan) or ***la aoga*** (Samoan) is 'to be useful' and is a key concept which is highly upheld by Pacific people. To be useful gives one purpose and a sense of belonging. To be useful makes one a contributor and enables one to feel satisfied with their place in the world. As an organization which provided essential services, The Fono proved itself to be useful to New Zealand during the state of national emergency and Alert Level 4. This was

an important achievement for The Fono, which validated the organization's humble assertion of its wisdom in knowing how best to provide effective services for Pacific.

The Fono will continue to progress the implementation of its Integrated Model of Care by building on the transformations gained through New Zealand's first Alert Level 4 National Lockdown. The equity gap between Pacific and mainstream New Zealand continues to grow and can be more effectively addressed when drawing on the insights of those who are affected. The Fono's model of care is informed by that acumen and is owned by the Pacific communities of New Zealand. It is time to harness that wisdom and apply the most appropriate methods of supporting people to close the ever-widening equity gap.

Now is the time.

Sally Dalhousie

Chief Operating Officer

DENTAL SERVICES

- » Manurewa Clinic
- » City Clinic
- » Henderson Clinic

MEDICAL SERVICES

- » Manurewa GP Clinic
- » City GP Clinic
- » Blockhouse Bay
- » Henderson GP Clinic
- » Training Services

OCEANIA CAREERS ACADEMY

- » NZ Certificate in Foundation Skills (Carpentry) Level 2
- » NZ Certificate in Study and Career Preparation (Carpentry) Level 3

- » NZ Certificate in Construction Trade Skills (Carpentry) Level 3
- » Trades At School Construction Program Level 2 and 3
- » MSD Work Readiness Program
- » MOH Youth Wellbeing and Suicide Prevention Program
- » Whanau Ora Navigation Service
- » Youth Mentoring

NEW SERVICES:

- » Whanau Resilience
- » Happy Skin
- » Nurse Practitioner and Enrolled Nurses Placements
- » Pacific Mental Health Services in Primary Care



1,721

THE FONO BLOCKHOUSE BAY

2,471

THE FONO CENTRAL

7,499

THE FONO HENDERSON

4831

THE FONO MANUREWA

16,522

TOTAL ENROLLED PATIENTS

HIGHLIGHTS PRE-COVID

We began this financial year with some positive progress and plans in place as we forecast another year of typical challenges and targets to meet. Some highlights and plans were:

- » Investment in new adjustable beds for physically challenged patients
- » Late night and Saturday clinics proved popular
- » ASR targets were making steady progress
- » All medical services were running without restrictions
- » Mental health nurse at our Manurewa clinic
- » Plans to include psychology to our mental health services

THE FONO COVID RESPONSE

First and foremost was the safety of our staff and patients. As a result, many of our regular services were put on hold including podiatry, diabetes specialist clinics, dietitian clinics, home clinics, Saturday morning and evening clinics, minor surgery and spirometry. Psychology service development was also delayed.

Our medical service's Covid-19 initial response included:

- » Pro-active planning by pre-ordering PPE
- » Extensive focus on generation of new operational processes and procedures
- » Staff training to work safely in a new pandemic environment
- » Advising and collaborating with our call center as call volumes increased significantly
- » Logistical changes in our clinics with 'green rooms' and 'red rooms' in all clinics with the sole purpose of isolating symptomatic or high-risk patients such as front-line workers as well as isolating the staff caring for them
- » Management of strict limitations and criteria for patients entering our clinics, requesting patients to wait in their cars whenever possible
- » Adaptation of services in line with current guidelines and readjustments per alert level
- » All operational decisions guided by Auckland Regional Community Health Pathways and the MoH guidelines
- » Switch to paperless practice where ever possible for infection control purposes (E-Labs & E-prescriptions)
- » Upgrade of our PMS system
- » Staff familiarisation with phone consults





Communication barriers such as language and developing rapport with patients over the phone was demanding for our GPs and nurses but they managed considerably well. For some patients' IT resources were very limited – such as the inability to take photos of visible symptoms and send them though to us for assessment.

IN THE THICK OF IT

The challenges of day-to-day operations during this period involved:

- » Staff management - due to personal reasons such as staff or their family members having high risk conditions
- » Locum doctors utilised and staff reassigned from other clinics to fill gaps
- » Some staff re-deployed to mobile testing
- » High staff anxiety
- » Continuous assessment of procedures and protocols
- » Management of feedback from staff at each alert level
- » An 80 percent drop in face-to-face appointments due to standard 15-minute appointments becoming 30-minutes to allow for disinfection of surfaces and PPE changes between patients
- » Management of complaints due to lack of appointments for which there was no real alternative if procedures were to be followed correctly
- » Unavoidable business losses due to additional staff requirements, longer appointments and uncharged phone triage

- » In collaboration with our Public Health team, our first outdoor flu vaccine clinics called the 'Drive-Flu' was launched
- » Pharmacy increased dispensing days from 1 to 7 per week with free home delivery

THE NEW NORM

As we emerge from this year having experienced a severe pandemic, the reality is that Covid-19 could be in and out of our communities for quite some time. However, we are assured that with all our learnings, hands-on experience and updated processes in place we are now in a secure position to manage even better during future outbreaks.

