

*Shaping a  
sustainable  
future together*



2019 Annual Report



“*Thank you guys so much for all your help and support during our Mum’s hard time. You helped make the process so much easier by allowing us to be daughters rather than her carers. We cannot thank you enough. ~ Family member*”

## Contents

Working Together for You	3
Executive Update	4
Board of Trustees	5
Healthcare in our Community	8
Summary Financial Statements	10
Auditor Report	16

# WORKING TOGETHER TO ENSURE HOSPICE IS THERE IN THE FUTURE FOR YOUR FAMILY.



## Shaping Our Sustainable Future – Together

The Totara Foundation and Totara Hospice believe people matter.

Totara Hospice works with our community to ensure that all those in our region living with a terminal illness and those close to them, are supported on their journey with dignity, compassion and respect.

All eligible people who come into contact with Totara Hospice, whatever their background or circumstance, will receive the care and support that is best for them. After all, each person is unique. For some people that may mean being cared for in the comfort of their own home surrounded by family and things that are important to them whilst, for others, it may mean coming to Day Hospice and being able to talk openly about their illness with those who are going through a similar experience.

Or it might be time in our Inpatient Unit to ensure they can spend as much quality time as possible with their loved ones.

Whatever someone's goal, we do our best to make it happen. Totara Hospice faces significant future challenges as each year growing numbers of people need our services. Our goal of delivering excellent and equitable palliative care to our community is supported by ensuring sustainable hospice services into the future.

The Totara Foundation works alongside Totara Hospice to ensure a 'future hospice focus' providing exemplary stewardship of significant investments and resources for the long term sustainability of Totara Hospice. Additionally, always enhancing the immediate ability of Totara Hospice to provide palliative care if support is needed.



L-R: Mervyn Ah Chee, John Bongard, Brian Nowell



## Executive Update

The Totara Foundation continues to operate as the supporting trust for Totara Hospice. The Foundation was established in 2004 to ensure that Hospice services are promoted within and sustainably available for your local communities in the South and Southeast Auckland region for decades to come.

Over the 2018/19 year the Foundation Trustees applied their broad range of knowledge, experience and stewardship to accountably and responsibly focus on securing and growing funds for investment to ensure the future of Hospice is sustainable, secure and working for its communities.

Working alongside our Investment advisers JB Were, we have had a strong 12-month period of returns for the investment portfolio with a gross return of 18.08%. The majority of the returns were driven out of the NZ market where high dividend stocks continue to perform strongly in both capital returns and dividend flow. As the New Zealand interest rates continue to trend lower over the year

the yield on many companies in the equity markets provided a reassuring cashflow and capital gain as interest rates fell further. The US investment also delivered solid returns via capital appreciation and a strong US dollar. With the portfolio having nearly 30% invested in cash and bonds the returns clearly came from the growth assets side of the portfolio.

On reflection the Foundation enjoyed a positive year, with investments doing well in difficult market conditions. It is very satisfying to see the operational side of the Hospice, under strong leadership, operating efficiently and within budgets. This makes the job of the Foundation much easier in that we can focus on increasing the assets we hold on behalf of the Hospice.

Both the Totara Foundation and Totara Hospice are united in their common belief that making hospice happen for communities is critical as, whilst death is inevitable, dying unsupported is unacceptable.

***The Trustees of Totara Foundation***

## Board of Trustees



Mervyn Ah Chee (QSM) – Chair  
(Independent)



John Bongard (ONZM) – Deputy Chair  
(Independent)



Brian Nowell  
(Independent)



Jatin Patel  
(Appointed)



Robert Lay  
(Appointed)



Kirsten Corson  
(Appointed)



Tina McCafferty  
Ex Officio- TH CE



## Our Beginning - Honouring Our Founders

In the early 1980's Anglican Minister of Papakura, Rev. Francis Fennell was convinced there must be a better way to care for people with a terminal illness. Thus began the goal of finding a way to provide optimum care for the dying and meaningful support for those closest to them. In 1982 support groups were setup in Papakura, Manurewa, Papatoetoe and Howick with the purpose of promoting hospice services and to raise funds.

