

Visionwest Community Trust **Financial Statements**

For the year ended 30 June 2023

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VISIONWEST COMMUNITY TRUST

DIRECTORY

AS AT 30 JUNE 2023

The Visionwest Community Trust is a charitable trust incorporated under the Charitable Trust Act 1957 on 12 June 2008 and registered with the Charities Commission on 30 June 2008 (CC32207).

TRUSTEES:

Arvind Dayal	Chairperson
Stephen Parker	Deputy Chairperson
Gary Grut	Pastoral Representative /Secretary
June Lamb	Treasurer
Daniel Barthow	Trustee
Andrew Fraser	Trustee
Judy Mataiá	Trustee (Retired 22nd February 2023)
Jerome Edwards	Trustee
Lisa Woolley	Chief Executive

INDEPENDENT AUDITOR:

Grant Thornton New Zealand Audit Limited
152 Fanshawe Street
Auckland
New Zealand

NATURE OF BUSINESS:

Community Services Provider

Independent Auditor's Report

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To the Trustees of Visionwest Community Trust

Report on the Audit of the financial report

Opinion

We have audited the financial report of Visionwest Community Trust (the "Trust") which comprise:

- a. the financial statements set out on pages 8 to 30, which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive revenue and expense, statement of changes in net assets, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- b. the statement of service performance on page 5 to 7.

In our opinion, the accompanying financial report present fairly, in all material respects:

- a. the financial position of the Trust as at 30 June 2023 and its financial performance and cash flows for the year then ended; and
- b. the service performance for the year ended 30 June 2023 in accordance with the Trust's service performance criteria

in accordance with the Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the Trust in the area of payroll advisory services. The firm has no other interest in the Trust.

Responsibilities of Trustees for the Financial report

Trustees are responsible on behalf of the Trust for:

- (a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees on behalf of the Trust are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the Trust's internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the service performance information, including the disclosures, and whether the financial statements and the service performance information represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on use of our report

This report is made solely to the Trust's Trustees, as a body. Our audit work has been undertaken so that we might state to the Trust's Trustees, as a body, those matters which 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 its Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited



Auckland, New Zealand

02 November 2023

Visionwest Community Trust

Statement of Service Performance Report

Vision and Mission

Visionwest Waka Whakakitenga exists to address homelessness, reduce poverty, support the elderly, and ensure young people have hope for the future.

Our Vision is

Transformed Lives, Healthy Communities

He Oranga Tāngata, He Oranga Hapori

Our Mission is

building hope together | *Kia Tūmanakotia*

Our mission is outworked through a faith led Kaupapa centred on values of whanaungatanga, aroha, mana and manaakitanga. We believe that by supporting individuals as they work to answer their greatest needs and achieve their life goals, we can see entire communities transformed. We recognise that many whānau we work with arrive with a wide range of complex needs and so, to achieve our vision, we journey alongside those individuals and families and are active in the ongoing transformation work that enriches their lives and leads to healthier and more connected communities. An attitude of willingness to innovate and grow to meet emerging needs, together with our steadfast commitment to upholding the mana of every individual we support, and employ is reflected in our charitable objectives, which are outlined below.

Trust Deed Objectives

- To encourage a spirit of Christian compassion within local communities, and to actively promote the message of Christianity – love, hope, mercy and kindness – through the act of providing various social care and welfare services for the under-privileged, needy and disadvantaged.
- To provide direction and resources, whether financial or otherwise, in order to meet the social, emotional, physical, spiritual and educational needs of the people in West Auckland area generally (and beyond).
- To establish service centres, programmes and facilities which enable the provision of appropriate social services to local communities, including but not limited to: kindergarten and childcare facilities; healthcare services; provision of temporary and permanent accommodation and housing; educational development; counselling services; employment training services and financial services and support.
- To assist those who experience financial and emotional hardship, and those who are disadvantaged in society.
- To alleviate the difficulties of those experiencing hardships, including financial hardship, and to bring relief through whatever means are available to the Trustees.
- To initiate, establish and administer any social services for the people of local communities (including children, the destitute and the elderly) who, for any reason, are in need of care and assistance.
- To carry out such other charitable purposes within New Zealand as the Board shall determine after consultation with the Elders' Board.

These objectives guide our service design and delivery, however not all wellbeing and spiritual elements can be objectively quantified for auditable purposes. As our organisational capacity grows, we seek to improve our qualitative research and reporting which will allow a wider understanding of our ability to meet the relational wellbeing objectives outlined above. The following statement of our service provision reflects measures that meet our objectives and align with service contract requirements.

Strategic Goals

Prioritising access for Māori

Visionwest prioritises building Kaupapa Māori capabilities and capacity throughout the organisation, particularly front-line services. This is reflected in our Visionwest Huia Mai approach which is mandated to establish culturally responsive whānau centric care for people of many different cultural, ethnic, and religious backgrounds with a particular focus on Kaupapa Māori to:

- Ensure shelter and accommodation for whānau trapped by homelessness
- Nurture and support rangatahi in educational and employment aspirations through mentoring and training

Most recently established services include Mātanga Oranga, our Kaupapa Māori trauma informed family harm specialist care service of highly experienced and qualified Māori and Pasefika specialists; and Ōhinga Tū which is our Kaupapa Māori informed and led youth development service.