As we continue to develop, improve and adapt our services to meet our patient's needs, we are confident to continue offering phone consults and see this as highly positive 'Covid-19 initiated' service improvement that provides our patients with another way to easily access our services. We have plans to develop further clinic space to allow for a more viable delivery of our services according to pandemic guidelines and to invest in the further improvements to our IT systems.

As we anticipate 2021, with the possibility of access to an effective vaccine next year we expect to see the demand for our services increase as patients catch up on their Doctors visits.

Whatever lies ahead we will no doubt reminisce on a year of massive challenge yet incredible human strength and dedication from every single member of our team, making our Covid-19 response such a success.

DENTAL SERVICES REPORT



912

EMERGENCY TREATMENTS –
CITY

759

EMERGENCY TREATMENTS –
MANUREWA

482

EMERGENCY TREATMENTS –
HENDERSON



HIGHLIGHTS PRE COVID-19

During the first half of the financial year our dental services had some targeted and strategic marketing plans in place with the goal of promoting our affordable dental services, supporting service improvement and increasing our enrolled dental patient numbers to promote sustainability.

This was exciting as it was The Fono's first execution of a marketing initiative specifically for our dental services. With our integrative approach to health and wellbeing, it was concerning to see such high rates of oral health neglect within our communities as we knew too well this would eventually contribute to other serious medical health conditions, therefore keeping our services affordable was paramount.

Many new processes were put in place this year and we were starting to make progress towards improving our revenue and starting to reduce losses. Our Manurewa clinic which was previously the lowest performing of our dental clinics started showing tremendous improvement, becoming the key performer this year. This was a real turn-around and testament to some impressive team work. The hiring of a dedicated hygienist in our City clinic was a positive move as well. Not only did this enable our dentists to focus more on other dental treatments but our hygienist was received remarkably well and fully booked.

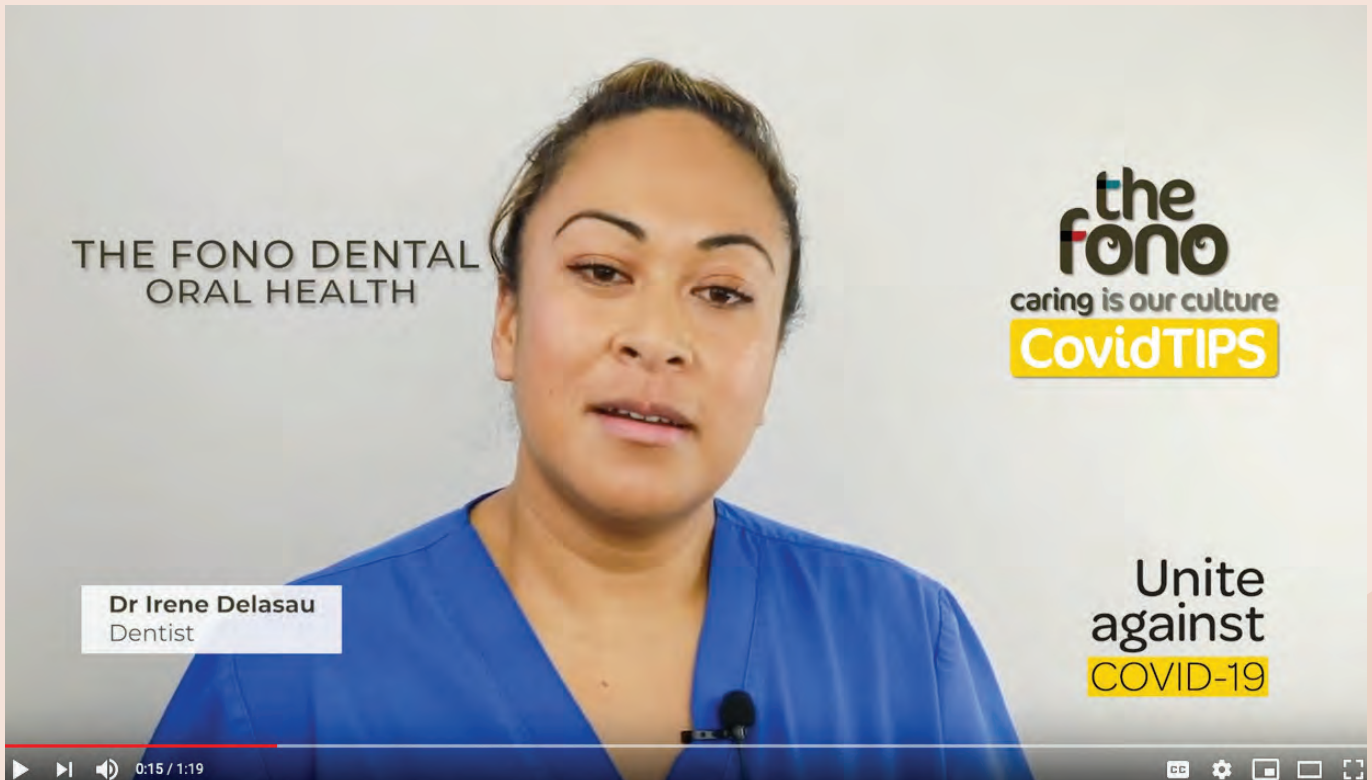
THE FONO COVID RESPONSE

Like the rest of the world we never expected something like a pandemic this year and our preparation was admittedly lacking.