Totara Hospice and The Totara Foundation now has a proud past, an important legacy built from the vision and aspirations of Rev. Francis Fennell and his supporters who identified community need and who worked tirelessly and innovatively to ensure that the need was met. Our founders had 'no idea that it couldn't be done' and achieved what many thought was impossible.

It is an honour to be stewards of a legacy; vision, values and operating purpose, realised through innovation, collaboration and tireless persistence, underpinned by the belief that hospice services are needed and valued, make a difference and require strong advocacy to endure.



Four of the founding members- Lynne Mollet, Marion Meekan, Neil Kirton & Margaret Karl



Stevenson House extension at 18 Kelvin Grove, Manurewa

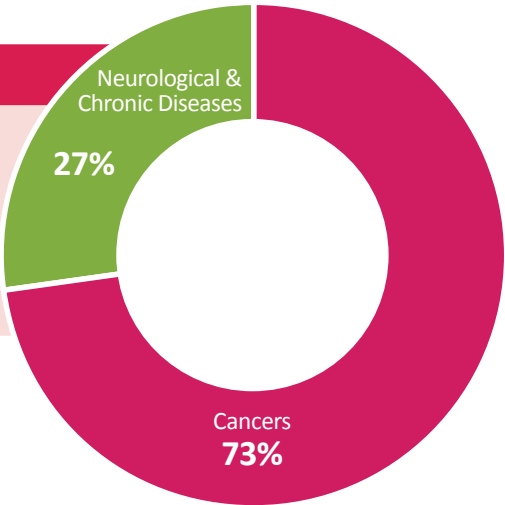




# Who Totara Hospice is Engaging With

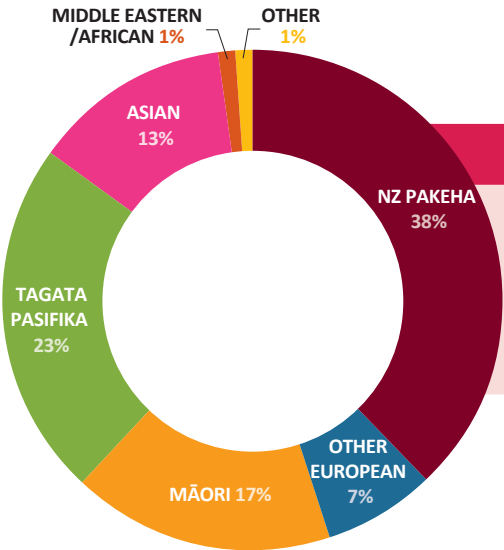
Snapshot- Referrals by Illness

Totara Hospice provides multidisciplinary, specialist Palliative Care to those with a range of life limiting illnesses including cancers, heart, lung or kidney failure or neurological diseases such as motor neurone disease.

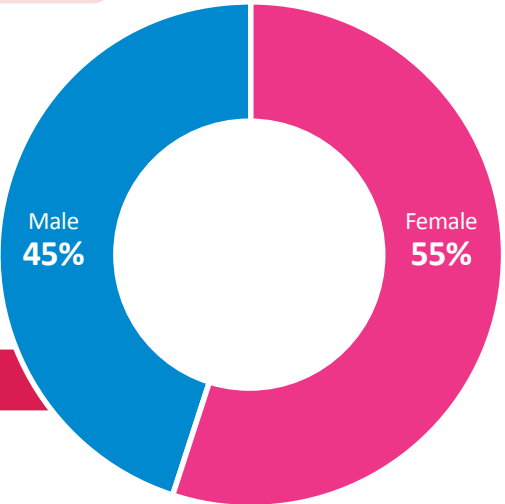


Snapshot- Referrals by Ethnicity

We are delighted to be able to demonstrate how users of hospice services reflect the rich diversity of our wider community, 62% of all patients referred identified with cultures other than NZ Pakeha.



Snapshot- Referrals by Gender



# Increasing Demand on Healthcare Services in our Region\*

## COUNTIES MANUKAU

has amongst the **HIGHEST** population growth rates, overall ethnic and cultural variation, and resident populations of Māori and Pacific communities and **SOCIO-DEMOGRAPHIC INEQUITIES** in NZ.

Considerations are population growth, longer life expectancy and provision of adequate health care services.