The data below represents the total number of Māori clients who, in the reporting period, have received services that reflect our three focus points outlined above.

Performance Indicator	Actual This Year	Actual Last Year
Number of Māori whānau engaged in:		
Supportive Housing	459	357
Kai/Food	3368	3470
Financial Mentoring	125	96
Other health, community and education services	1254	1057

Addressing homelessness

Visionwest Waka Whakakitenga exists to address homelessness in Aotearoa New Zealand. We partner with others to ensure every New Zealander is housed in a warm, dry, safe, and affordable home and we are committed to the provision of community-based supportive housing throughout our communities, coupled with the provision of wraparound supports. Our focus is on activities that:

- Continue the Housing First programme in Auckland and other areas in need, working collectively to address homelessness
- Use a Kaupapa Māori model of care to increase our capability in addressing complex issues faced by the whānau we house to ensure permanent housing solutions

The numbers below reflect the total number of families housed in Visionwest Long Term, Housing First and Rapid Rehousing properties as at the end of the reporting period in Christchurch and in Auckland. The proportion of whānau having successfully sustained their Visionwest tenancy reflect those who have been housed by our team at the beginning of the year and who are still housed in a Visionwest property at the end of the reporting period.

Performance Indicator	Actual This Year	Actual Last Year
Number of whānau permanently housed	356	283
Proportion of whānau having successfully sustained their Visionwest tenancy	91.5%	89.1%

Supporting independent living at home

As part of our missional objectives to administer social services for local communities who, for any reason, need care and assistance, Visionwest provides care and support for older people and people with disabilities so they can enjoy living independently in their own home. This work is carried out by Visionwest's team of trained Support Workers.

The numbers below reflect the total number of clients who have received Visionwest Home HealthCare services during the reporting period for both maintaining and improving independence.

Performance Indicator	Actual This Year	Actual Last Year
Number of Clients supported to maintain or improve independence at home		
Waitemata	3571	3591
BOP/Lakes	2443	2550
Waikato	2336	2707

Relieving financial hardship

Visionwest is committed to the continuing development of our wraparound service approach to meet the needs of whānau and increase community wellbeing. Our focus is on services that can lead to increased financial and food independence. We work with a range of community organisations and partnerships to provide assistance by:

- Distributing donated food goods to those in need – either directly through our kai support services or through other community organisations
- Providing personalised financial mentoring to those who want support with their financial challenges through our Money Mentors service.

The below data represents the total number of whānau accessing these two services.

Performance Indicator	Actual This Year	Actual Last Year
Number of Whānau receiving financial hardship assistance		
Kai/Food	8503	9279
Financial Mentoring	443	315

Increasing Community Wellbeing

To provide direction and resources, whether financial, emotional, practical or otherwise, to meet the social, emotional, physical, spiritual and educational needs of people in West Auckland and beyond. Visionwest provides practical support through a range of services that complement each other and ensure a holistic approach to caring for our community. This includes:

- Youth mentoring and employment support (Ōhinga Tū)
- Community connection and navigation support services (Whānau Centre)
- Trauma informed care and reconciliation (Mātanga Oranga)
- Counselling and one on one therapy (Wellbeing Centre)
- Early Childhood Education (Eden Cottage Kindergarten)

The numbers represented below are the total for those who have received the above services.

Performance Indicator	Actual This Year	Actual Last Year
Number of Whānau supported for other social, emotional, and educational needs		
Ohinga Tu	398	356
Community Connector	1550	1344
Whanau Centre Community Social Work	40	31
Wellbeing Centre	508	477
Mātanga Oranga	114	52
Eden Cottage	46	49

VISIONWEST COMMUNITY TRUST**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES****FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
Revenue from non-exchange transactions			
Income from Health Care Services		67,601,294	65,967,971
Income from Education Services		951,637	1,430,068
Income from Housing Services		9,754,316	7,668,192
Income from Other Services		5,100,346	7,435,340
Rental Income		18,469,918	14,013,194
Operational Government and other grants	17	910,670	122,938
Donations-in-Kind and Services-in-Kind	17	2,962,687	3,491,417
Donations and Fundraising		1,757,795	2,038,361
		107,508,663	102,167,481
Revenue from exchange transactions			
Interest income		257,782	28,202
Other Income		5,230	-
		263,012	28,202
Total revenue		107,771,675	102,195,683
Expenses			
Employee related expenses		74,861,312	74,114,665
Donations-in-Kind and Services-in-Kind	17	2,962,687	3,491,417
Interest expense		482,872	484,481
Depreciation, amortisation and write-off expenses	9	529,433	435,832
Other expenses	22	27,700,062	22,725,876
Total expenses		106,536,366	101,252,271
Total surplus for the year		1,235,309	943,412
Other comprehensive revenue and expense			
Revaluation of Land and Buildings		4,485,000	18,976,668
Total comprehensive revenue and expense for the year		5,720,309	19,920,080

