

MEMO

To: Board Members
From: Eric Sinclair, GM Finance & Performance
Date: 18 October 2017
Subject: Financial Report for September 2017

Status
 This report contains:
 For decision
 Update
 Regular report
 For information

Overview

Financial Result



Budget Variance



Forecast Position



Cash Position



Capital Expenditure

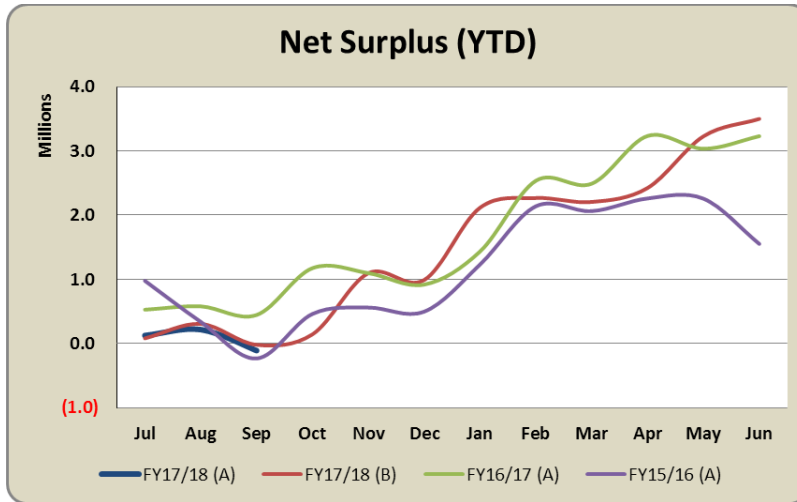


Commentary

It is pleasing to report that after a very busy first quarter we have been able to hold the deficit to \$110k YTD, which is \$85k adverse to the plan.

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

September 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
39.12	38.66	0.46	41.54	123.17	122.53	0.64	117.78	493.82	468.24
14.34	14.14	(0.20)	16.35	45.92	45.87	(0.04)	42.42	184.09	175.32
6.81	6.29	(0.53)	6.79	21.28	20.24	(1.04)	18.84	80.48	72.90
12.85	13.00	0.15	12.75	39.69	39.74	0.05	39.17	158.92	153.41
3.70	3.69	(0.01)	3.87	11.11	11.08	(0.03)	11.47	44.32	43.41
37.70	37.12	(0.59)	39.76	117.99	116.93	(1.06)	111.90	467.80	445.04
1.41	1.54	(0.13)	1.78	5.18	5.60	(0.43)	5.89	26.01	23.19
1.74	1.87	0.13	1.91	5.29	5.63	0.34	5.44	22.51	19.96
(0.33)	(0.33)	0.00	(0.13)	(0.11)	(0.02)	(0.09)	0.45	3.50	3.23



Key messages for the month

- Activity within the hospital continued to be very high during September and the financial results are reflective of this activity level with Clinical Supply costs \$321k adverse for the month. Workforce costs have remained on budget however this is mainly due to vacancies in non-hospital services.
- IDFs remain on close watch as it appears coding in a couple of our tertiary serving DHBs is running behind and the official MOH results are therefore showing a more favourable position than the true position. At this point we have kept the IDF position on budget and will review this once we have received the first quarter results from the MOH.
- A forecast was due to the MOH following the first quarter which projected a year end surplus in line with the plan.

Eric Sinclair
GM Finance and Performance

RECOMMENDATION:

THAT THE BOARD RECEIVES THE FINANCIAL REPORT.