There are over

**100 GP PRACTICES**, approx.

**305 GPs** in South Auckland

and **83 COMMUNITY HEALTH SERVICES**

(Totara Hospice being one of these).

## TOTARA HOSPICE

operates within one of the fastest growing DHB populations in NZ with Counties Manukau's population growing at approx

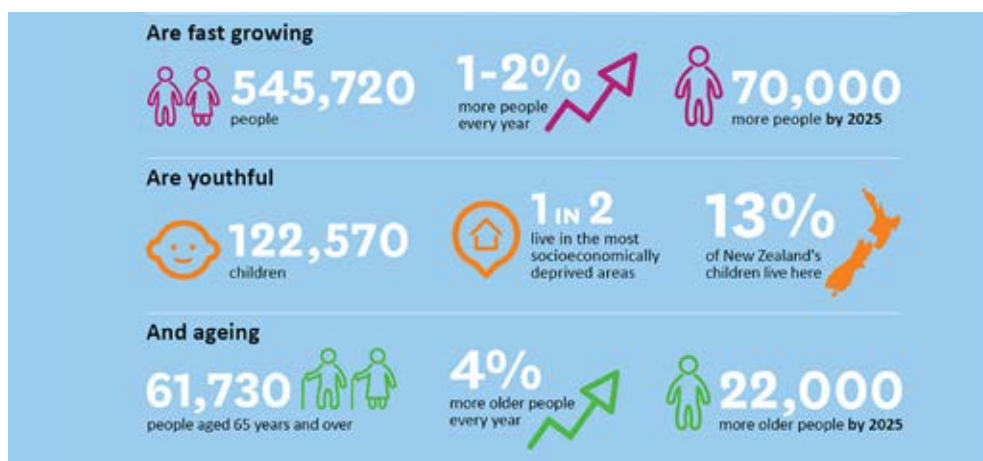
**1.5% ANNUALLY**

with both a youthful and ageing population. Demand on hospice services will be even greater as the demand for health services is larger than demographic growth and as a result there are

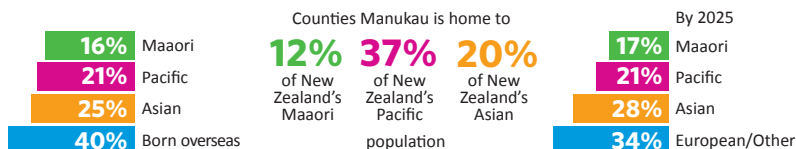
**SIGNIFICANT SYSTEM CAPACITY IMPLICATIONS.**

**TOTARA HOSPICE** serves a population that is significantly challenged economically, is culturally rich and highly diverse compared with other areas. This places us in a **UNIQUE POSITION** to contribute to the ongoing improvement of hospice-based palliative care services in contemporary NZ and internationally.