VISIONWEST COMMUNITY TRUST
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2023

	Asset Revaluation Reserve	Retained Surplus	Total Net Assets
Opening balance at 1 July 2021	10,095,495	26,014,657	36,110,152
Surplus for the year		943,412	943,412
Other comprehensive revenue and expense	18,976,668	-	18,976,668
Closing balance at 30 June 2022	29,072,163	26,958,069	56,030,232
Surplus for the year	-	1,235,309	1,235,309
Other comprehensive revenue and expense	4,485,000	-	4,485,000
Closing balance at 30 June 2023	33,557,163	28,193,378	61,750,541

VISIONWEST COMMUNITY TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current			
Cash and cash equivalents	6	6,393,814	11,374,680
Current Investments		4,153,292	4,000,000
Receivables from non-exchange transactions	7	7,524,641	8,099,949
Prepayments		610,630	438,461
Total current assets		18,682,377	23,913,090
Non-current			
Property, plant and equipment	9	81,702,231	72,962,655
Total non-current assets		81,702,231	72,962,655
Other			
Other assets	16	227,432	191,005
TOTAL ASSETS		100,612,040	97,066,750
LIABILITIES			
Current			
Trade and other creditors	8	5,781,911	6,686,595
Employee entitlements	21	9,412,627	9,319,211
Income in advance		4,238,940	5,493,290
Loans and borrowings	18	393,908	419,062
Total current liabilities		19,827,386	21,918,158
Non-current			
Loans and borrowings	18	17,126,080	17,514,410
Provisions	10	1,908,033	1,603,950
Total Non-current liabilities		19,034,113	19,118,360
TOTAL LIABILITIES		38,861,499	41,036,518
NET ASSETS		61,750,541	56,030,232
NET ASSETS			
Retained Surplus		28,193,378	26,958,069
Asset Revaluation Reserve		33,557,163	29,072,163
Accumulated comprehensive revenue and expense		61,750,541	56,030,232

Signed for and on behalf of the VisionWest Community Trust



Arvind Dayal
Chairman



Stephen Parker
Deputy Chairman

VISIONWEST COMMUNITY TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
<u>Cash flows from operating activities</u>			
Receipts from trading activities		102,184,952	101,492,950
Interest received		257,782	28,202
Payments to suppliers and employees		<u>(101,589,942)</u>	<u>(93,365,412)</u>
<i>Net cash flows from operating activities</i>	19	852,792	8,155,740
<u>Cash flows from investing activities</u>			
Purchase of property, plant & equipment		<u>(4,784,009)</u>	<u>(1,065,599)</u>
<i>Net cash flows from investing activities</i>		(4,784,009)	(1,065,599)
<u>Cash flows from financing activities</u>			
Investment in term deposits		(153,292)	(4,000,000)
Repayment of borrowings		(413,485)	(503,075)
Interest paid		<u>(482,872)</u>	<u>(484,481)</u>
<i>Net cash flows from financing activities</i>		(1,049,649)	(4,987,556)
Net (decrease)/increase in cash and cash equivalents		(4,980,866)	2,102,585
Cash and cash equivalents at the beginning of the year		11,374,680	9,272,095
Cash and cash equivalents at the end of the year		<u><u>6,393,814</u></u>	<u><u>11,374,680</u></u>

Note 1: Reporting Entity

Visionwest Community Trust (the "Trust") is a charitable organisation, based in West Auckland, which is incorporated under the Charitable Trusts Act 1957 and registered under the Charities Act 2005.

Visionwest Community Trust has been offering community-based services to people in West Auckland since the 1980's. The Trust was formally incorporated as the Friendship Centre Trust in 1988 in response to a growing desire of the Glen Eden Baptist Church to help those in need in the local community. The Trust started out small with a drop-in centre at the Glen Eden Railway Station as a place where friendships were formed. The Trust responded to the needs present in the community and grew to be one of the largest community-based Trusts in West Auckland.

In 2010 the Friendship Centre Trust became Visionwest Community Trust. The name evolved from the Trust's passion and vision of hope and transformation for families living in West Auckland. Visionwest Community Trust now provides a range of community services to more than 20,000 individuals and families every year, with a wonderful staff and volunteer base of over 1,500 people. The Trust now has a national reach responding to needs around the country, with a mission of building hope together.

The financial statements presented here are for Visionwest Community Trust.

The financial statements for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Trustees on the 25th of October 2023.

Note 2: Statement of Compliance

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the Financial Reporting Act 2013. They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Trust is a public benefit Not-For-Profit entity and is applying Tier 1 Not-For-Profit PBE IPSAS as it has expenditure of more than \$30 Million. This report is in compliance with Tier 1 Not-For-Profit PBE Standards.

Note 3: Changes in Accounting Policies

The Trust applied for the first time certain standards and amendments which were effective for the year ended 30 June 2023.

(i) PBE FRS 48 Service Performance Reporting - effective for reporting periods beginning on or after 1 January 2022.

