Shaping a sustainable future together

the totara foundation

2020 Annual Report

"Our family will never be able to thank you enough for your care. You helped to make the most difficult time a more special blessed one. We are so grateful for all that you do – not only in our cause but for everyone who walks through your doors."

~ Family member

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





Shaping Our Sustainable Future – Together

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 south east Auckland region for decades to come.

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 /whānau 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.

The Totara Foundation is here to ensure hospice services will exist in your community for years to come.

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

Executive Update

The Totara Foundation continues to operate as the supporting trust for Totara Hospice.

Over the 2019/20 year the Totara 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 in some of the most challenging investment markets seen in decades, due to the wide spread impact of the global COVID-19 pandemic.

Due to the impact of COVID-19 on the world over the past financial year the Foundation Trustees remained in close contact with our Investment advisers JB Were. The 12-month period of returns for the investment portfolio came in at slightly above zero with a gross return of 0.11%.

The markets have recovered somewhat from the end of March lows, but many companies in the New Zealand market have cut their dividends due to the uncertainty in what the future holds. The speed and global reach of COVID-19 caused unprecedented closure of nearly every airport, restaurant and service in the world at one point. The Reserve Bank of New Zealand looks to move cash rates into negative territory for the first time in history; this goes to show the level of nervousness and economic uncertainty that COVID-19 has caused in the New Zealand context. This means New Zealand interest rates continue to move lower as the impact of COVID-19 hits many parts of the economy.

The portfolio asset allocation did not change from last year, with approximately 30% invested in cash and bonds, with the remaining in the growth assets side of the portfolio.

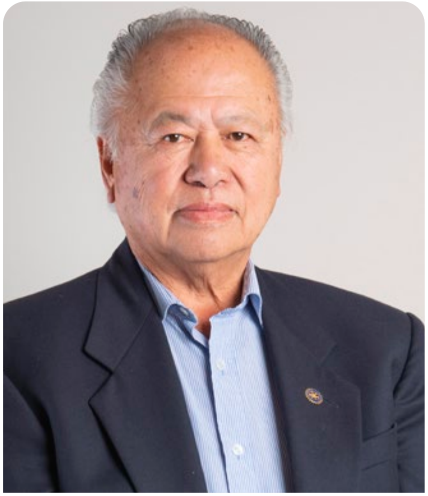
As Trustees of the Foundation we have been encouraged to note the professionalism of the Totara Hospice Management Team in handling what has been an incredibly challenging year as they managed the uncharted territory of COVID-19.

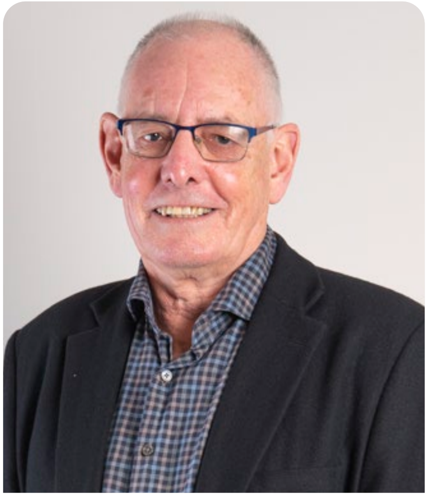
As Trustees of the Foundation we appreciate the generosity from supporters and donors. We look forward to the 2020/21 year as an opportunity to grow our Foundation Connection directly with the community.

The Trustees of Totara Foundation work in partnership with Totara Hospice with the common belief that making hospice happen for communities is critical; whilst death is inevitable, dying unsupported is unacceptable.

The Trustees of Totara Foundation

Board of Trustees





STATEMENT OF FINANCIAL POSITION THE TOTARA FOUNDATION as at 30 June 2020

	2020	2019
Current assets		
Cash and cash equivalents	**212,862**	1,936,830
Cash and cash equivalents held within investment portfolio	**391,590**	202,934
Receivables from non-exchange transactions	-	-
Receivables from exchange transactions	-	-
Financial assets at fair value through surplus or deficit	**7,812,752**	7,084,271
Financial assets- held to maturity	-	-
	8,417,204	9,224,035
Current liabilities		
Payables under exchange transactions	**13,982**	6,744
Goods and services tax	**21,679**	12,645
Amounts due to related parties	-	-
	35,661	19,389
Working capital surplus/ (deficit)	**8,381,543**	9,204,646
Non-current assets		
Property plant and equipment	**153,489**	59,733
Investment properties	**9,812,467**	10,172,118
Financial assets- held to maturity	**2,732,575**	2,303,920
	12,698,531	12,535,771
NET ASSETS/ (LIABILITIES)	**21,080,074**	21,740,417
EQUITY		
Accumulated comprehensive revenue and expense	**21,080,074**	21,576,551
Francis Fennel Scholarship Fund	-	163,866
TOTAL EQUITY	**21,080,074**	21,740,417

For and on behalf of the Board:

23 September 2020

Chairperson **Date**

23 September 2020

Trustee **Date**

These financial statements should be read subject to the Audit Report on p12

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
THE TOTARA FOUNDATION for the year ended 30 June 2020