### The communities we serve in Counties Manukau in 2017



### Are vibrant and diverse

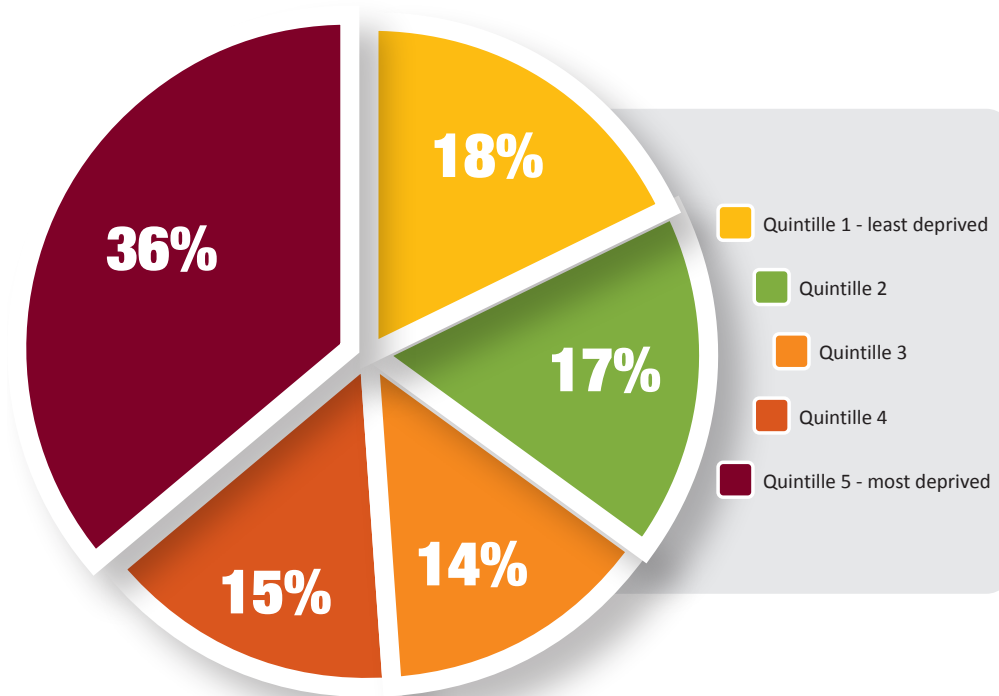


### Their health is not the same



## Working in One of the Most Socially Economically Challenged Areas of New Zealand is a Reality\*

Counties Manukau has proportionally more people (more than 34% of the population) living in the most deprived section of the population than the national average.



### Totara Hospice is acutely mindful of two things in this context:

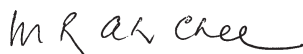
- The increased social determinants burden and the subsequent lack of resources and hence the significant additional pressure faced by these families when confronted with life limiting disease.
- It is largely these communities who enable the non-crown revenue streams. We must be mindful of their financial limitations and constantly be seeking new revenue opportunities.
- There is ongoing heavy reliance on fundraising revenues in our economically challenged district placing services to our community at continual risk.

\*C. (n.d.). Counties Manukau Health Annual Report 2017. doi:2017 (diagrams taken directly from report)

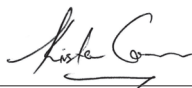
**STATEMENT OF FINANCIAL POSITION THE TOTARA FOUNDATION** as at 30 June 2019

	2019	2018
<b>Current assets</b>		
Cash and cash equivalents	1,936,830	293,109
Cash and cash equivalents held within investment portfolio	202,934	605,702
Receivables from non-exchange transactions	-	1,592
Receivables from exchange transactions	-	-
Financial assets at fair value through surplus or deficit	7,084,271	5,752,288
Financial assets- held to maturity	-	100,000
	9,224,035	6,752,691
<b>Current liabilities</b>		
Payables under exchange transactions	6,744	4,000
Goods and services tax	12,645	8,536
Amounts due to related parties	-	-
	19,389	12,536
<b>Working capital surplus/ (deficit)</b>	9,204,646	6,740,155
<b>Non-current assets</b>		
Property plant and equipment	59,733	68,809
Investment properties	10,172,118	10,485,509
Financial assets- held to maturity	2,303,920	1,969,102
	12,535,771	12,523,420
<b>NET ASSETS/ (LIABILITIES)</b>	21,740,417	19,263,575
<b>EQUITY</b>		
Accumulated comprehensive revenue and expense	21,576,551	19,089,709
Francis Fennel Scholarship Fund	163,866	173,866
<b>TOTAL EQUITY</b>	21,740,417	19,263,575

For and on behalf of the Board:



Chairperson



Trustee

25 September 2019

Date

25 September 2019

Date

These financial statements should be read subject to the Audit Report on p16

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

THE TOTARA FOUNDATION for the year ended 30 June 2019

	2019	2018
<b>Revenue from non-exchange transactions</b>		
Gifts and donations	39,008	21,857
Primary Options Acute Care income	-	11,490
Specific donations from related entity	1,700,800	1,650,000
<b>Revenue from exchange transactions</b>		
Rental revenue - related entity	500,000	500,000
Dividends	351,690	248,891
<b>Total revenue (excluding gains)</b>	<b>2,591,498</b>	<b>2,432,237</b>
<b>Expenses</b>		
Property costs	(60,116)	(59,550)
Management fee	(79,730)	(48,000)
Administration expenses	(69,830)	(17,033)
Dang Bequest payment to TH	(30,000)	-
Bequest Funding to TH	(42,000)	-
Depreciation	(387,992)	(398,929)
Primary Options Acute Care expense	-	(9,088)
Audit Fees	(4,545)	(4,545)
<b>Total expenses</b>	<b>(674,213)</b>	<b>(537,145)</b>
Finance costs	(142,406)	(105,489)
Finance income	110,882	88,708
<b>Net finance (costs)/income</b>	<b>(31,524)</b>	<b>(16,781)</b>
<b>Operating surplus</b>	<b>1,885,761</b>	<b>1,878,312</b>
Gain on revaluation of financial assets	604,886	238,067
Loss on disposal of assets	(13,805)	(8,597)
<b>Net surplus for the year</b>	<b>2,476,842</b>	<b>2,107,782</b>
Other comprehensive revenue and expense	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>2,476,842</b>	<b>2,107,782</b>