This standard establishes requirement for Tier 1 and Tier 2 public benefit entities to select and present service performance information that is useful for accountability and decision-making purposes in general purpose financial reports. Presentation of service performance information together with the financial statements enables users to make assessments of the entity's performance. Visionwest Community Trust presents service performance information for the first time in conjunction with its financial statements for the year ended 30 June 2023.

(ii) PBE IPSAS 41 Financial Instruments - effective for reporting periods beginning on or after 1 January 2022.

IPSAS 41 Financial Instruments replaces parts of IPSAS 29 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Trust has applied PBE IPSAS 41 prospectively, with an initial application date of 1 July 2022. As it is not required by the standard, the Company has not restated comparative information, which continues to be reported under PBE IPSAS 29.

As a result of adopting PBE IPSAS 41 as at 1 July 2022 there were no changes to the value of assets or liabilities, rather a change in the measurement category of the assets. The nature of adjustments is described below:

(a) Classification and Measurement of financial assets and liabilities

Under PBE IPSAS 41, financial assets are subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost or fair value through other comprehensive revenue and expense (FVOCRE). Financial liabilities are subsequently measured at fair value through surplus or deficit (FVTSD) or amortised cost. Financial instruments measured at amortised cost replaces the previous measurement category: loans and receivables, the change in category is outlined in the below table. The classification is based on two criteria: (1) the Company's business model for managing the assets; and (2) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Trust's business model was made as at date of initial application namely 1 July 2022. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Receivables and term investments were classified as Loans and Receivables as at 30 June 2023 and are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning on 1 July 2022.

Upon the adoption of PBE IPSAS 41, the Company had the following required or elected reclassifications as at 1 July 2022.

	Measurement Category		Measurement Category	
	PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29	PBE IPSAS 41
			\$	\$
Financial Assets				
Cash and cash equivalents	Loans and Receivable	Amortised Cost	6,393,814	6,393,814
Receivables	Loans and Receivable	Amortised Cost	7,524,641	7,524,641
Term investments	Loans and Receivable	Amortised Cost	4,153,292	4,153,292
Financial Liabilities				
Trade and other creditors	Amortised Cost	Amortised Cost	5,781,911	5,781,911
Loans and borrowings	Amortised Cost	Amortised Cost	17,519,988	17,519,988

(b) Impairment

The adoption of PBE IPSAS 41 has changed the Company's accounting for impairment losses of financial assets by replacing PBE IPSAS 29's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PBE IPSAS 41 requires the Trust to recognise an allowance for ECL's for all debt instruments not held at fair value through surplus and deficit. Upon the adoption of IPSAS 41 on 1 July 2022, the Trust did not recognise any additional impairment.

(c) Hedge accounting

At the date of initial application, the Trust have no existing hedging relationships.

Note 4: Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Basis of Measurement

The financial statements have been prepared on the basis of historical cost, except for land and buildings which have been measured at fair value.

4.2 Functional and Presentational currency

The financial statements are presented in New Zealand dollars, which is the Trust's functional currency. All values are rounded to the nearest dollar unless otherwise stated.

4.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The Trust receives revenue as a result of both exchange and non-exchange transactions.

Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is recognised in the period when the Trust provides the services. The majority of the consideration for these services is received from Contract revenue from the Ministry of Health, Te Whata Ora, Ministry of Education, Ministry of Social Development, TEC, and Government and non-Government Grants for the provision of home healthcare; early childhood, youth, and adult education; housing; counselling and budgeting services.

Rental Income

Rental income arising from residential rental premises is accounted for on a straight-line basis over the lease term.

Donations

Donations are recognised as revenue upon receipt and include donations from the general public and donations received for specific programmes or services. Donations-in-kind (including food) are received by our Community Banks.

Services-in-kind are hours of work provided by volunteers throughout our Trust's services.

Grant Revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations, and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Revenue from Exchange Transactions

These are transactions that the Trust either receives or gives value to or from another individual or gives approximately equal value in exchange to another entity.

Interest Income

Interest revenue is recognised as it accrues, using the effective interest method.

4.4 Leases

All leases are classified as operating leases where the lessor retains substantially the risk and rewards of ownership of an asset.

Payments made under operating leases are recognised in the reported surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as insurance, are expensed as incurred.

4.5 Financial Instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset (or where applicable a part of a financial asset, or part of a group of similar financial assets) when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCRE, or FVTSD. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them.

Financial assets are classified using the following categories which also determines their subsequent measurement:

- Financial assets at amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); or
- Fair value through surplus or deficit (FVTSD).

Financial assets are classified to the above categories on the basis of both:

- (a) The entity's management model for financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

Financial asset shall be measured at amortised cost if both the following conditions are met and is not designated as FVTSD:

- The financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flow and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit. The Company's cash and cash equivalents, trade and other receivables and Mortgage receivables are classified and measured at amortised cost. These assets were previously classified as "loans and receivables".

Financial assets shall be measured at FVOCRE if both of the following conditions are met:

- The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCRE. On derecognition, gains and losses accumulated in OCRE are reclassified to surplus or deficit.

All financial assets not classified as measured at amortised cost or FVOCRE as described above are measured at FVTSD. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.

