



Waikato Health Trust

# Performance Report 2021

For the year ended 30 June 2021

Waikato Health Trust

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For the year ended 30 June 2021



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# TRUST PARTICULARS

For the year ended 30 June 2021

The Trust was originally incorporated as a charitable trust in accordance with the provisions of the Charitable Trust Act 1957, and changed its name to Waikato Health Trust on 26 August 2002.

The purpose of the Trust is to fund health or disability services, related services or projects, health research or education and other appropriate health related purposes within the communities served by Waikato District Health Board.

Waikato Health Trust has two Trustees who oversee the governance of the Trust. Administrative tasks are completed by a Waikato DHB employee.

Donations and bequests received from multiple donors are the primary source of funding to the Trust.

<b>LEGAL NAME:</b>	Waikato Health Trust
<b>TYPE OF ENTITY AND LEGAL BASIS:</b>	The Trust was registered in New Zealand under the Charitable Trusts Act 1957 on the 12 February 2008.
<b>REGISTRATION NUMBER:</b>	CC21046
<b>TRUSTEES:</b>	MARK CAWTHORNE Chief Financial Officer, Waikato District Health Board, Hamilton  PROF MARGARET WILSON Deputy Commissioner, Waikato District Health Board, Hamilton
<b>BANKERS:</b>	BANK OF NEW ZEALAND 354 Victoria Street, Hamilton
<b>AUDITORS:</b>	AUDIT NEW ZEALAND on behalf of the Auditor-General



# TRUSTEES' REPORT

For the year ended 30 June 2021

Donations and Bequests of \$1,707,935 (2020: \$1,468,877) were received during the year.

Grants of \$768,206 (2020: \$1,609,393) were made during the year.

Interest of \$119,842 (2020: \$233,383) was received from investments for the year.

The Trust equity at 30 June 2021 is \$9,884,440 (2020: \$8,842,171).

Remuneration of Trustees was \$Nil (2020: \$Nil).

The Trust continues to be in a sound position to apply further funds towards health or disability services, related services or projects, health research or education and other appropriate health related purposes within the communities served by Waikato District Health Board.

# STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2021

	Note	2021 Actual \$	2020 Actual \$
Operating revenue	1	1,707,935	1,468,877
Finance revenue	2	119,842	233,383
<b>Total revenue</b>		<b>1,827,777</b>	<b>1,702,260</b>
Other operating expenses	3	17,302	16,938
<b>Total expenses</b>		<b>17,302</b>	<b>16,938</b>
<b>Surplus before grants</b>		<b>1,810,475</b>	<b>1,685,322</b>
Less grants		(768,206)	(1,609,393)
<b>Surplus/(deficit)</b>		<b>1,042,269</b>	<b>75,929</b>

*The accompanying notes form part of these financial statements*



# STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	2021 Actual \$	2020 Actual \$
<b>Assets</b>			
<b>Current assets</b>			
Bank accounts and cash	4	1,613,945	1,090,051
Investment	6	8,250,000	7,750,000
Receivables	5	37,624	18,869
<b>Total current assets</b>		<b>9,901,569</b>	<b>8,858,920</b>
<b>Non-current assets</b>			
		-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>9,901,569</b>	<b>8,858,920</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors and accrued expenses	7	17,129	16,749
<b>Total current liabilities</b>		<b>17,129</b>	<b>16,749</b>
<b>Non-current liabilities</b>			
		-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>17,129</b>	<b>16,749</b>
<b>Net assets</b>		<b>9,884,440</b>	<b>8,842,171</b>
<b>Trust equity</b>			
Reserved funds	8	115,297	115,297
Partially reserved funds	8	9,199,267	8,185,153
General fund	8	569,876	541,721
<b>Total trust equity</b>		<b>9,884,440</b>	<b>8,842,171</b>

Signed on behalf of the Board of Trustees



Mark Cawthorne  
Trustee  
25 May 2022

The accompanying notes form part of these financial statements



Prof Margaret Wilson  
Trustee  
25 May 2022

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	2021 Actual \$	2020 Actual \$
<b>Cash flows from operating activities</b>		
Donations and bequests	1,707,935	1,468,877
Interest receipts	101,086	240,168
Grants	(768,206)	(1,609,393)
Expenses	(16,922)	(15,826)
<b>Net cash flows from operating activities</b>	<b>1,023,894</b>	<b>83,826</b>
<b>Cash flows from investing and financing activities</b>		
Transfers (to)/from investments	(500,000)	(1,750,000)
<b>Net cash flows from investing and financing activities</b>	<b>(500,000)</b>	<b>(1,750,000)</b>
Net increase/(decrease) in cash for the year	523,894	(1,666,174)
Opening bank accounts and cash	1,090,051	2,756,225
<b>Closing bank accounts and cash</b>	<b>1,613,945</b>	<b>1,090,051</b>

*The accompanying notes form part of these financial statements*



# ACCOUNTING POLICIES

For the year ended 30 June 2021

## ***Accounting policies applied***

### **BASIS OF PREPARATION**

The trustees have elected to apply PBE SRF-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability and has total annual expenses of less than \$2 million.