Following Covid-19 guidelines from the Dental Council of NZ we were unable to provide face to face dental services during the first level 4 lockdown, but we began to offer consultations and prescriptions to patients over the phone.

As we entered alert level 3 emergency treatments were added to our available services, many appointments for pain management. Inevitably this had marked impact on our business and even when restrictions eased during alert levels 2 and 1 our patients remained fearful and reluctant to visit the dentist unless it was for urgent relief.

Our hygienist's bookings were significantly affected as patients considered their hygiene checks to be non-urgent. Appointments required longer spaces between patients



to allow time for cleaning procedures, thus impacting our profits even further.

IN THE THICK OF IT

Covid-19 was an incredibly challenging period for our Dental services. Due to the higher risk environment of dental surgeries our staff were to strictly adhere to PPE protocols and were consistently provided with training and support. Management's administrative responsibilities increased significantly and the cost of dental PPE was high, adding to the running costs.

We had the support of WDHB with a "Pain relief contract" including the supply of some PPE for our clinics.

THE NEW NORM

Our dental services faced incredible limitations during the Covid-19 pandemic. However we walk away stronger, wiser and substantially more prepared for further pandemics or other challenges in future.

We learnt the enormous value of a swift response led by our strong and courageous management and senior leadership. Covid-19 or not, we still believe how pivotal oral health

is to the overall health and wellbeing of our communities yet data reveals how this focus is severely lacking. The reality is that over time and now with the added impact of Covid-19 this neglect will have a direct and serious impact so we really see a pressing need for continued focus on oral health awareness.

Despite the extreme impact this year has had on our operations and service delivery, we survived. Our team's human strength, hard work and outstanding commitment to our patients is deserving a tribute as we wouldn't have made it through to this point without them. As we look towards 2021 with the plan for continued focus on our dental marketing we are confident that we will reach more targets, continue to build a stronger patient base and reach our goal of delivering better financial outcomes.

This year gave us a fantastic opportunity to demonstrate to our patients that we will stand true to our ethos of "Caring is our Culture" – regardless. Whatever lies ahead we are assured we can tackle it with stronger procedures in place, added experience and our amazing team that have proved themselves on another level during the big Covid-19 challenge.



8,000

FOOD PARCELS DELIVERED
ACROSS AUCKLAND

70%

OF THOSE SUPPORTED WERE
NEW TO THE FONO SERVICES

500

CALLS TO CHECK ON PACIFIC
ELDERLY ACROSS AUCKLAND

1,741

FINANCIAL MENTORING SESSIONS

975

POLICE CALL-OUT FOLLOW UP



HIGHLIGHTS PRE-COVID

Before Covid-19 arrived in NZ our Social team were steadily providing high quality social services to substantial numbers of people within our communities. Being 'outcome and strength driven' over 'problem and crisis driven' makes our services special. Particular highlights during this period were:

- » Growth of our Whanau Ora programme - supporting 600 families at one time
- » A 100 percent increase in our Whanau Ora's work force since our 2019 review
- » High growth of our Family Harm programme with our ethnic specific and culturally responsive communications recognised by the courts
- » Hundreds of others families & individuals benefited from our other wrap around services
- » Time invested building genuine and authentic relationships with our families
- » Identifying our client's needs in a culturally responsive manner

THE FONO COVID RESPONSE

Level 4 lockdown was suddenly announced in late March and an urgent Senior Management team meeting was called at The Fono's headquarters. Our current operational systems were upended and a tremendous navigation challenge - 'The Fono's 2020 Covid-19 Response' began.

Significant steps our social team took to enable us to deliver our Covid-19 response services were:

- » Swift redeployment of staff to the roles required for our pandemic response
- » Buy-in and trust of our funders such as PFL, PMA, MSD, DHB's, OT and MOJ

Our team collaborated with many key players and NGO's teaching us that we all have a shared vision, purpose and values and that this global pandemic has caused us to pause with new clarity and reflect on The Fono's true drivers and commitment to care for our communities. We would like to acknowledge the following for their extremely valuable input:

- » Pacific Response team from the Police & UMS
- » Food distribution support from: Emerge, Tymes, Waitakere Neighborhood Support, Harbour Sport, The Dream Centre, Sport Waitakere.



- » Fair Food & Kiwi Harvest – food donations
- » The Trusts
- » Corbans Estate – foodbank venue spaces
- » Trow Group – provision of fork lifts and furniture
- » Family and community members delivering food, cooking for the team and helping out in any way they could
- » MSD – Elderly Outreach
- » Pasifika Futures Limited – Funded Food.

IN THE THICK OF IT

During the first lockdown when face-to-face meetings were abruptly halted the social team had to rapidly readopt to a new way of reaching our communities virtually. Literally over-night and in strict compliance with the government's newly announced Covid-19 response guidelines our service processes were rapidly changed. However, our approach was key and would enable the ongoing provision and social support to our most vulnerable communities. The sheer volume of people in need exceeded our expectations, the majority being from those that had never experienced The Fono's services before.