The Trust does not have any financial assets at FVOCRE or FVTSD.

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

Except for short-term receivables and payables, at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTSD, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial liabilities are subsequently measured either at amortised cost or at FVTSD. A financial liability is classified as at FVTSD if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTSD are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

The Trust's trade and other payables and Borrowings are classified and measured at amortised cost.

Impairment

PBE IPSAS 41 requires the Trust to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCRE. The Trust recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on historical experience, informed credit assessments, and including forward looking information.

Financial Liabilities

The Trust's financial liabilities include trade and other creditors, employee entitlements, related party payables, loans and borrowings and deferred income (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

4.6 Income Tax

The Trust is a registered charity and therefore exempt from income tax.

4.7 Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

4.8 Investments

Investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

4.9 Goods and Services Tax (GST)

Revenues, expenses, assets, and liabilities are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the Inland Revenue Department, then the GST is recognised as a part of the cost of the expense and the payables will be stated with GST included.

The net amount of GST recoverable from, or payable to the Inland Revenue Department, is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

4.10 Property, Plant and Equipment

Plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Land and buildings are carried at revalued amounts which are fair value at the date of revaluation. Valuations are performed on land and buildings every three years to ensure current carrying values are not significantly different to fair value. Land and buildings are generally not depreciated.

Fair value is determined with reference to market-based evidence, which is the amount for which assets could be exchanged between a willing buyer and a knowledgeable willing seller in an arm's length transaction at valuation date.

The cost of replacing part of an asset and ongoing costs is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and the cost of the item can be measured reliably.

All repairs and maintenance expenditure is charged to the reported surplus or deficit in the year in which the expense is incurred.

Disposals

When an asset is disposed of, the gain or loss recognised in the reported surplus or deficit is calculated as the difference between the net proceeds from disposal and the carrying amount of the asset.

Revaluation

Following initial recognition at cost, land and buildings are now shown at fair value. The date of the revaluation is shown above.

The revaluation was on the Capital Value (CV) which is a local council valuation for the purposes of the rates calculation. These valuations are performed every three years.

Any revaluation surplus is recognised in Other Comprehensive Revenue and Expense and credited to the asset revaluation reserve in equity, unless the increases relate to a revaluation decrease of the same asset previously recognised in the reported surplus or deficit.

Any revaluation deficit is recognised in Other Comprehensive Revenue and Expense and credited to the asset revaluation reserve in equity to the extent of the revaluation reserve balance accumulated from previous year gains. When no revaluation reserve balance is available to offset a revaluation loss the revaluation deficit is reported in the surplus or deficit for the reporting period.

Revaluation surplus and deficit are offset for assets within the same class of asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to retained surplus.

Depreciation

Depreciation of assets, other than freehold land, is calculated at rates determined by management's assessment of the assets and rates. The depreciation methods are reviewed and adjusted if appropriate at each balance date.

Depreciation is charged on a straight-line basis over the useful life of the asset, except for Land and Building which are not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining life of the improvements, whichever is shorter.

Land & Buildings	SL	0%
Fixtures and fittings	SL	8.4% - 48%
Office equipment	SL	8.4% - 48%
Motor vehicles	SL	25.00%
Leasehold Improvements	SL	8.4% - 36%

De-Recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Revenue and Expense.

4.11 Intangible Assets

Intangible assets are the service contracts acquired by the Trust and have finite useful lives. They are measured at cost less accumulated amortisation and any accumulated impairment losses. The cost is amortised on a straight-line basis over 4 years useful life. The balance is assessed for impairment if an indicator is identified that the asset may be impaired.

4.12 Interest-Bearing Loans and Borrowings

Borrowing costs are those costs that the Trust incurs in connection with the borrowing of funds directly attributable to the acquisition, construction, or production of assets. All borrowing costs are capitalised in the period they occur (with the exception of interest costs, which are expensed).

4.13 Employee Entitlements

Wages, Salaries, Annual Leave and Sick Leave

Short-term employee benefits, including holiday entitlement and salaries and wages accrued up to the reporting date, are current liabilities recorded on the Statement of Financial Position, measured at the undiscounted amount that the Trust expects to pay within 12 months of the reporting date.

The Trust recognises a liability and an expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

4.14 Equity

Equity is the community's interest in the Trust, measured as the difference between total assets and total liabilities. Equity is made up of the following components:

Retained Surplus

Retained Surplus is the Trust's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increases and decreases in the fair value of land and buildings only to the extent that they offset each other.

Note 5: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Trust's financial statements requires management and the Board to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities.

Judgements

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

Valuation of Land and Buildings

The Trust measures land and buildings at government valuation, this is done every three years. At every period end, management makes an assessment as to whether the latest land buildings balance reflect the current fair value of the assets. This assessment is based on the general market activities and similar properties.

Useful Lives and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset

- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Trust are listed in Note 4.10.