Appendix A – Detailed Financial Statements

Statement of Financial Performance

September 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									
35,132	34,681	451	37,424	110,421	109,500	921	105,202	442,001	418,471
1,698	1,728	(29)	1,855	5,657	5,879	(222)	5,339	23,530	22,090
1,390	1,277	113	1,233	4,058	4,071	(14)	4,173	16,007	15,243
896	973	(77)	1,023	3,032	3,083	(50)	3,072	12,278	12,433
39,116	38,658	458	41,536	123,168	122,533	635	117,785	493,817	468,237
Expenditure									
14,064	14,036	(27)	16,004	45,097	45,547	451	41,565	182,781	171,259
273	101	(171)	348	820	327	(493)	854	1,306	4,060
14,336	14,138	(198)	16,352	45,917	45,874	(42)	42,420	184,088	175,319
1,343	1,280	(63)	942	3,965	3,991	25	2,694	15,875	10,561
2,908	2,587	(321)	3,392	9,169	8,370	(798)	8,894	33,878	35,623
2,563	2,420	(142)	2,453	8,143	7,877	(266)	7,253	30,724	26,718
12,852	12,999	147	12,755	39,690	39,737	47	39,167	158,917	153,409
3,703	3,693	(9)	3,866	11,107	11,080	(26)	11,472	44,321	43,412
37,704	37,118	(586)	39,759	117,991	116,929	(1,062)	111,899	467,803	445,043
1,413	1,541	(128)	1,776	5,178	5,604	(426)	5,886	26,014	23,194
29	19	(10)	236	88	63	(25)	721	252	1,914
928	1,069	141	1,019	2,853	3,227	373	2,754	12,907	11,631
782	780	(3)	655	2,346	2,339	(8)	1,965	9,355	6,418
1,740	1,868	129	1,910	5,288	5,629	341	5,440	22,514	19,964
(327)	(327)	0	(134)	(110)	(25)	(85)	446	3,500	3,230

Financial Performance by Division

September 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									
35,964	35,474	490	38,171	112,903	111,885	1,018	107,443	451,541	427,945
354	354	0	354	1,082	1,070	12	1,081	4,281	4,270
22,397	22,432	(35)	22,000	66,968	68,381	(1,412)	66,251	273,208	262,585
(19,598)	(19,601)	3	(18,989)	(57,785)	(58,803)	1,018	(56,990)	(235,212)	(226,563)
39,116	38,658	458	41,536	123,168	122,533	635	117,785	493,817	468,237
Expenditure									
36,147	36,293	146	35,607	108,582	109,620	1,037	107,628	438,449	423,385
256	305	49	341	905	964	60	1,030	3,818	4,385
22,639	21,989	(650)	24,710	71,577	70,777	(800)	65,671	283,263	263,800
(19,598)	(19,601)	(3)	(18,989)	(57,785)	(58,803)	(1,018)	(56,990)	(235,212)	(226,563)
39,444	38,986	(458)	41,669	123,279	122,558	(721)	117,339	490,317	465,006
Net Contribution									
(182)	(819)	637	2,564	4,321	2,266	2,056	(186)	13,092	4,560
97	48	49	13	177	106	71	52	463	(115)
(242)	443	(685)	(2,711)	(4,609)	(2,396)	(2,212)	580	(10,055)	(1,215)
(327)	(327)	0	(134)	(110)	(25)	(85)	446	3,500	3,230

Statement of Financial Position

	June 2017	Sep	Sep		Annual
\$000s	Actual	Actual	Budget	Variance	Budget
Current Assets					
Bank - National Sweep	21,561	28,371	29,754	(1,383)	30,156
Deposits - Self-Invested	19,301	19,886	18,950	936	18,950
Debtors & Prepayments	18,140	20,905	15,000	5,905	15,000
Stock	2,700	2,694	2,770	(76)	2,770
Assets Held for Sale	465	465	191	274	465
Current Assets	62,167	72,322	66,665	5,657	67,341
Current Liabilities					
Creditors	28,534	35,211	29,805	(5,406)	29,804
Employee Entitlements	33,201	36,730	32,000	(4,730)	32,000
Term Debt - Current Portion	477	479	500	21	500
Current Liabilities	62,212	72,419	62,305	(10,114)	62,304
Working Capital	(46)	(97)	4,360	(4,457)	5,037
Non Current Assets					
Property Plant and Equipment	171,589	171,376	165,982	5,394	168,227
Other Non Current Assets	3,881	3,915	3,942	(27)	3,998
Non Current Assets	175,470	175,291	169,924	5,367	172,225
Non Current Liabilities					
Employee Entitlements	9,923	9,923	10,200	277	10,200
Term Debt	8,663	8,542	7,300	(1,242)	7,300
Non Current Liabilities	18,586	18,465	17,500	(965)	17,500
Net Assets	156,838	156,729	156,784	(55)	159,762
Equity					
Crown Equity	83,015	83,015	83,014	1	82,467
Revaluation Reserve	53,213	53,213	53,213	0	53,213
Retained Earnings:					
General	19,789	18,768	20,265	(1,497)	23,831
DSS	(52)	359	101	258	17
Mental Health	873	1,373	191	1,182	234
Total Retained Earnings	20,611	20,500	20,557	(57)	24,082
Total Crown Equity	156,838	156,729	156,784	(55)	159,762