Highlights of the work and challenges we faced during this time were:

- » Immediate set up of a food bank and delivery
- » Phone assessments
- » Welfare support
- » Family harm outreach
- » MSD pacific elderly welfare checks

The complexities of managing clear communications with the community whilst maintaining calm during some very uncertain weeks was also very challenging. The safety of all our front line staff was paramount as they put themselves and their families on the line daily in this unknown world of Covid-19 during our country's highest alert levels. Work and home bubbles were encouraged to take regular tests and these were made easily accessible.

THE NEW NORM

The arrival of Covid-19 changed everything about our service delivery. These changes were particularly significant for the pacific community – one so familiar with being socially close with each other in their family environment, gatherings, sports or churches.

Social distancing, phone consultations, very little face to face social interaction, zoom calls, isolation and bubbles were such a strong contrast to our families' normal day to day lives.

We predict that the complexity of family issues will become extensive, in fact the true aftermath of Covid-19, particularly financially may not be evident immediately and may take a year or several years before some families are really stretched to the point of needing support. Our Community Navigators have already begun to reach out to our communities by taking this support to them and we envision their needs will grow and evolve as we all navigate together "The New Norm".



421

ENROLLED ON THE READY STEADY QUIT PROGRAMME. **21% QUIT**

1,522

TOTAL NUMBER OF COVID-19 SWABS AS OF 30TH OF JUNE, 2020

14

HEALTHY BABIES HEALTHY FUTURES COMMUNITY LEARNING SESSIONS

282

FREE EXERCISE CLASSES DESPITE COVID LOCKDOWN

368

2 DAY DRIVE-FLU VACCINATIONS IN MANUREWA & HENDERSON

HIGHLIGHTS PRE-COVID

Some exciting progress and highlights took place between June and March 2020 within our Public Health services.

- » Launch of the Pasifika outrigger health challenge
- » Service improvements to serve larger client numbers
- » Launch of Pilot smoke free programmes resulting in increased engagement
- » Establishment of virtual communications for more active engagement
- » Creation of standalone Facebook pages for our Enea Ola and Healthy Babies Healthy Futures programmes
- » Co-design of our services to encourage direct input from the community
- » Closely worked with funders to maximize our impact and communicate with our communities

THE FONO COVID RESPONSE

Our Public Health service team led the development of The Fono's Pandemic Plan in consultation with the clinical leadership team.

The most significant highlights were:

- » Evidence-based response planning and research
- » Well stocked PPE and supplies throughout the lockdown periods
- » Flu vaccines ordered in advance ready for potential influx in demand
- » Repatriation swabbing programme launched
- » Pacific mobile unit - swabbing, welfare check & primary care team
- » Brand new procedures and projects rolled out with limited time and resources
- » Availability of Pacific language speakers in our team
- » Assisting with call centre responses and urgent triage planning for the notable increase in Facebook inquiries

Our service was faced with unprecedented challenges, however this brought with it some very special moments. Seeing our staff putting themselves on the line to carry out their duties of care highlighted their strength and commitment to our people.

The Fono's model of care accompanied by a deep understanding of the holistic needs of the Pasifika community proved to be incredibly valuable during this time of uncertainty and fear.





IN THE THICK OF IT

With many staff redeployed within The Fono's services we had sufficient staffing for many of the positions required.

The main services we provided were:

- » Wellness phone check-ins for clients with long term health conditions
- » Our repatriation Covid-19 swabbing program (Our first testing unit responsible for the testing of three Cook Island community cohorts and the first Samoan cohort out of NZ)
- » Launch of our MIQ (Managed Isolation & Quarantine) hotel testing unit in June 2020
- » Continuation of the Drive Flu service for flu vaccines
- » Pharmacy delivery to reduce non-urgent clinic visits

With a lot of our scheduled events canceled, our team used other means to stay in touch with our community such as Facebook, phone calls and text messaging.

The Covid-19 response was certainly a remarkable collaboration and saw us working alongside the following organisations: MoH, ARPMS, ProCare, NRHCC (DHB COVID response team), NZ Defence Force, AVSEC, WDHB/ADHB/CMDHB, NZ Police, CBAC Providers, Samoan Consulate, Cook Island Government/

Consulate, Air New Zealand, Auckland Regional Dental Service, MIF/MIQ Project Staff and MIF Hotels.

We learnt that when there is a common goal and intentions then we can all be aligned to support the same initiative and achieve great things together.

THE NEW NORM

As we move forward from here into the somewhat unknown terrain of the 'new norm' we see the importance of delivering health education in a way that's responsive to the range of social and cultural needs within our communities. The majority of our public health service is actually about delivering key messages. It is crucial that we use tailored and palatable resources reflective of our community's aspirations for themselves and their whanau.

We need to continue to listen and respond to our families needs in ways appropriate for them. We feel confidently ready for what lies ahead, whatever that may be. Our focus moving forward is all about sustainability so we are ready to support our communities over and over again through each and every challenge that comes our way.