Note 6: Cash and Cash Equivalents

Cash and cash equivalents include the following components:

	2023	2022
Cash at bank and in hand	4,379,644	7,353,163
Term deposits with maturities no more than 3 months	2,014,170	4,021,517
Total cash and cash equivalents	<u>6,393,814</u>	<u>11,374,680</u>

Note 7: Receivables from Non-Exchange Transactions

	2023	2022
Trade debtors net of provision for doubtful debts	3,852,921	3,999,462
Accrued Income	2,923,290	3,545,452
Bonds Paid	748,430	555,035
Total trade debtors and other receivables	<u>7,524,641</u>	<u>8,099,949</u>

Trade debtors and other receivables are non-interest bearing and are normally settled on 30 days terms; therefore, the carrying value of trade debtors and other receivables approximates its fair value.

As at 30 June 2023, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

Other Receivables include bonds paid to Landlord's and Accrued Income from service contracts due at year end but not yet paid.

The movement in the allowance for doubtful debts is as follows:

Balance 30 June 2021	579,204
Amounts written off	-
Impairment loss reversed	36,966
Balance 30 June 2022	<u>616,170</u>
Amounts written off	-
Impairment loss recognised	(250,889)
Balance 30 June 2023	<u>365,281</u>

2022 Ageing analysis of trade receivables	Gross amounts receivable	Impairment	Net balance
0-30 days (not past due)	1,215,020	-	1,215,020
31 - 60 days	1,638,333	-	1,638,333
61- 90 days	1,146,109	-	1,146,109
Greater than 90 days	616,170	616,170	-
Total past due	3,400,612	616,170	2,784,442
Total of trade debtors	4,615,632	616,170	3,999,462

2023 Ageing analysis of trade receivables	Gross amounts receivable	Impairment	Net balance
0-30 days (not past due)	3,170,504	-	3,170,504
31 - 60 days	409,110	-	409,110
61- 90 days	273,307	-	273,307
Greater than 90 days	365,281	365,281	-
Total past due	1,047,698	365,281	682,417
Total of trade debtors	4,218,202	365,281	3,852,921

Note 8: Payables under Exchange Transactions

Current	2023	2022
Trade creditors	376,735	33,467
Non trade payables and accrued expenses	4,654,155	5,482,791
Bonds	2,160	2,932
GST payable	748,861	1,167,405
	<u>5,781,911</u>	<u>6,686,595</u>

Trade creditors and other payables are non-interest bearing and normally settled on 30-day terms; therefore, their carrying amount approximates their fair value.

Payroll Liabilities are amounts that are owed either to the IRD or ACC with the exception of ACC these would be settled within 30 days.

Note 9: Property, Plant and Equipment

Movements for each class of property, plant and equipment are as follows:

	Land & Buildings	Fixtures & Fittings	Office Equipment	Motor Vehicles	Leasehold Improvements	Total
Cost						
Balance 30 June 2021	52,978,140	282,733	1,414,854	106,854	-	54,782,581
Additions	299,503	331,891	397,583	36,622	-	1,065,599
Revaluation	18,976,668	-	-	-	-	18,976,668
Balance 30 June 2022	72,254,311	614,624	1,812,437	143,476	-	74,824,848
Additions	2,369,189	1,872,798	372,608	109,702	69,698	4,793,995
Disposals	-	-	-	(44,997)	-	(44,997)
Reclassification	(580,239)	-	-	-	580,239	-
Revaluation	4,485,000	-	-	-	-	4,485,000
Balance 30 June 2023	78,528,261	2,487,422	2,185,045	208,181	649,937	84,058,846
Accumulated depreciation						
Balance 30 June 2021	264,200	174,702	915,460	71,999	-	1,426,361
Depreciation for the year	45,824	54,886	315,339	19,783	-	435,832
Balance 30 June 2022	310,024	229,588	1,230,799	91,782	-	1,862,193
Depreciation for the year	-	114,914	352,325	19,301	42,893	529,433
Depreciation written back on disposal	-	-	-	(35,011)	-	(35,011)
Depreciation Reclassified	(310,024)	-	-	-	310,024	-
Balance 30 June 2023	-	344,502	1,583,124	76,072	352,917	2,356,615
Carrying amounts						
At 30 June 2022	71,944,287	385,036	581,638	51,694	-	72,962,655
At 30 June 2023	78,528,261	2,142,920	601,921	132,109	297,020	81,702,231

Bank Security

The Trust's land and building have been pledged as security for loans and borrowings.

Note 10: Provisions

	2023	2022
Opening Balance 1 July 2022	1,603,950	1,131,950
Additional Provisions	304,083	548,673
Amounts used during the year	-	(76,673)
Balance 30 June 2023	1,908,033	1,603,950

Note 11: Auditor's Remuneration

Grant Thornton New Zealand Audit Limited have been the Trust's auditors since the year ended 30 June 2017. Non-audit services relating to the Holidays Act Payroll Compliance have been provided in the current financial year.

	2023	2022
Amounts Paid to Grant Thornton		
Audit of the financial statements	41,475	43,319
Other Consultancy Services	6,170	47,451
	<u>47,645</u>	<u>90,770</u>

Note 12: Capital Expenditure Commitments

The Trust has no capital commitments.