All transactions are reported using the accrual basis of accounting.

The performance report has been prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The general accounting principles recognised as appropriate for the measurement and reporting of financial results on a historical cost basis have been followed by the Trust.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

The Trust has no subsidiaries, associates or joint ventures.

The Trust is consolidated into the accounts of Waikato District Health Board due to being a controlled subsidiary of Waikato District Health Board.

The performance report was authorised for issue by the Trustees on 25 May 2022

There have been no changes to accounting policies during the reporting period.

### **GOODS AND SERVICES TAX**

The Trust is not liable for GST and is recognising revenue and expenses on a GST inclusive basis.

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **Donations and bequests**

Donations and bequests are recognised upon receipt as they have no conditions attached but only have restrictions in place that they are managed in accordance with the Governing Statement of the relevant fund.

#### **Interest revenue**

Interest revenue is recognised on an accrual basis.

#### **Financial instruments**

Financial instruments comprise of debtors, bank accounts and cash, and creditors and accrued expenses.

A financial instrument is recognised if the Waikato Health Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Waikato Health Trust's contractual rights to the cash flows from the financial assets expire or if the Waikato Health Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Waikato Health Trust commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Waikato Health Trust's obligations specified in the contract expire or are discharged or cancelled.

# ACCOUNTING POLICIES

For the year ended 30 June 2021

## Bank accounts and cash

Bank accounts and cash comprise of cheque or savings accounts, and deposits with a maturity date of three months or less from acquisition date.

## Receivables

Receivables are recorded at fair value less any provision for impairment. Bad debts are written off during the period in which they are identified.

## Investments

Investments comprise investments in term deposits with banks that have a maturity of greater than three months from acquisition date but less than 12 months.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

## Creditors and accrued expenses

Creditors and accrued expenses are recorded at their face value.

## Operating expenditure

Operating expenditure comprises of audit fees and bank fees. Operating expenditure is recognised as an expense in the financial year in which they are incurred.

## Income tax

The trust is deemed to be a charitable trust and is therefore not subject to income tax.

## Application for grants

The Waikato Health Trust application process reviews requests for grants in accordance with the Trust Deed. Each application is reviewed to ensure it meets the Purpose/Governing Statement of the individual fund that is being applied to, that the fund signatories are correct, and that there are sufficient funds available. If all criteria is met, the application is approved and funds are committed.

## Grant expenditure

All grant expenditure is discretionary and subject to review and approval by the designated signatories. Amongst other criteria, the signatories will consider the purpose of the grant in relation to the original governing statements. As per the PBE SFR-A-PS A 82, expenditure shall be recorded as an expense when the cost is incurred. For the trust, this will be when the funds have been withdrawn from the bank account.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	2021 Actual \$	2020 Actual \$
<b>1 Operating revenue</b>		
Donations and bequests	1,707,935	1,468,877
	<u>1,707,935</u>	<u>1,468,877</u>
<b>2 Finance revenue</b>		
Interest income	119,842	233,383
	<u>119,842</u>	<u>233,383</u>
<b>3 Other operating expenses</b>		
Audit fees (for the audit of the financial statements)	17,129	16,763
Other	173	175
	<u>17,302</u>	<u>16,938</u>
<b>4 Bank accounts and cash</b>		
Cheque account	1,613,945	1,090,051
	<u>1,613,945</u>	<u>1,090,051</u>
<b>5 Receivables</b>		
Accrued Interest	37,624	18,869
	<u>37,624</u>	<u>18,869</u>
<b>6 Investments</b>		
6 Months Term Deposit	-	6,750,000
7 Months Term Deposit	1,750,000	-
8 Months Term Deposit	500,000	-
9 Months Term Deposit	4,000,000	-
12 Months Term Deposit	2,000,000	1,000,000
	<u>8,250,000</u>	<u>7,750,000</u>
<b>7 Creditors and accrued expenses</b>		
Accrued expenses	17,129	16,749
	<u>17,129</u>	<u>16,749</u>

Grants payable to Waikato District Health Board at 30 June 2021 were \$Nil (2020: \$Nil) for purchases that have been completed and authorised for reimbursement but have not yet been paid.