HIGHLIGHTS IN PICTURES







141

ENROLLED STUDENTS

92%

SUCCESSFUL COURSE/
CONTRACT COMPLETION

97%

CREDITS GAINED TOWARDS NCEA

75%

QUALIFICATION COMPLETION

54%

EMPLOYMENT/FURTHER STUDY

HIGHLIGHTS PRE-COVID

This was the year that OCA got to explicitly demonstrate its true strengths. Some of the most significant highlights were:

- » High success rates of students
- » Accreditation of level 3 carpentry program
- » SAC level funding for level 3 EFTS
- » Re-accreditation for the trades at school BCATS units
- » Staff recruitment and retention

Other highlights were witnessing the transformational change in our students and hearing their stories. Many openly acknowledged the positive impact that OCA is having in their lives.

OCA COVID RESPONSE

Covid-19 forced us to enter into a time of uncertainty, totally unrehearsed. At OCA our response was made up of four stages – mobilisation, equipment, engagement and innovation. With just 48 hrs notice of the level 4 lockdown, we mobilised ourselves, gained approval from NZQA for online delivery, ensured all students had learning devices and assisted them to connect.

We were fortunate to experience a test run before the lockdown as one of our Tutors was self-isolating after returning from Melbourne so he taught students still at the OCA workshop from his home, proving to be an invaluable opportunity for a trial.

As lockdown began staff engaged with students through social media, phone, email and Google Classroom. With dedication our staff offered flexibility in their roles, embracing the adoption of audio visual technology without hesitation to ensure our course delivery continued with the least amount of disruption.

Their enthusiasm enabled the rapid switch from traditional to online classrooms with one tutor even making his own instructional video. Students remained involved and focused and this virtual approach gave them the opportunity to display their abilities to their families, many being very impressed. Students felt proud of their work, and this encouraged them to keep studying from home.

Two of our mentors were trained as essential workers delivered devices and picked up student's workbooks for assessment. They were also alerted to the needs they saw within the student's homes, delivering care packages to those needing extra support.





IN THE THICK OF IT

The focus during our Covid-19 response was to keep the students engaged. In the best of times this is a challenge, but with the added limitations of online learning, lockdown, social and economic challenges, it became a whole new ball park. With the majority of OCA's programmes being practical almost all lessons were designed for face to face teaching so we were faced with the task of creatively redesigning our delivery while staying within stakeholder guidelines. With the use of learning platforms and social media, as well as input from our student we were able to adapt very quickly.

We are grateful for the financial support from Pasifika Futures Limited (PFL) which enabled us to supply devices prior to the implementation of the Government initiative. Our student's feedback highlighted the challenges they faced studying from home as asking questions was significantly easier face to face. However, the gratitude they expressed for the added support delivered by their mentors such as tools, materials for their projects was very much appreciated.

THE NEW NORM

As we look back on this year in awe of what we overcame together as an OCA Whanāu we also reflect on our most significant learnings:

- » A blended approach to the delivery of theory components within the Level 3 Pre-trades programme proved effective

- » Homebased projects for practical learning are highly effective engagement tools
- » The importance and value of using our intuition and picking up on signals from students that point to struggles in other areas of their lives
- » The assistance given to students basic needs enables them to focus and excel in their learning
- » The move to a new Campus in March 2021. A modern and more fit for purpose facility to reflect our strategic intent of delivering high quality vocational education in construction

We have always maintained that we are unique in comparison to mainstream providers, by incorporating the Whanāu Ora approach through our delivery and practices. This has certainly been demonstrated during the unprecedented reality of Covid-19 – a year highlighting an increased need for the provision of wrap around services to our students and their families.

With the support and trust of The Fono, Pasifika Futures Ltd and the Ministry of Social Development, we are thankful to have had the capacity to provide this support, which has proved invaluable in keeping our students engaged and inspired to gain their qualification and lift their earning capacity for themselves and their families.

the
fono

caring is our culture

204,370

TOTAL REACH ON THE FONO
FACEBOOK AND INSTAGRAM.

1 JULY 2019 - 30 JUNE 2020

76,271

0800FONO4U CALLS ANSWERED
BY THE CALL CENTRE.

1 JULY 2019 - 30 JUNE 2020

132,046

SOCIAL MEDIA REACH PRE-COVID
- 1 JULY 2019 & 24 MARCH 2020

101,545

SOCIAL MEDIA REACH IN 4
MONTHS - MARCH - JUNE 2020



Social media pages, language radio programmes, call centre, church networks, printed promotional materials and regular community events.

HIGHLIGHTS PRE-COVID

With the recent roll-out of The Fono's brand restructure and varied communications platforms we still had the potential to expand and develop further. Due to the range of communication preferences within our network of community leaders, partners and stakeholders we chose to use a mix of traditional and virtual communication channels throughout the Covid-19 lockdowns.

Notable achievements and plans included:

- » Stand-alone social pages for Pasifika Healthy Babies Healthy Futures and Enea Ola Programme
- » Improved brand and service awareness
- » Expansion plan and budget to build our in-house capacity
- » Community events planned for 2020

COVID RESPONSE

Our communications team had the responsibility of accurately informing our communities of the support that was available and the specifics of changeable lockdown restrictions.

