

MEMO

To: Board Members
From: Eric Sinclair, GM Finance & Performance
Date: 16 August 2017
Subject: Financial Report for July 2017

Status

This report contains:

- For decision
- Update
- Regular report
- For information

Overview

Financial Result



Budget Variance



Forecast Position



Cash Position



Capital Expenditure

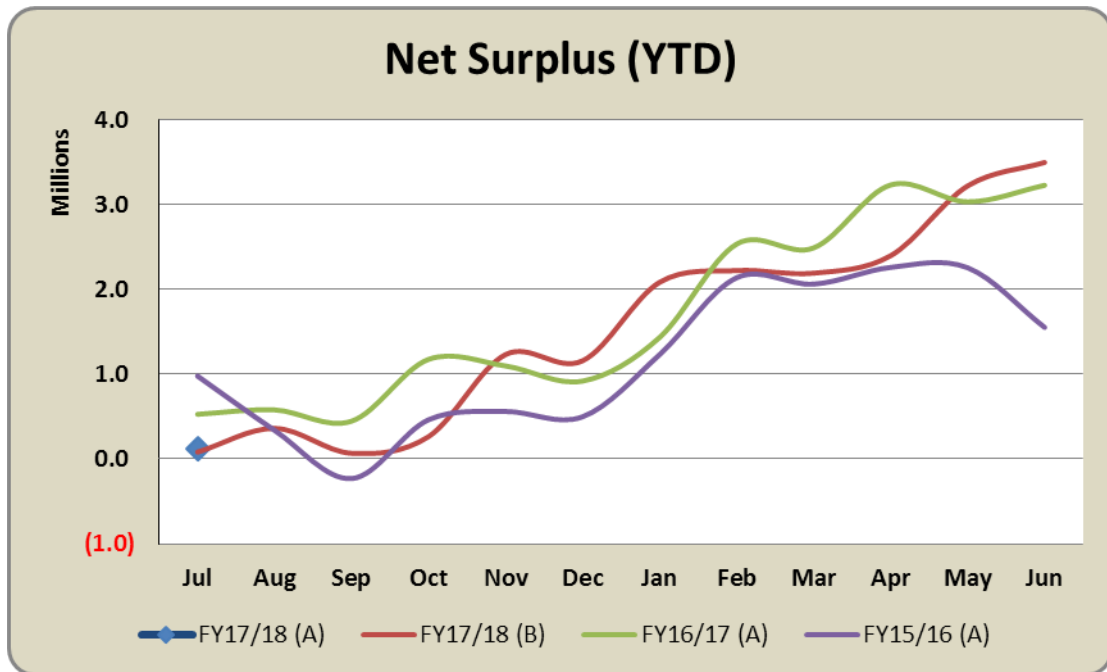


Commentary

It is pleasing to report that the new financial year has started in a positive manner with a small surplus of \$125k which is \$46k favourable to the plan.

Detailed financial statements are included in the Appendix attached to this report.

July 2017 \$Ms				Year to Date \$Ms				Full Year \$Ms	
Actual	Budget	Budget Variance	Last Year Actual	Actual	Budget	Budget Variance	Last Year Actual	Budget	Last Yr
39.08	38.44	0.63	38.28	39.08	38.44	0.63	38.28	485.49	468.24
Revenue				Revenue					
Expenditure				Expenditure					
14.03	13.92	(0.10)	13.01	14.03	13.92	(0.10)	13.01	182.13	175.32
6.64	6.40	(0.24)	6.03	6.64	6.40	(0.24)	6.03	80.43	72.90
12.81	12.48	(0.33)	13.13	12.81	12.48	(0.33)	13.13	152.60	153.41
3.70	3.69	(0.01)	3.80	3.70	3.69	(0.01)	3.80	44.32	43.41
37.17	36.50	(0.68)	35.98	37.17	36.50	(0.68)	35.98	459.48	445.04
1.90	1.95	(0.05)	2.30	1.90	1.95	(0.05)	2.30	26.01	23.19
1.78	1.87	0.09	1.77	1.78	1.87	0.09	1.77	22.51	19.96
0.13	0.08	0.05	0.53	0.13	0.08	0.05	0.53	3.50	3.23



Key messages for the month

- The results include revenue and expenditure associated with the Pay Equity arrangements that are not budgeted. NMH has an added complexity over other DHBs with the DSS service where we have a number of employed staff who are recipients of the pay equity settlement. This means that not only do we report costs within the external provider payments line but also within the employed staff cost line. I am completing a review of the costs associated with the Pay Equity settlement and we will report both the revenue and expenditure from the settlement from the August result. The net impact over the year will be nil but we will have a favourable variance in revenue offsetting the adverse variances in workforce and provider payment costs.
- The results include a favourable variance within the Mental Health service of \$59k and an adverse variance of \$48k within DSS.
- The cash position remains strong with a balance of \$41M on hand.

Eric Sinclair
GM Finance and Performance

RECOMMENDATION:

THAT THE BOARD RECEIVES THE FINANCIAL REPORT.