These financial statements should be read subject to the Audit Report on p16

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

### THE TOTARA FOUNDATION for the year ended 30 June 2019

	Accumulated comprehensive revenue and expense	Francis Fennell Scholarship Fund	Total
At 1 July 2017	16,981,928	173,866	17,155,794
Surplus/ (deficit) for the year	2,107,782	-	2,107,782
Other comprehensive revenue and expense	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>2,107,782</b>	<b>-</b>	<b>2,107,782</b>
Net transfers to/from other reserves	-	-	-
<b>At 30 June 2018</b>	<b>19,089,709</b>	<b>173,866</b>	<b>19,263,575</b>
<b>At 1 July 2018</b>	<b>19,089,709</b>	<b>173,866</b>	<b>19,263,575</b>
Surplus/ (deficit) for the year	<b>2,476,842</b>	-	<b>2,476,842</b>
Other comprehensive revenue and expense	-	-	-
<b>Total comprehensive revenue and expense for the year</b>	<b>2,476,842</b>	<b>-</b>	<b>2,476,842</b>
Net transfers to/from other reserves	<b>10,000</b>	<b>(10,000)</b>	-
<b>At 30 June 2019</b>	<b>21,576,551</b>	<b>163,866</b>	<b>21,740,417</b>



**STATEMENT OF CASH FLOWS**

THE TOTARA FOUNDATION for the year ended 30 June 2019

	2019	2018
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Receipts from non-exchange transactions	40,600	37,899
Specific donation received from related party	1,700,800	1,650,000
Interest received	110,882	88,708
Rentals received	500,000	500,000
Dividends received	351,690	248,891
<b>Payments</b>		
Payments to suppliers	(312,894)	(200,527)
Specific donation paid to related party	(40,000)	-
<b>Net cash flows from operating activities</b>	<b>2,351,078</b>	<b>2,324,971</b>
<b>Cash flows from investing activities</b>		
<b>Payments</b>		
Purchase of shares and bonds	(628,029)	(2,431,397)
Fixed Asset purchases	(79,328)	-
<b>Net cash flows from investing activities</b>	<b>(707,357)</b>	<b>(2,431,397)</b>
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	1,643,721	(106,426)
Cash and cash equivalents at 1 July	293,109	399,535
<b>Cash and cash equivalents at 30 June</b>	<b>1,936,830</b>	<b>293,109</b>

## NOTES TO THE FINANCIAL STATEMENTS

### THE TOTARA FOUNDATION for the year ended 30 June 2019

The Summary Financial Statements are for The Totara Foundation (the trust) for the year ended 30 June 2019.

#### REPORTING ENTITY

The Totara Foundation (previously known as South Auckland Hospice Development Charitable Trust) was formed on 16 December 2004 through the creation of a Trust deed. The Trust is registered under the Charitable Trust Act 1957 for the purpose of providing support, and to promote hospice facilities, services and care to the terminally ill and their families in New Zealand. The Totara Foundation (the "Trust") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

#### BASIS OF PREPARATION

The Summary Financial Statements are presented in summary form and therefore do not give all information required by New Zealand General Accepted Accounting Practice. They are prepared in accordance with Public Benefit Entity Financial Reporting Standard 43 - Summary Financial Statements (PBE FRS 43). The full Financial Statements have been prepared in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime. A full copy of the Financial Statements and Audit Report are available in hard copy from The Totara Foundation's registered office.

The Summary Financial Statements are presented in New Zealand dollars, which is the trust's functional currency, rounded to the nearest dollar.