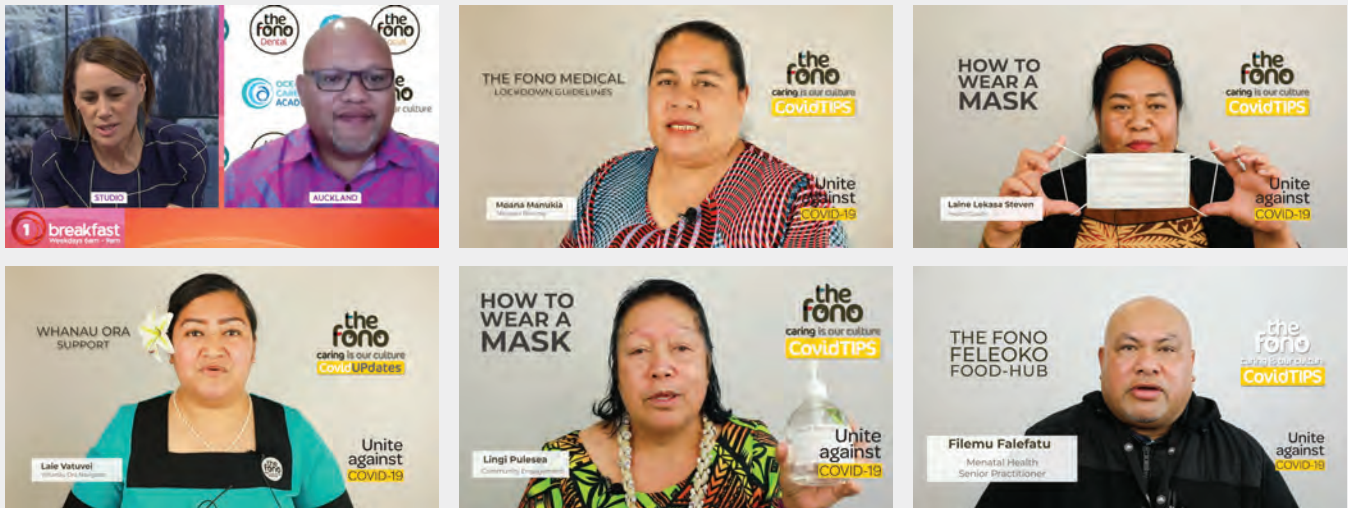
Our biggest challenge in the early days of Covid-19 was to swiftly virtualise all our communications channels and this required a major internal reshuffle.

Highlights from our Communications response:

- » 0800FONO4U number launched one day before the first lockdown in anticipation of a massive influx of calls
- » Text messaging services launched
- » Call centre's telephone system upgraded
- » Training for new or redeployed staff to the comms team
- » Management of our social services inboxes
- » Pacific language video updates
- » Public Health team's parish nurses redeployed to call centre

IN THE THICK OF IT

A sharp increase in enquiries flowed in literally overnight, many via our social pages with the majority requesting urgent support from our recently launched food bank. The need for more hands on deck led to the redeployment of staff to assist in the call centre.



Conflicting information from various sources was causing some anxiety and confusion in our communities. We needed to be certain that we were providing current, accurate and reliable information. Pasifika families, stranded or in NZ illegally were under incredible pressure and feeling very insecure, so it was our responsibility to dispel rumors and encourage them that it was safe to reach out for support and get tested.

Activity in our department included:

- » Daily participation in virtual stand-ups led by the Ministry of Pacific Peoples (MPP) and other stakeholders and agencies
- » External communications collaborations
- » Social medial announcements, videos and messaging updates on Covid-19 guidelines, community testing stations, services updates and shared information from other providers
- » Management of the high number of main stream media enquiries

It was always a major concern that in such times of uncertainty the mental health of our communities would become a serious challenge, family violence would increase and students would struggle. This influenced our messaging and was an area we knew would require ongoing support.

The Fono's social pages, became a strong and trusted source of information, affirming our communities that they could depend on us to provide reliable information and support. Our social page reports revealed a huge increase in engagement numbers.

We knew that internally our staff also needed encouragement and acknowledgment for their incredible commitments, so our CEO Tevita Funaki launched a daily chain of messages that he personally wrote and emailed each day

during the level 4 and 3 lockdowns. There were 50 messages in total.

A heart-warming highlight during the lockdown period was the level of honesty and gratitude we saw in our communities. There were numerous providers offering support and this could have easily been taken advantage of. However, we were constantly impressed by the number of people who had requested for help but would call back to update us if they had received support from elsewhere so we could pass on their share to others in need. Calls on behalf of relatives and friends that people knew were struggling were also very common.

THE NEW NORM

Due to Covid-19, our communications strategy has integrated and grown incredibly fast. From our experiences this past year some of the main areas of our future focus are:

- » The importance of delivering varied modes of easily accessible communication channels
- » The necessity to recruit multi channeled skill-sets
- » The importance of a wide range of bilingual speakers on our communications team
- » The huge potential of our call centre, to the extent that with the right skills, staffing and technology it can achieve the status of other large national phone support health lines in the near future

We've learnt a lot on the journey and will continue to with every new challenge that presents itself. We can honestly say that in fact 2020 has been an incredible year of growth, resilience and maturity and we are excited to take on the challenge of 2021 and beyond.