Appendix A – Detailed Financial Statements

Statement of Financial Performance

July 2017 \$000s				Year to Date \$000s				Full Year \$000s	
Actual	Budget	Budget Variance	Last Year Actual	Actual	Budget	Budget Variance	Last Year Actual	Budget	Last Yr
Revenue									
34,734	33,988	746	33,902	34,734	33,988	746	33,902	433,673	418,471
1,987	2,078	(92)	1,900	1,987	2,078	(92)	1,900	23,530	22,090
1,355	1,403	(48)	1,445	1,355	1,403	(48)	1,445	16,007	15,243
1,001	975	27	1,034	1,001	975	27	1,034	12,278	12,433
39,077	38,444	633	38,280	39,077	38,444	633	38,280	485,490	468,237
Total Revenue									
Expenditure									
13,817	13,821	4	12,776	13,817	13,821	4	12,776	180,822	171,259
210	102	(108)	238	210	102	(108)	238	1,306	4,060
14,028	13,923	(104)	13,013	14,028	13,923	(104)	13,013	182,128	175,319
Total Workforce									
1,341	1,345	4	851	1,341	1,345	4	851	16,347	10,561
2,710	2,598	(112)	2,731	2,710	2,598	(112)	2,731	33,878	35,623
2,585	2,454	(131)	2,452	2,585	2,454	(131)	2,452	30,205	26,718
12,807	12,482	(325)	13,135	12,807	12,482	(325)	13,135	152,597	153,409
3,703	3,693	(9)	3,803	3,703	3,693	(9)	3,803	44,321	43,412
37,175	36,496	(679)	35,985	37,175	36,496	(679)	35,985	459,475	445,043
Total Expenditure before IDCC									
1,902	1,948	(46)	2,295	1,902	1,948	(46)	2,295	26,014	23,194
Surplus/(Deficit) before IDCC									
29	19	(10)	244	29	19	(10)	244	252	1,914
965	1,069	104	869	965	1,069	104	869	12,907	11,631
782	780	(3)	655	782	780	(3)	655	9,355	6,418
1,777	1,868	91	1,767	1,777	1,868	91	1,767	22,514	19,964
Total IDCC									
125	80	46	528	125	80	46	528	3,500	3,230
Surplus/(Deficit) after IDCC									

Financial Performance by Division

July 2017 \$000s				Year to Date \$000s				Full Year \$000s	
Actual	Budget	Budget Variance	Last Year Actual	Actual	Budget	Budget Variance	Last Year Actual	Budget	Last Yr
Revenue									
35,519	34,781	738	34,649	35,519	34,781	738	34,649	443,213	427,945
375	363	12	354	375	363	12	354	4,281	4,270
22,248	22,742	(494)	22,274	22,248	22,742	(494)	22,274	271,298	262,585
(19,065)	(19,442)	377	(18,997)	(19,065)	(19,442)	377	(18,997)	(233,303)	(226,563)
39,077	38,444	633	38,280	39,077	38,444	633	38,280	485,490	468,237
Expenditure									
35,734	35,617	(117)	35,934	35,734	35,617	(117)	35,934	430,221	423,385
371	341	(30)	314	371	341	(30)	314	4,305	4,385
21,911	21,848	(63)	20,500	21,911	21,848	(63)	20,500	280,766	263,800
(19,065)	(19,442)	(377)	(18,997)	(19,065)	(19,442)	(377)	(18,997)	(233,303)	(226,563)
38,951	38,364	(587)	37,752	38,951	38,364	(587)	37,752	481,990	465,006
Net Contribution									
(215)	(837)	621	(1,285)	(215)	(837)	621	(1,285)	12,992	4,560
4	23	(18)	39	4	23	(18)	39	(24)	(115)
336	894	(557)	1,774	336	894	(557)	1,774	(9,468)	(1,215)
125	80	46	528	125	80	46	528	3,500	3,230
Net Surplus/(Deficit)									

Statement of Financial Position

\$000s	June 2017 Actual	July Actual	July Budget	Variance	Annual Budget
Current Assets					
Bank - National Sweep	28,171	30,156	28,585	1,571	30,156
Deposits - Self-Invested	18,950	18,950	12,950	6,000	18,950
Debtors & Prepayments	15,000	15,000	15,000	-	15,000
Stock	2,770	2,770	2,770	-	2,770
Assets Held for Sale	191	465	191	274	465
Current Assets	65,082	67,341	59,496	7,845	67,341
Current Liabilities					
Creditors	27,804	27,805	31,106	3,301	29,805
Employee Entitlements	34,000	34,000	31,200	(2,800)	32,000
Term Debt - Current Portion	500	500	-	(500)	500
Current Liabilities	62,304	62,305	62,306	1	62,305
Working Capital	2,778	5,036	(2,810)	7,846	5,036
Non Current Assets					
Property Plant and Equipment	167,608	168,227	167,133	1,094	168,227
Deposits - Self-Invested Non-Current			6,000		
Other Non Current Assets	3,923	3,998	3,930	68	3,998
Non Current Assets	171,532	172,226	177,063	(4,837)	172,225
Non Current Liabilities					
Employee Entitlements	10,200	10,200	10,200	-	8,700
Term Debt	7,300	7,300	7,300	-	8,800
Non Current Liabilities	17,500	17,500	17,500	-	17,500
Net Assets	156,809	159,762	156,753	3,009	159,761
Equity					
Crown Equity	83,014	82,467	83,014	(547)	82,467
Revaluation Reserve	53,213	53,213	53,213	0	53,213
Retained Earnings:					
General	19,761	22,956	20,234	2,722	23,828
DSS	(52)	1	101	(100)	19
Mental Health	873	1,124	191	933	234
Total Retained Earnings	20,582	24,081	20,526	3,555	24,081
Total Crown Equity	156,809	159,762	156,753	3,009	159,761