Note 13: Operating Lease Commitments

As at reporting date the Trust has operating leases for vehicles, and photocopiers. The Trust leases commercial buildings in Auckland, Hamilton, Tauranga, Rotorua, and Christchurch.

	2023	2022
Less than one year	763,458	1,029,573
Between two to five years	1,932,263	1,280,729
More than five years	1,457,466	47,095
Total Lease Payments	<u>4,153,187</u>	<u>2,357,397</u>

As at reporting date the Trust has 311 operating leases with third parties for residential property in Auckland and Christchurch. These are used for the Housing First Project and Transitional Housing.

	2023	2022
Less than one year	6,934,889	5,777,966
Between two to five years	3,637,344	3,257,575
More than five years	1,305,600	-
Total Lease Payments	<u>11,877,833</u>	<u>9,035,541</u>

Note 14: Contingent Assets and Liabilities

There are no contingent assets or liabilities at the reporting date. (2022: \$Nil).

Note 15: Related Party Information

Visionwest Community Trust has trustees who are also on the leadership of the Glen Eden Baptist Church. Visionwest Community Trust has property occupancy agreements with the Glen Eden Baptist Church. Visionwest Community Trust engaged the following persons as contractors during the financial year: A member of the Executive, the CEO, Lisa Woolley's nephew's plumbing business (Hydro Dynamics). The trustees consider these property occupancy agreements and the contract rate paid to the three Executive members' related party businesses to be at fair market value. There is a related party transaction for WeeMo Ltd, as the owner's wife is the personal assistant to the CEO. There is a related party transaction for Premier Tapes NZ, Arvin Dayal is a Director of this company and the Chairperson of Visionwest Community Trust. The CEO Lisa Woolley is a Council member for the Community Housing Aotearoa Incorporated which Visionwest holds a membership to. Andrew Fraser is the CEO of Rhema Media and also a Trustee of Visionwest Community Trust. Andrew's wife Anna Fraser has been a contractor at Visionwest during the last financial year. Finally, Murray Penman who is the Head of Health and Community Services is The Chairperson for Home and Community Health Association to which Visionwest Community Trust has a membership.

	2023	2022
Rent Payments to Glen Eden Baptist Church	169,158	165,941
Contract Payments made to WeeMo Ltd	50,291	57,281
Contract Payments made to Hydro Dynamics	31,121	22,429
Contract Payments made to Premier Tapes NZ	-	21,953
Membership fee to Community Housing Aotearoa Incorporated	1,725	1,725
Advertising payments to Rhema Media Inc	25,932	27,462
Membership fee to Home & Community Health Association	37,950	34,500
Contract Payments made to People Plus Purpose	81,251	-

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which comprises the Board of Trustees, CEO, Head of Finance & Operations, Head of Community Services & Partnerships, Head of Māori Development & Education, Head of Health, Head of People & Culture and Head of Housing & Pasefika Development which constitutes the governing body of the Trust. No remuneration is paid to members of the Board of Trustees. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2023	2022
Total Remuneration	1,182,930	1,021,864
Number of Persons	7.0	7.0

Remuneration and compensation provided to close family members of key management personnel

During the reporting period, total remuneration and compensation of \$392,302 (2022: \$236,992) was provided by the Trust to employees who are close family members of key management personnel.

Note 16: Other Assets

Work in Progress is for costs that are still to be capitalised as the projects are incomplete at year end. In the next financial year, they are expected to be classified as fixed assets.

	2022
Work in Progress	191,005
	<u>191,005</u>
	2023
Work in Progress	227,432
	<u>227,432</u>

Note 17: Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions received during each reporting period are made up of the following:

	2023	2022
Operational Other Grants		
Lotteries	74,237	-
The Trusts Community Foundation	-	29,367
Ministry of Housing & Urban Development	54,620	-
Ministry of Social Development	781,813	93,571
	<u>910,670</u>	<u>122,938</u>
Donations-in-Kind		
Donations-in-Kind	2,828,320	3,368,485
Services-in-Kind	134,367	122,932
	<u>2,962,687</u>	<u>3,491,417</u>

The corresponding expense for Donations-in-Kind and Services-in-Kind is under Expenses.

Note 18: Loans and Borrowings

Loans and borrowings held by the Trust are summarised as follows:

	2023	2022
Current		
Secured bank loans - interest bearing	361,906	387,060
Secured bank loans - zero interest	32,002	32,002
Total current loans	<u>393,908</u>	<u>419,062</u>
Non-current		
Secured bank loans - interest bearing	16,740,759	17,097,087
Secured bank loans - zero interest	385,321	417,323
Total non-current loans	<u>17,126,080</u>	<u>17,514,410</u>
Total loans and borrowings	<u>17,519,988</u>	<u>17,933,472</u>

The fair value of interest-bearing loans and borrowings approximate their value, given interest rates charged are close to market rates at year-end.

The zero interest bank loans are Housing NZ term loans repayable over 25 years, and no interest is chargeable, for the first 10 years, given that the trustees use the properties for the purpose of low-income housing. There were no loans that rolled over their 10-year interest free term during this financial year.