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30th June 2020

		2020	2019
		Group	Group
	Note	\$	\$
Revenue from Exchange Transactions			
Operating Revenue	5	15,779,577	13,716,538
Interest Income		1,570	1,450
Rental Income		25,033	23,350
Sundry Income		8,783	3,193
		15,814,963	13,744,531
Revenue from Non Exchange Transactions			
Operating Grants		1,084,140	642,189
Covid Relief Grant		604,600	
Donations		0	5,000
		1,688,740	647,189
Total Income		17,503,703	14,391,720
Expenses			
Operating Expenses		4,804,971	3,247,540
Depreciation	8	252,226	280,366
Amortisation	9	377,184	11,394
Staff Expenses	6	10,232,009	9,770,138
Interest and Finance Charges		72,307	67,859
Rental and Operating Lease Charges		408,936	460,707
Auditors Fees		37,000	36,000
Trustee Fees		96,295	99,368
Total Expenses		16,280,928	13,973,372
Net Surplus /(deficit)		1,222,775	418,348

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 2020

	Note	2020 Group \$	2019 Group \$
Equity at Start of the year		5,091,545	4,673,197
Net surplus (deficit) for the year, comprising		1,222,775	418,348
Total recognised revenues and expenses		1,222,775	418,348
Movement in Equity for the year		1,222,775	418,348
Equity at end of the year.		6,314,320	5,091,545



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

For the year ended 30th June 2020

	Note	2020 Group \$	2019 Group \$
Current Assets			
Cash & Equivalents	7	3,216,906	1,318,556
Trade Debtors		666,102	495,336
Other Receivables		213,385	217,153
Total Current Assets		4,096,393	2,031,045
Non-Current Assets			
Properties, Plant and equipment	8	6,112,542	5,826,856
Westcare Shares		7,000	7,000
Procure Shares		8,000	8,000
Intangible Assets	9	26,645	387,125
Total Non Current Assets		6,154,187	6,228,981
Total Assets		10,250,580	8,260,026
Current Liabilities			
Trade and other Payables	10	1,430,847	1,297,582
Income Received in Advance	11	1,263,269	557,551
Employee Benefits	12	254,747	229,899
Current portion Mortgages (secured)	13	101,265	94,829
Total Current Liabilities		3,050,128	2,179,861
Non Current Liabilities			
Mortgages (secured)	13	886,132	988,620
Total Non-Current Liabilities		886,132	988,620
Total Liabilities		3,936,260	3,168,481
Total Net Assets		6,314,320	5,091,545
Represented by:			
Equity			
Accumulated Funds		6,314,320	5,091,545
Total Accumulated Funds		6,314,320	5,091,545

For and on behalf of the Board;

Trust Board Chairperson  Date: 19/10/2020 Trustee  Date: 19/10/2020

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 2020

	Note	2020 Group \$	2019 Group \$
Cash flows from operating activities			
Receipts			
Operating revenue		15,055,028	14,002,789
Donations and grants		1,688,740	647,189
Interest received		1,570	1,450
Rent income		25,033	23,350
Sundry income		8,783	3,193
		16,779,154	14,677,971
Payments			
Suppliers		3,961,323	3,889,751
Employees		10,207,161	9,786,587
Interest expense		72,307	67,859
		14,240,791	13,744,197
Cash used in operating activities		14,240,791	13,744,197
Net cash flows from operating activities		2,538,363	933,774
Cash provided from investing activities		0	0
Cash used in investing activities			
Purchase property, Plant and equipment and intangibles		-543,961	-210,883
Purchase Shares		0	0
Net cash flow used in Investing activities		-543,961	-252,580
Cash flow from financing activities			
Drawdown of loans		0	0
Cash used in financing activities		-96,052	-89,849
Repayment of loans		-96,052	-89,849
Net cash flow from financing activities		-96,052	-89,849
Net increase/(decrease)in cash and cash equivalents		1,898,350	633,042
Cash and cash equivalents Opening July 1, 2019		1,318,556	685,514
Cash and cash equivalents Closing June 30, 2020		3,216,906	1,318,556

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 2020

1 Reporting entity

The Fono Trust is a charitable organisation, based in Auckland, incorporated under the Charitable Trusts Act 1957, and registered under the Charities Act 2005. The primary activity of the 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 2020. They were authorised for issue by the board of trustees on 19/10/2020.

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 judgments 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) Judgments

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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2020

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 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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2020

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 (Kiwi saver)

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 Kiwi saver 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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2020

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.

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2020

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: 25%-60% (2019: 25%- 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 have been no changes to the accounting policies during the financial year.