These Summary Financial Statements have been extracted from the full Financial Statements dated 25 September 2019. They cannot be expected to provide as complete an understanding as provided by the full Financial Statements.

#### RELATED PARTY TRANSACTIONS AND BALANCES

The Totara Foundation and Totara Hospice have some common trustees. The following transactions have been entered into with Totara Hospice and other related parties as indicated.

Related Parties	Nature of transaction	2019	2018
Totara Hospice South Auckland	Rental income (note 1)	500,000	500,000
Totara Hospice South Auckland	Management fee expense (note 2)	(79,730)	(48,000)
Totara Hospice South Auckland	Specific donations (note 3)	1,708,000	1,650,000
Totara Hospice South Auckland	Dang Bequest Funding (note 4)	(30,000)	-
Totara Hospice South Auckland	Bequest Funding (note 5)	(42,000)	-
Totara Hospice South Auckland	Primary Options Acute Care expense (note 6)	-	(9,088)

**Note 1** - The Trust has entered into a lease agreement with Totara Hospice for the premises at 140 Charles Prevost Road, The Gardens, Manukau. The rent paid for the premises is as stipulated in the lease agreement.

**Note 2** - The administration fee paid by the Trust to Totara Hospice is as stipulated in the management agreement between the two entities.

**Note 3** - During the year, the Trust received specific donations from Totara Hospice. The donation does not have any "use or return" conditions attached and have therefore been recognised as revenue in the year of receipt.

These financial statements should be read subject to the Audit Report on p16

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### THE TOTARA FOUNDATION for the year ended 30 June 2019

**Note 4** - Under the terms of a bequest from the Dang family, the Trust makes a payment to Totara Hospice to cover operating expenses. This amount has been agreed by the Trustees as \$10,000 per month.

**Note 5** - The Trust made a payment to Totara Hospice to facilitate the development of Bequest Funding.

**Note 6** - The Trust sub-contracted Totara Hospice to provide the patient care services for the Primary Options Acute Care project. The terms and condition of the sub-contract is stipulated in the management agreement between the two entities.

	2019	2018
<b>Balance derived from the above transactions</b>		
Payables to Totara Hospice South Auckland	-	-

#### CONTINGENT ASSETS AND LIABILITIES

The Totara Foundation provides an annual renewable underwrite to Totara Hospice undertaking that in the event Totara Hospice is unable to meet its obligations as they fall due, The Totara Foundation will provide sufficient funding to ensure all creditors are paid in full. The underwrite was reviewed and renewed on 24 July 2019 for the period up to 31 October 2020.

#### EVENTS AFTER THE REPORTING DATE

The Trustees are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust (2018: \$Nil).



RSM Hayes Audit

PO Box 9588  
Newmarket, Auckland 1149  
Level 1, 1 Broadway  
Newmarket, Auckland 1023

T +64 (9) 367 1656  
www.rsmnz.co.nz

## Report of the Independent Auditor On the Summary Financial Statements To the Trustees of The Totara Foundation

### Opinion

The accompanying summary statement of financial position as at 30 June 2019, summary statement of comprehensive revenue and expenses, summary statement of changes in net assets/equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of The Totara Foundation for the year ended 30 June 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS 43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

### Summary financial statements

The summary financial statements do not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### The audited financial statements and our report thereon

We expressed an unqualified audit opinion on the audited financial statements in our report dated 27 September 2019.

### Trustees' responsibility for the summary financial statements

The Trustees are responsible on behalf of the entity for the preparation of the summary financial statements in accordance with PBE FRS 43: Summary Financial Statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other than in the capacity as auditor, the firm has no other relationship with, or interests in, The Totara Foundation.

### Who we report to

This report is made solely to the Trustees. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees, for our work, for this report, or for the opinions we have formed.

**RSM Hayes Audit**  
Auckland

27 September 2019

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING

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“*Ehara taku toa i te toa takitahi engari,  
he toa takitini. ~ Success is not the  
work of one, but the work of many*  
– Maori proverb”



**The Totara Foundation**

c/- Totara House, 140 Charles Prevost Drive,  
The Gardens, Auckland 2105

PO Box 75560, Manurewa, Auckland 2243

P: 09 640 0208 | [www.totarafoundation.co.nz](http://www.totarafoundation.co.nz)

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