	2020	2019
Revenue from non-exchange transactions		
Gifts and donations	**11,932**	39,008
Specific donations from related entity	**-**	1,700,800
Revenue from exchange transactions		
Rental revenue- related entity	**375,000**	500,000
Dividends	**324,294**	351,690
Total revenue	**711,226**	2,591,498
Expenses		
Property costs	**(52,802)**	(60,116)
Management fee	**(79,730)**	(79,730)
Administration expenses	**(42,505)**	(69,830)
Dang Bequest payment to Totara Hospice	**(120,000)**	(30,000)
Bequest Funding to Totara Hospice	**(42,000)**	(42,000)
Depreciation	**(388,640)**	(387,992)
Specific donation to related entity	**(163,866)**	-
Audit Fees	**(4,568)**	(4,545)
Total expenses	**(894,111)**	(674,213)
Finance costs	**(156,720)**	(142,406)
Finance income	**144,167**	110,882
Net finance (costs)/income	**(12,553)**	(31,524)
Operating surplus	**(195,438)**	1,885,761
Gain / (loss) on revaluation of financial assets	**(462,481)**	604,886
Loss on disposal of assets	**(2,425)**	(13,805)
Net surplus for the year	**(660,344)**	2,476,842
Other comprehensive revenue and expense	**-**	-
Total comprehensive revenue and expense for the year	**(660,344)**	2,476,842

These financial statements should be read subject to the Audit Report on p12

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
THE TOTARA FOUNDATION for the year ended 30 June 2020

	Accumulated comprehensive revenue and expense	Francis Fennell Scholarship Fund	Total
At 1 July 2018	19,089,709	173,866	19,263,575
Surplus/ (deficit) for the year	2,476,842	-	2,476,842
Other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense for the year	2,476,842	-	2,476,842
Net transfers to/from other reserves	10,000	(10,000)	-
At 30 June 2019	**21,576,551**	**163,866**	**21,740,417**
At 1 July 2019	**21,576,551**	**163,866**	**21,740,417**
Surplus/ (deficit) for the year	**(660,344)**	**-**	**(660,344)**
Other comprehensive revenue and expense	**-**	**-**	**-**
Total comprehensive revenue and expense for the year	**(660,344)**	**-**	**(660,344)**
Net transfers to/from other reserves	**163,866**	**(163,866)**	**-**
At 30 June 2020	**21,080,074**	**-**	**21,080,074**

STATEMENT OF CASH FLOWS
THE TOTARA FOUNDATION for the year ended 30 June 2020

	2020	2019
Cash flows from operating activities		
Receipts		
Receipts from non-exchange transactions	**11,932**	40,600
Specific donation received from related party	**-**	1,700,800
Interest received	**144,167**	110,882
Rentals received	**375,000**	500,000
Dividends received	**324,294**	351,690
Payments		
Payments to suppliers	**(301,417)**	(312,894)
Specific donation paid to related party	**(283,866)**	(40,000)
Net cash flows from operating activities	**270,110**	2,351,078
Cash flows from investing activities		
Payments		
Purchase of shares and bonds	**(1,868,908)**	(628,029)
Fixed Asset purchases	**(125,170)**	(79,328)
Net cash flows from investing activities	**(1,994,078)**	(707,357)
Net cash flows from financing activities	**-**	-
Net increase/(decrease) in cash and cash equivalents	**(1,723,968)**	1,643,721
Cash and cash equivalents at 1 July	**1,936,830**	293,109
Cash and cash equivalents at 30 June	**212,862**	**1,936,830**

NOTES TO THE FINANCIAL STATEMENTS

THE TOTARA FOUNDATION for the year ended 30 June 2020

The Summary Financial Statements are for The Totara Foundation (the trust) for the year ended 30 June 2020.

REPORTING ENTITY

The Totara Foundation 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 23 September 2020. 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 has some common trustees and is controlled by Totara Hospice. The following transactions have been entered into with Totara Hospice and other related parties as indicated.

Related Parties	Nature of transaction	2020	2019
Totara Hospice	Rental income (note 1)	**375,000**	500,000
Totara Hospice	Management fee expense (note 2)	**(79,730)**	(79,730)
Totara Hospice	Specific donations (note 3)	**(163,866)**	1,708,000
Totara Hospice	Dang Bequest Funding (note 4)	**(120,000)**	(30,000)
Totara Hospice	Bequest Funding (note 5)	**(42,000)**	(42,000)

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. In the current year The Trust waived 3 months rent to the value of $125,000.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
THE TOTARA FOUNDATION for the year ended 30 June 2019

Note 3- During the year, the Trust transferred the Francis Fennel Scholarship Fund to Totara Hospice for distribution on the same terms and conditions as previously undertaken. In the prior year the Trust received specific donations from Totara Hospice.

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.

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 22 July 2020 for the period up to 31 October 2021.

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 (2019: $Nil).

RSM

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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 2020, 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 2020.

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 28 September 2020.

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

RSM Hayes Audit
Auckland

28 September 2020

“*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

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