5 Operating Revenue

	2020	2019
Operating revenue includes:	\$	\$
Medical services	6,199,417	5,637,471
Dental services	1,424,241	1,478,260
Community Services	6,683,937	5,994,393
Vocational training	1,471,982	606,414
	15,779,577	13,716,538

7 Cash & Cash Equivalents

	2020	2019
Cash on hand and at bank	745,132	663,020
Business saver accounts	2,023,016	354,921
Whanau Ora account	448,759	300,615
	3,216,907	1,318,556

6 Staff Expenses

	2020	2019
Staff expenses include	\$	\$
Wages and salaries	9,991,689	9,579,700
Kiwi saver contributions	215,474	206,887
Long-service leave provision	15,286	13,229
Provision for cumulative sick pay	9,560	(29,678)
	10,232,009	9,770,138

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2020

8 Property, Plant and Equipment

	Land	Buildings improvs.	Leasehold Equipt.	Plant & Equipt.	Furniture & Equipt.	Office & Computers	Motor Vehicles	Total
30 June 2019								
Cost	1,556,924	3,819,139	479,056	643,307	153,071	448,143	944,909	8,044,547
Less Accumulated depreciation		(357,639)	(223,703)	(386,347)	(93,162)	(351,752)	(805,087)	(2,217,691)
	1,556,924	3,461,500	255,353	256,960	59,909	96,391	139,822	5,826,856
Additions		15,174	26,006	74,122	47,794	196,386	178,773	538,255
Disposals							(38,166)	(38,166)
Depreciation recovered							37,823	37,823
Depreciation for year		(15,937)	(62,293)	(58,198)	(14,802)	(48,036)	(52,960)	(252,226)
Balance as at 30 June 2020	1,556,924	3,460,737	219,066	272,884	92,901	244,741	265,292	6,112,542
30 June 2020								
Cost	1,556,924	3,834,313	505,062	717,429	200,865	644,529	1,085,516	8,544,636
Less Accumulated depreciation		(373,576)	(285,996)	(444,545)	(107,964)	(399,788)	(820,224)	(2,432,094)
	1,556,924	3,460,737	219,066	272,884	92,901	244,741	265,292	6,112,542

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 \$987,397 (2019: \$1,083,449), are subject to first mortgages to secure bank loans (see Note 13).

The group had no material capital commitments at balance date (2019: Nil).

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2020

9 Intangible Assets

	Goodwill	Software	Total
	\$	\$	\$
30 June 2019			
Cost	368,856	235,936	604,792
Less Accumulated amortisation	0	(217,667)	(217,667)
	368,856	18,269	387,125
Additions		16,704	16,704
Disposals	-	-	-
Amortisation for year	(368,856)	(8,328)	(377,184)
Balance as at 30 June 2020	0	26,645	26,645

30 June 2020

Cost	0	252,640	252,640
Less Accumulated amortisation	0	(225,995)	(225,995)
	0	26,645	26,645

10 Trade & Other Payables

	2020	2019
	\$	\$
Trade creditors	555,442	440,224
Sundry Accruals	875,405	857,358
	1,430,847	1,297,582

11 Income Received in Advance

	2020	2019
	\$	\$
Income in Advance	813,104	252,249
Whanau Ora Families Fund	450,165	305,302
	1,263,269	557,551

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 2019	72,141	157,758	229,899
Additional provisions made	34,601	235,701	270,302
Amounts paid during the year	(19,315)	(226,141)	(245,456)
Balance at 30 June 2020	87,427	167,318	254,745

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

	2020	2019
	\$	\$
Current portion	101,265	94,829
Non-current portion	886,132	988,620
	987,397	1,083,449

	Balance	Interest rate at balance date	Security (see Note 8)
Loan 1	\$801,351	4.95% fixed until 1/6/2021	*
		<i>*First mortgage over land and buildings at 7 and 9 Halver Road, Manurewa.</i>	
Loan 2	\$186,046	3.00% fixed until 1/6/2021	*
		<i>*First mortgage over land and buildings at 297 Blockhouse Bay Road, Auckland</i>	

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

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2020

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.

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 2022
2. Subsidiary Oceania Career Academy limited has the following operating leases
 - 1.1 Rental of Units 1 and 2, 3 Rennie Drive, Airport Oaks, Auckland.
West Fono Health Trust is a Guarantor on the above lease.
The lease expires in August 2021.
 - 1.2 Rental of 92 Ascot Road, Airport. This Lease commences 1st March 2021. It expires on the 28th February 2029.
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:

	2020	2019
	\$	\$
Less than one year	490,652	307,553
Between one and five years	1,873,383	638,271
Greater than five years	1,580,873	0
Total non-cancellable operating lease payments	3,944,908	945,824

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

	2020		2019	
	Remuneration \$	Number of persons	Remuneration \$	Number of persons
Trustees/ Directors	96,295	16	99,368	16
Senior management team	720,036	4	648,027	4
	816,331		747,395	

Intra-group transactions

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

	2020	2019
	\$	\$
Fono Nesian Services Ltd	(450,000)	750,000
Pasifika Horizon Partnership	258,067	258,067
Oceania Career Academy Ltd	0	0

17. Contingent Liabilities

The Group is involved in litigation with the PSA on behalf of certain employees which should be resolved prior to the 2020 AGM. A provision for this and associated costs is included of \$200,000. (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 The Fono Trust

Opinion

We have audited the consolidated financial statements of The Fono Trust and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2020, 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 The Fono Trust as at 30 June 2020, 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, The Fono 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.

Forbes

27 October 2020
Forbes Audit and Accounting Limited
Auckland



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