Terms and Debt Repayment Schedule

The terms and conditions of outstanding loans were as follows:

	Interest rate	Original Repayment terms	Year of maturity	Balance at 30 June 2023	Balance at 30 June 2022
Secured bank loans - interest bearing: Christian Savings.	3.49% - 7.30 (2022 3.49% - 4.51%)	2 - 23 years	2021-45	16,638,148	16,972,625
Secured - interest bearing: Housing NZ Innovation Fund	4.43% var.	25 years	2031-34	464,517	511,522
Secured - zero interest: Housing NZ Innovation Fund	0%	25 years	2035-36	417,323	449,325
				17,519,988	17,933,472

The bank loans are secured over certain land and buildings with a carrying amount of \$78,528,261 (2022: \$71,944,287)

Note 19: Reconciliation of Surplus/Deficit with Net Cash Flow from Operating Activities

	2023	2022
Net Surplus for the reporting period	1,235,309	943,412
<i>(Deduct) Non-cash items:</i>		
Depreciation	529,433	435,832
<i>(Deduct) items classified as financing or investing activities:</i>		
Interest expense	482,872	484,481
<i>Movements in working capital:</i>		
(Increase)/Decrease in receivables	575,308	(413,286)
(Increase)/Decrease in prepayments	(172,169)	75,368
(Increase)/Decrease in other assets	(36,427)	(59,285)
Increase/(Decrease) in trade and other creditors	(904,684)	1,577,682
Increase/(Decrease) in employee entitlements	93,416	1,407,510
Increase/(Decrease) in income in advance	(1,254,350)	3,232,026
Increase/(Decrease) in provisions	304,084	472,000
Net cash flows from operating activities	852,792	8,155,740

Note 20: Categories of Financial Assets and Liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial assets	2023	2022
At amortised cost		
Cash and cash equivalents	6,393,814	11,374,680
Current Investments	4,153,292	4,000,000
Receivables from non-exchange transactions	7,524,641	8,099,949
	<u>18,071,747</u>	<u>23,474,629</u>
Financial liabilities		
At amortised cost		
Trade and other creditors	3,425,180	3,346,675
Loans and borrowings	17,519,988	17,933,472
	<u>20,945,168</u>	<u>21,280,147</u>

Note 21: Employee Entitlements

	2023	2022
Alternative Holidays Provision	2,302,315	2,085,309
Annual Leave Provision	7,110,312	7,233,902
	<u>9,412,627</u>	<u>9,319,211</u>

Note 22: Other Expenses

Other expenses broken down into categories;

	2023	2022
Other employee related costs	4,353,411	3,707,142
Rent	13,671,562	10,483,296
R&M	2,320,982	1,825,161
Professional Fees	1,381,036	1,207,321
Third Party Services	104,139	261,545
Computer & Phone	1,679,869	1,679,423
General Expenses	4,189,063	3,561,988
	<u>27,700,062</u>	<u>22,725,876</u>

Note 23: Financial Instrument Risk

The Trust's activities expose it to a number of financial instrument risks, including market risk, credit risk and liquidity risk.

There were no material changes in the Trust's risk exposure and risk management objectives during the year.

The Trust does not actively engage in trading of financial assets for speculative purposes. The significant financial risks that the Trust is exposed to are as follows:

Market Risk Analysis

The Trust is exposed to market risk through their use of financial instruments and specifically to interest rate risk, which results from both its operating and investing activities. Interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Trust is exposed to interest rate risk on funds borrowed at fixed rates.

Credit Risk Analysis

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss. MOH, DHB's and MSD are the largest debtors these are assessed as low risk and high-quality entities due to being government funded purchasers of Home Healthcare and Housing services.

The credit risk for cash and cash equivalents is considered negligible since the counterparty is a reputable bank with a Standard & Poor's rating of AA-. The Trust only deals with credit worthy counterparties. The majority of the Trust's receivables are from Government agencies and therefore credit assessment is that they have the ability to pay and credit risk is low.

Liquidity Risk Analysis

Liquidity risk is the risk that the Trust won't be able to meet its obligations. The Trust manages the risk by continually monitoring forecasted and actual cash flow requirements. Liquidity needs are monitored monthly and projected for the financial year.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	Within 6 months	6-12 months	1-5 years	Later than 5 years
2023				
Trade and other Creditors	5,781,911	-	-	-
Borrowings	591,151	591,151	5,911,510	16,156,742
	Within 6 months	6-12 months	1-5 years	Later than 5 years
2022				
Trade and other Creditors	6,686,595	-	-	-
Borrowings	560,389	560,389	5,603,893	16,320,256

The amounts above reflect the contractual undiscounted cash flows at the reporting date.

Note 24: Capital Management

The Board determines the capital management policy by ensuring that the Trust has sufficient funds to continue with its main purpose of supporting and caring for people within our community. Capital for the Trust consists of its accumulated funds and borrowings. The Trust maintains a balance between debit and equity funding.

Note 25: Subsequent Events

There have been no events subsequent to balance date which would materially affect the Financial Statements