Statement of Cash Flows

Sep			Year to Date			Full Year
Actual	Budget	Variance	Actual	Budget	Variance	AP
Operating Cash Flow						
Receipts						
39,338	37,685	1,653	115,867	119,450	(3,583)	481,490
129	167	(38)	397	500	(103)	2,000
778	973	(195)	2,585	3,081	(496)	12,274
40,245	38,825	1,420	118,849	123,031	(4,182)	495,764
Payments						
13,948	14,036	88	41,569	45,547	3,978	182,783
21,951	23,272	1,321	67,640	72,399	4,759	283,291
-	780	780	-	2,339	2,339	9,355
655	19	(636)	794	63	(731)	252
36,554	38,107	1,553	110,003	120,348	10,345	475,681
3,691	718	2,973	8,846	2,683	6,163	20,083
Net Cash Inflow/(Outflow) from Operating Activities						
Cash Flow from Investing Activities						
Receipts						
-	-	-	46	-	46	-
-	-	-	46	-	46	-
Payments						
955	500	(455)	2,667	1,100	(1,567)	17,550
(585)	-	585	(585)	-	585	-
370	500	130	2,082	1,100	(982)	17,550
(370)	(500)	130	(2,036)	(1,100)	(936)	(17,550)
Net Cash Inflow/(Outflow) from Investing Activities						
Net Cash Inflow/(Outflow) from Financing Activities						
3,321	218	3,103	6,810	1,583	5,227	1,986
25,050	29,536	(4,486)	21,561	28,171	(6,610)	28,171
28,371	29,754	(1,383)	28,371	29,754	(1,383)	30,157

12-Month Rolling Cash Forecast

Consolidated 12 Month Rolling Statement of Cash Flows	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
\$000s												
Operating Cash Flow												
Receipts												
Government & Crown Agency Received	36,394	45,488	36,394	36,394	36,394	45,488	36,394	45,488	36,341	40,690	40,690	40,690
Interest Received	167	167	167	167	167	167	167	167	167	167	167	167
Other Revenue Received	982	1,106	982	982	982	1,106	982	1,106	982	1,034	1,034	1,034
Total Receipts	37,543	46,761	37,543	37,543	37,543	46,761	37,543	46,761	37,490	41,891	41,891	41,891
Payments												
Personnel	13,944	17,449	13,944	17,412	13,944	13,944	13,944	17,449	13,944	15,348	15,348	15,348
Payments to Suppliers	21,784	26,474	21,784	21,784	21,784	22,475	21,783	26,449	21,506	23,876	23,876	23,876
Capital Charge	780	780	780	780	780	780	780	780	780	-	-	-
Interest Paid	21	21	21	21	21	21	21	21	21	32	32	32
Total Payments	36,529	44,724	36,529	39,997	36,529	37,220	36,528	44,699	36,251	39,256	39,256	39,256
Net Cash Inflow/(Outflow) from Operating Activities	1,014	2,037	1,014	(2,454)	1,014	9,541	1,015	2,062	1,239	2,635	2,635	2,635
Cash Flow from Investing Activities												
Receipts												
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital Expenditure	1,300	100	7,300	1,000	450	4,700	500	1,000	100	-	50	300
Total Payments	1,300	100	7,300	1,000	450	4,700	500	1,000	100	-	50	300
Net Cash Inflow/(Outflow) from Investing Activities	(1,300)	(100)	(7,300)	(1,000)	(450)	(4,700)	(500)	(1,000)	(100)	-	(50)	(300)
Net Cash Inflow/(Outflow) from Financing Activities												
Net Increase/(Decrease) in Cash Held	(286)	1,937	(6,286)	(3,454)	564	4,841	515	1,062	592	2,635	2,585	2,335
Plus Opening Balance	27,786	27,500	29,437	23,151	19,697	20,261	25,102	25,617	26,679	27,271	29,906	32,491
Closing Balance	27,500	29,437	23,151	19,697	20,261	25,102	25,617	26,679	27,271	29,906	32,491	34,826