## 8 Equity

Reconciliation of movement in capital and reserves:

	Reserved funds \$	Partially Reserved funds \$	General fund \$	Total Equity \$
Balance at 1 July 2019	115,297	7,908,163	742,782	8,766,242
Transfers in	-	1,886,383	(184,123)	1,702,260
Transfers out	-	(1,609,393)	(16,938)	(1,626,331)
Balance at 30 June 2020	<u>115,297</u>	<u>8,185,153</u>	<u>541,721</u>	<u>8,842,171</u>
Balance at 1 July 2020	115,297	8,185,153	541,721	8,842,171
Transfers in	-	1,799,622	28,155	1,827,777
Transfers out	-	(768,206)	(17,302)	(785,508)
Balance at 30 June 2021	<u>115,297</u>	<u>9,216,569</u>	<u>552,574</u>	<u>9,884,440</u>

## Trust funds

Reserved and partially reserved funds are donated or bequeathed for specific purposes. The Trustees are required to manage these funds in accordance with the trust deed or the wishes of the donor. Partially reserved funds are externally bequeathed and bound by specific governing statements. Fully reserved funds are funds externally bequeathed that are held in perpetuity. The fund is not reduced and interest earned is transferred to a general fund where distributions can be made.

General funds are used for grants applied in accordance with the Trust Deed. Funds are raised internally from the Waikato District Health Board and bound by specific governing statements.

The revenue and expenditure in respect of trust funds is included in the Statement of Financial Performance.

## 9 Related-party transactions

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

### *Related-party transactions significant to the Trust requiring disclosure*

Waikato Health Trust has a related party relationship with the Waikato District Health Board.

The purpose of the Waikato Health Trust is to support the provision of health and disability services within the area served by the Waikato District Health Board. Within the broad purpose the Trust undertakes a number of specific activities; the main one of these is to manage the donations and bequests received by Waikato District Health Board.

Grants paid to the Waikato District Health Board were \$768,206 in 2021 (2020:\$1,609,393). Monies payable to the Waikato District Health Board at 30 June 2021 were \$Nil (2020:\$Nil).

### **Remuneration of Trustees**

Remuneration of Trustees was \$Nil (2020:\$Nil).

## 10 Subsequent event

Pae Ora (Healthy Futures) Bill (the "Bill") was introduced to Parliament in October 2021 by the Minister of Health. The Bill will have full select committee consideration and will come into effect on 1 July 2022. The Bill replaces the 20 District Health Boards with Health New Zealand and it establishes the Māori Health Authority. It provides principles and objectives to guide, and to hold to account, all public health entities (the "Health Reform").

The Health Reform will not impact the existence and activities of the Waikato Health Trust. The Trust will continue to provide its services in the same manner and has no intention to liquidate or cease trading. The Board of Trustees has no concerns about the Trust's ability to continue operating in the foreseeable future and does not intend to disestablish the entity. On this basis, the Board of Trustees has determined that it remains appropriate to prepare its financial statements on a going concern basis, given that the Trust will continue to operate in the same manner as prior to the Health Reforms, except for the legal changes (if any) required to enable distribution of grants to the intended parties. These changes are still being considered at the time of approving these financial statements for issue.

## 11 Accounting estimates and judgements

There are no accounting estimates or judgements used for the Waikato Health Trust.

## 12 Contingent assets

At 30 June 2021 the Trust had no contingent assets (2020:\$Nil).

## 13 Contingent liabilities

There were no contingent liabilities at 30 June 2021 (2020:\$Nil).

## 14 Assets donated and recorded

There have been no significant donated assets to Waikato Health Trust during the period.

## 15 Goods and services in kind

There have been no significant goods and services in kind provided to Waikato Health Trust during the period.

## 16 Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. For the financial year under review, we assessed the impact of this event on the Trust. The pandemic had insignificant impact on the carrying value of assets and liabilities due to their nature. The decrease in grants paid for the year includes a reduction in applications for grants relating to training, conferences and research due to Government imposed lockdowns, cancellation and/or restriction of events and both international and domestic travel restrictions. The variability in the grant expenditure is however not solely as a result of the pandemic, but does historically fluctuate in nature.

# STATEMENT OF RESPONSIBILITY

For the year ended 30 June 2021

The Board of Trustees and management of Waikato Health Trust accept responsibility for the preparation of the financial statements for the year ended 30 June 2021 and the judgements used in them.

The Board of Trustees and management of Waikato Health Trust accept responsibility for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Board of Trustees and management of Waikato Health Trust, the financial statements for the year ended 30 June 2021 fairly reflect the financial position and operations of Waikato Health Trust.



Mark Cawthorne  
Trustee  
25 May 2022



Prof Margaret Wilson  
Trustee  
25 May 2022

# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa







