



**COMCARE CHARITABLE TRUST**  
**FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2016

**COMCARE CHARITABLE TRUST**  
**CONTENTS OF THE ANNUAL REPORT**



**For the Year Ended 30 June 2016**

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**For the Year Ended 30 June 2016**

The Trustees are responsible for ensuring that the financial statements give a true and fair view of the financial position of the Trust as at 30 June 2016 and its financial performance and cash flow for the year ended on that date.

The Trustees consider that the financial statements of the Trust have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Trustees consider that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Trust and facilitate compliance of the financial statements with the Charities Act 2005.

The Trustees consider that they have taken adequate steps to safeguard the assets of the Trust and to prevent fraud and other irregularities.

The Trustees have pleasure in presenting the financial statements of Comcare Charitable Trust for the year ended 30 June 2016.

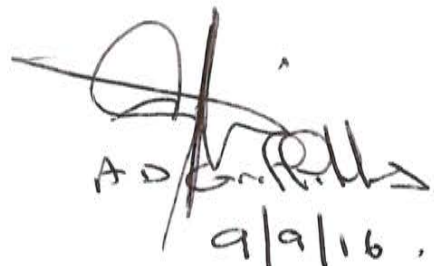
The Board of Trustees of Comcare Charitable Trust authorised these financial statements for distribution on 13 September 2016.

For and on behalf of the Trust.



**P Barnett**  
**Chairperson**

9 Sept 2016



A.D. Griffiths  
9/9/16

As at 30 June 2016

<b>Principal Activity</b>	Comcare contributes to the recovery of people who experience mental illness through the provision of quality community services, social housing, and by supporting mental health sector development.
<b>Address</b>	249 - 251 Lichfield Street Christchurch
<b>Registered Office</b>	251 Lichfield Street Christchurch Central Christchurch 8011
<b>Trustees</b>	Assoc Prof Pauline Barnett - Chairperson Prof Andrew Hornblow - Patron Mr David Griffiths Mrs Sandy Lockhart Dr Sue Nightingale Mr Oliver Roberts Mr Peter Young Mr Murray Hendy
<b>Chief Executive Office</b>	Mrs Kay Fletcher
<b>Auditors</b>	Nexia Christchurch Limited Level 1 567 Wairakei Road Russley Christchurch
<b>Solicitors</b>	Trollope & Co PO Box 20 Christchurch 8140
<b>Bankers</b>	Westpac Christchurch
<b>Charities Reg Number</b>	CC10571

## **INDEPENDENT AUDITOR'S REPORT**

To the Trustees of Comcare Charitable Trust

### **Report on the Financial Statements**

We have audited the financial statements of Comcare Charitable Trust on pages 6 to 19, which comprise the Statement of Financial Position as at 30 June 2016, and the Statement of Comprehensive Revenue and Expenses, Statement of Changes in Net Assets and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Trustees' Responsibility**

The Trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in, Comcare Charitable Trust.

### **Opinion**

In our opinion, the financial statements on pages 6 to 19 present fairly, in all material respects, the financial position of Comcare Charitable Trust as at 30 June 2016, and its financial performance and its cash flows, for the year then ended in accordance with generally accepted accounting practice in New Zealand.

*Nexia Christchurch Limited*

**Nexia Christchurch Limited**  
**9 September 2016**  
**Christchurch**

**COMCARE CHARITABLE TRUST**  
**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES**



**For the Year Ended 30 June 2016**

	Note	2016	2015
		\$	
<b>Revenue from Exchange Transactions</b>			
Canterbury District Health Board		4,774,203	4,586,018
Ministry of Social Development		756,754	378,636
Accommodation/Rental/IRRS		1,037,668	974,526
Interest Received		18,994	31,929
Other Operating Revenue		40,530	30,284
		<u>6,628,150</u>	<u>6,001,393</u>
<b>Revenue from Non-exchange Transactions</b>			
RATA Foundation - Conditional Capital Grant	9	893,172	1,070,000
Social Housing Unit - Conditional Capital Grant	9	1,747,013	1,272,007
		<u>2,640,185</u>	<u>2,342,007</u>
<b>Total Revenue</b>		<u>9,268,335</u>	<u>8,343,400</u>
<b>Expenses</b>			
Audit Fees		8,722	9,863
Interest Expense		70,215	83,064
Rental Expense		481,565	417,865
Wages		3,698,125	3,315,075
Other Operating Expenses		1,424,533	1,416,339
Depreciation	8	364,891	343,650
Net Loss /(Gain) on Disposal of Fixed Assets		(5,048)	9,726
<b>Total Expenses</b>		<u>6,043,003</u>	<u>5,595,581</u>
<b>Total Surplus / (Deficit) for the Period</b>		<u>3,225,332</u>	<u>2,747,820</u>
<b>Other Comprehensive Revenue and Expense</b>			
Net Increase on Property Revaluation	8	2,522,190	-
<b>Other Comprehensive Revenue and Expense for the Period</b>		<u>2,522,190</u>	<u>-</u>
<b>Total Comprehensive Revenue and Expenses for the Period</b>		<u>5,747,522</u>	<u>2,747,820</u>

These financial statements should be read in conjunction with the Independent Auditor's Report and accompanying Notes



**COMCARE CHARITABLE TRUST**  
**STATEMENT OF CHANGES IN NET ASSETS**



**For the Year Ended 30 June 2016**

	Asset Revaluation Reserve	Accommodation Development Reserve	Retained Surplus	Total Equity
	\$	\$	\$	\$
Opening Balance 1 July 2015	3,302,607	-	10,793,732	14,096,339
Additions for the Year	2,522,190	-	3,225,332	5,747,522
<b>Closing Equity 30 June 2016</b>	<b>5,824,797</b>	<b>-</b>	<b>14,019,063</b>	<b>19,843,861</b>
Opening Balance 1 July 2014	3,302,607	277,035	7,768,877	11,348,519
Surplus for the Year	-	-	2,747,820	2,747,820
Transfers	-	(277,035)	277,035	-
<b>Closing Equity 30 June 2015</b>	<b>3,302,607</b>	<b>-</b>	<b>10,793,732</b>	<b>14,096,339</b>

These financial statements should be read in conjunction with the Independent Auditor's Report and accompanying Notes





**COMCARE CHARITABLE TRUST**  
**STATEMENT OF FINANCIAL POSITION**



As at 30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	431,887	1,690,036
Receivables from Exchange Transactions	6	810,527	537,320
Prepayments	7	145,669	135,687
<b>Total Current Assets</b>		<u>1,388,083</u>	<u>2,363,044</u>
<b>Non-current Assets</b>			
Property, Plant & Equipment	8	19,881,073	12,262,799
Building Work in Progress	9	2,783,136	2,939,349
<b>Total Non-current Assets</b>		<u>22,664,209</u>	<u>15,202,148</u>
<b>Total Assets</b>		<u>24,052,292</u>	<u>17,565,191</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	1,550,534	721,271
GST Payable		113,633	99,508
Current Portion of Long-term Borrowings	11(v)	139,249	104,611
<b>Total Current Liabilities</b>		<u>1,803,416</u>	<u>925,389</u>
<b>Non-current Liabilities</b>			
Term Loans	11	2,125,251	2,263,699
Suspensory Loans	12	279,764	279,764
<b>Total Non-current Liabilities</b>		<u>2,405,016</u>	<u>2,543,463</u>
<b>Total Liabilities</b>		<u>4,208,431</u>	<u>3,468,852</u>
<b>Net Assets</b>		<u>19,843,861</u>	<u>14,096,339</u>
<b>NET ASSETS/EQUITY</b>			
Accumulated Funds	13	14,019,064	10,793,732
Asset Revaluation Reserve	15	5,824,797	3,302,607
<b>Total Net Assets/Equity</b>		<u>19,843,861</u>	<u>14,096,339</u>

For and on behalf of the Board of Trustees:

Pauline Bennett  
 Trustee (Chairperson)

9 Sept 2016  
 Date

[Signature]  
 Trustee

9/9/16  
 Date

These financial statements should be read in conjunction with the Independent Auditor's Report and accompanying Notes



**COMCARE CHARITABLE TRUST**  
**CASH FLOW STATEMENT**



**For the Year Ended 30 June 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<b><u>Cash Flows from Operating Activities</u></b>	16		
<b>Receipts</b>			
Receipts from Non-exchange Transactions		2,555,185	2,342,007
Receipts from Exchange Transactions		6,429,961	5,958,315
		<u>8,985,146</u>	<u>8,300,322</u>
<b>Payments</b>			
Payments to Suppliers		1,081,969	2,033,719
Payments to Employees		3,698,125	3,315,075
Interest Paid		70,215	83,064
		<u>4,850,309</u>	<u>5,431,857</u>
<b>Net Cash Flows from Operating Activities</b>		<u>4,134,837</u>	<u>2,868,465</u>
<b><u>Cash Flows from Investing Activities</u></b>			
<b>Receipts</b>			
Sale of Fixed Assets		16,466	5,398
<b>Payments</b>			
Purchase of Fixed Assets		(164,328)	(164,429)
Building Work In Progress		(5,141,314)	(2,081,171)
<b>Net Cash Flows from Investing Activities</b>		<u>(5,289,177)</u>	<u>(2,240,202)</u>
<b><u>Cash Flows from Financing Activities</u></b>			
<b>Receipts</b>			
Loan Drawdown		420,000	1,150,000
<b>Payments</b>			
Loan Repayment		(523,810)	(817,026)
<b>Net Cash Flows from Financing Activities</b>		<u>(103,810)</u>	<u>332,974</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		(1,258,149)	961,236
<b>Cash and Cash Equivalents at Beginning of Period</b>		<u>1,690,037</u>	<u>728,801</u>
<b>Cash and Cash Equivalents at End of Period</b>		<u>431,887</u>	<u>1,690,037</u>

These financial statements should be read in conjunction with the Independent Auditor's Report and accompanying Notes



## For the Year Ended 30 June 2016

### 1 Reporting Entity

The reporting entity is Comcare Charitable Trust (the 'Trust'). The trust is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005.

These financial statements and the accompanying notes summarise the financial results of activities carried out by Trust. The Trust contributes to the recovery of people who experience mental illness through the provision of quality community services, social housing, and by supporting mental health sector development.

These financial statements have been approved and were authorised for issue by the Board of Trustees on 13 September 2016.

### 2 Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). 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 Non-For-Profit entities. For the Purpose of complying with NZ GAAP, the Trust is a public benefit and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. This decision results in the Trust not preparing a Statement of Service Performance for both reporting periods.

### 3 Reporting Period

The current period financial statements and the comparative figures are prepared for 12 month periods ending 30 June.

### 4 Summary of Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

#### 4.1 Basis of measurement

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

#### 4.2 Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

#### 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 following specific recognition criteria must be met before revenue is recognised.

##### Revenue from non-exchange transactions - Grant revenue:

Grant revenue includes grants given by other charitable and philanthropic organisations. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching 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 - Government contracts revenue:

Revenue from government contracts relates to income received from Canterbury District Health Board (CDHB) and Ministry of Social Development (MSD) and is provided as funding for services the Trust provides relating to its purposes. Revenue is recognised in the period the services are provided.

**For the Year Ended 30 June 2016**

**Interest revenue:**

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

**4.4 Volunteer Services**

The value of services provided by volunteers is not recorded.

**4.5 Goods & Services Tax**

The financial statements have been prepared so that all components are stated exclusive of GST with the exception of the following which are stated inclusive of GST:

Accounts Receivable and Accounts Payable

Social Housing - Accommodation receipts and expenses are exempt activities.

**4.6 Loan & Receivables**

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Trust's cash and cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions fall into this category of financial instruments.

**4.7 Cash and Cash Equivalents**

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**4.8 Property, Plant & Equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes 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.

Depreciation is charged on straight line and diminishing value bases over the useful life of the asset, except for land. Land is 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:

Buildings	3 - 20% Diminishing Value and 2 - 3% Straight Line
Household Chattels	1- 50% Diminishing Value and 20% Straight Line
Office Furniture & Equipment	3 - 67% Diminishing Value and 3% Straight Line
Motor Vehicles	30% Diminishing Value

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefit or service potential embodied in the asset.

**4.9 Leases**

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

**4.10 Income Taxation**

Due to its charitable status, the Trust is exempt from income tax.

**4.11 Financial Instruments**

**Credit Risk**

Financial instruments which potentially subject the Comcare Charitable Trust to credit risk principally consist of bank balances and accounts receivable.

**5 Cash & Cash Equivalents**

Cash and cash equivalents include the following components:

	<b>2016</b>	<b>2015</b>
	\$	\$
Westpac- 3 accounts (2015: 6 accounts)	430,287	1,689,036
Petty cash	1,600	1,000
<b>Total</b>	<b>431,887</b>	<b>1,690,036</b>

**COMCARE CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**



**For the Year Ended 30 June 2016**

**6 Receivables from Exchange Transactions**

	<b>2016</b>	<b>2015</b>
	\$	\$
Trade debtors	708,580	488,718
Accrued income	83,382	26,503
Bonds paid	18,565	22,100
<b>Total</b>	<b>810,527</b>	<b>537,320</b>

**7 Prepayments**

	<b>2016</b>	<b>2015</b>
	\$	\$
Insurance (i)	136,399	120,387
Software licenses	9,270	7,811
Website design	-	7,489
<b>Total</b>	<b>145,669</b>	<b>135,687</b>

(i) **Insurance:** the total of AON Insurance invoices for insurance coverage for period July 2016 to June 2017.

**8 Property, Plant & Equipment**

	<b>2016</b>	<b>2015</b>
	\$	\$
Land & buildings	19,583,195	11,921,489
Household chattels	7,945	38,488
Office furniture & equipment	108,387	126,453
Motor vehicles	181,546	176,369
<b>Total</b>	<b>19,881,073</b>	<b>12,262,799</b>

**Land & Buildings**

Cost	13,167,767
Accumulated depreciation	(1,246,279)
Carrying value at the beginning of the year	11,921,488
Additions	21,820
Movement between fixed asset register categories	60,588
Movement from building work in progress	5,297,527
Net increases arising from revaluations	2,522,190
Depreciation	(240,418)
Carrying value at the end of the year	19,583,195

Represented by:

Cost	19,599,092
Accumulated depreciation	(15,897)
<b>Carrying value at the end of the year</b>	<b>19,583,195</b>

**Household Chattels**

Cost	118,645
Accumulated depreciation	(80,157)
Carrying value at the beginning of the year	38,488
Additions	0
Movement between fixed asset register categories	(28,745)
Depreciation	(1,798)
Carrying value at the end of the year	7,945



**COMCARE CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**



**For the Year Ended 30 June 2016**

Represented by:

Cost	32,297
Accumulated depreciation	<u>(24,352)</u>
<b>Carrying value at the end of the year</b>	<b><u>7,945</u></b>

**Office Furniture & Equipment**

Cost	416,781
Accumulated depreciation	<u>(290,328)</u>
Carrying value at the beginning of the year	126,453
Additions	43,511
Movement between fixed asset register categories	(7,420)
Disposals	(3,642)
Depreciation	<u>(50,515)</u>
Carrying value at the end of the year	<u>108,387</u>

Represented by:

Cost	346,161
Accumulated depreciation	<u>(237,774)</u>
<b>Carrying value at the end of the year</b>	<b><u>108,387</u></b>

**Motor Vehicles**

Cost	717,489
Accumulated depreciation	<u>(507,155)</u>
Carrying value at the beginning of the year	210,334
Additions	98,128
Movement between fixed asset register categories	(24,423)
Disposals	(30,334)
Depreciation	<u>(72,159)</u>
Carrying value at the end of the year	<u>181,546</u>

Represented by:

Cost	731,265
Accumulated depreciation	<u>(549,719)</u>
<b>Carrying value at the end of the year</b>	<b><u>181,546</u></b>

Office Properties and Residential Properties as at 30 June 2016 have been disclosed at the latest valuation by an independent valuer (Ford Baker valuation report on 25 March 2016) based on their fair values.

Accumulated depreciation date of valuation on revalued buildings is credited to Cost or Revaluation together with the revaluation increment or decrement.



**COMCARE CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**



**For the Year Ended 30 June 2016**

<b>9 Building Work in Progress</b>		<b>2016</b>	<b>2015</b>
		\$	\$
<b>Project 2</b>			
580 Gloucester St	(Completed January 2016)	-	418,946
17 Bordesley St	(Completed May 2016)	-	540,078
<b>Project 3</b>			
512 Tuam St	(Completed May 2016)	-	306,366
518 Tuam St	(Completed March 2016)	-	419,665
13 Milton St		1,130,672	370,408
<b>Project 4</b>			
495 Cashel St		874,409	385,042
54 Randolph St		764,334	498,844
<b>Project 5</b>			
25 Winsor Cres		6,630	-
99 Barrington St		7,090	-
<b>Total</b>		<u>2,783,136</u>	<u>2,939,349</u>

The Trust has three projects (projects 2 to 4) approved with the Social Housing Unit (SHU) capital grant scheme.

**Project 2:** To build 12 Units across 2 sites. Projected budget is \$2,340,000. Funding is by an SHU capital grant of \$900,000, and a RATA Foundation grant of \$500,000.

**Project 3:** To build 12 units and one house across 3 sites. Projected budget is \$3,702,986. Funding is by an SHU capital grant of \$1,851,493, and a RATA Foundation grant of \$925,746.

**Project 4:** To build 16 units across 2 sites. Projected budget is \$4,321,550. Funding is by an SHU capital grant of \$1,806,690, and a RATA Foundation grant of \$1,664,352.

**Project 5:** To redevelop two Comcare owned sites from two older style dwellings to four one bedroom flats on each site.

**10 Payables**

		<b>2016</b>	<b>2015</b>
		\$	\$
Trade creditors		713,100	299,362
Accrued expenses		222,387	162,018
Holiday pay accrued		250,366	212,961
Employee credit cards		11,770	8,195
Insurance recovery - buildings		13,136	27,680
Income received in advance	(i)	318,772	8,050
Les Ding and D L Moore support fund		21,002	3,004
<b>Total</b>		<u>1,550,534</u>	<u>721,271</u>

**(i) Income Received in Advance**

Ministry of Social Development - Job Connect: Funding of \$107,640 was received during the year for services provided in the 1 July 2016 - 30 June 2017 period. The total amount relates to the financial year ended 30 June 2017.

Ministry of Social Development - Subsidised Housing: Funding of \$247,909 was received during the year for services provided in the 1 April 2016 - 31 December 2016 period. Of the total, \$211,132 relates to the financial year ended 30 June 2017.



**COMCARE CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**



**For the Year Ended 30 June 2016**

**11 Term Loans**

		<b>2016</b>	<b>2015</b>
		\$	\$
Housing New Zealand Corporation Housing Innovation Fund	(i)	825,250	874,250
RATA Foundation	(ii)	73,425	94,060
SF Housing Trust	(iii)	500,000	500,000
Westpac	(iv)	865,825	900,000
Total of borrowing		2,264,500	2,368,309
Less: current portion	(v)	(139,249)	(104,611)
Non-current term loans		<u>2,125,251</u>	<u>2,263,698</u>

**(i) Lender: Housing New Zealand Corporation Housing Innovation Fund**

<b>2016</b>	<b>Facility 1</b>	<b>Facility 2</b>	<b>Facility 3</b>	<b>Total</b>
	\$	\$	\$	\$
Term loan	525,000	375,000	300,000	1,200,000
Repayments to date	(178,500)	(121,250)	(75,000)	(374,750)
<b>Balance 30 June</b>	<u>346,500</u>	<u>253,750</u>	<u>225,000</u>	<u>825,250</u>

<b>2015</b>	<b>Facility 1</b>	<b>Facility 2</b>	<b>Facility 3</b>	<b>Total</b>
	\$	\$	\$	\$
Term loan	525,000	375,000	300,000	1,200,000
Repayments to date	(157,500)	(106,250)	(62,000)	(325,750)
<b>Balance 30 June</b>	<u>367,500</u>	<u>268,750</u>	<u>238,000</u>	<u>874,250</u>

**(a) Facility 1**

A conditional grant of \$182,500 and a term loan of \$525,000 to assist in the construction of seven one-bedroom units for persons with mental illness (four units at Draper Street and three units at Parlane Street) secured by way of mortgage over those properties. Payment Terms for the 25 year term loan are monthly principal payments of \$1,750. Interest will commence 10 years after the date of last drawdown (14 December 2007).

**(b) Facility 2**

A conditional grant of \$137,675 and a term loan of \$375,000 to assist in the construction of five one-bedroom units for persons with mental illness at Taramea Place, secured by a mortgage over that property. Payment terms for the 25 year term loan are monthly principal payments of \$1,250. Interest will commence 10 years after the date of last drawdown (12 May 2008).

**(c) Facility 3**

A term loan of \$300,000 to assist in the construction of five one-bedroom units for persons with mental illness at Manchester Street secured by way of mortgage over that property. Payment terms for the 25 year loan are monthly principal payments of \$1,000. Interest will commence 10 years after the date of the last drawdown (23 March 2010).

**(ii) Lender: RATA Foundation**

	<b>2016</b>	<b>2015</b>
	\$	\$
Funds drawdown	200,000	200,000
Repayments to date	(126,575)	(105,940)
<b>Closing Balance</b>	<u>73,425</u>	<u>94,060</u>





**COMCARE CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**



**For the Year Ended 30 June 2016**

A term loan of \$200,000 to assist in the office conversion of the 249 Lichfield Street property, secured by way of mortgage over that property. The interest rate is 3% per annum with monthly repayments of \$1,931 over the loan term of 10 years.

**(iii) Lender: SF Housing Trust**

	<b>2016</b>	<b>2015</b>
	\$	\$
Funds drawdown to date	500,000	500,000
Repayments to date	-	-
<b>Closing Balance</b>	<b>500,000</b>	<b>500,000</b>

Two loan facilities each totalling \$250,000 to assist with the purchase of the properties at 21 Bordesley Street and 1032 Colombo Street, secured by way of mortgage over those properties. The interest rate is 2% per annum with interest only payments over the loan term of 20 years and full principal repayment at the end of the term.

**(iv) Lender: Westpac**

<b>2016</b>	<b>Loan 94</b>	<b>Loan 92</b>	<b>Loan 93</b>	<b>Total</b>
	\$	\$	\$	\$
Funds drawdown	900,000	375,000	295,000	1,570,000
Repayments to date	(34,175)	(375,000)	(295,000)	(704,175)
<b>Balance 30 June</b>	<b>865,825</b>	<b>-</b>	<b>-</b>	<b>865,825</b>
<b>2015</b>	<b>Loan 94</b>	<b>Loan 92</b>	<b>Loan 91</b>	<b>Total</b>
	\$	\$	\$	\$
Funds drawdown	900,000	250,000	500,000	1,650,000
Repayments to date	-	(250,000)	(500,000)	(750,000)
<b>Balance 30 June</b>	<b>900,000</b>	<b>-</b>	<b>-</b>	<b>900,000</b>

Westpac loan	Loan 94	Loan 93	Loan 92	Loan 91
Commencement	22/09/2014	18/06/2014	4/12/2013	4/12/2013
Interest only period	22/09/2015	18/06/2015	4/12/2014	4/12/2014
Maturity	22/09/2019	18/06/2029	4/12/2038	4/12/2038
Current available credit*	-	711,987	482,094	482,094
Interest rate	6.46%	5.21%	5.21%	5.21%

Westpac loans are secured by way of mortgage over the properties at 5 Newmark Street, 65A Tankerville Road, 19A Hillier Place, 11 Parker Street, 5-7 Montreal Street and 351 Hereford Street.

\*Three Choices home loans (loans 91, 92, and 93) with the total value of \$1.67 million dollars (nil balance at the end of the period) are available to the trust to be used for building work in progress as required.

**(v) Current Portion of Term Loans**

	<b>2016</b>	<b>2015</b>
	\$	\$
HCNZ Facility 1	21,000	21,000
HCNZ Facility 2	15,000	15,000
HCNZ Facility 3	12,000	13,000
RATA Foundation	21,263	20,635
Westpac loan	69,986	34,976
<b>Total</b>	<b>139,249</b>	<b>104,611</b>



**For the Year Ended 30 June 2016**

**12 Suspensory Loans**

Two suspensory loans of \$141,205 (Facility 1) and \$138,560 (Facility 2) were received from Housing New Zealand Corporation Housing Innovation Fund to assist in the construction of seven one-bedroom units for persons with mental illness. The suspensory loans are not recoverable by the lender, providing all obligations and undertakings set out in the loan agreement are met for 10 years.

**13 Accumulated Funds**

	<b>2016</b>	<b>2015</b>
	\$	\$
Opening balance	10,793,732	7,768,877
Total comprehensive revenue and expense	3,225,332	2,747,820
Transfer from accommodation development reserve	-	277,035
<b>Closing Balance</b>	<b>14,019,064</b>	<b>10,793,732</b>

**14 Accommodation Development Reserve**

	<b>2016</b>	<b>2015</b>
	\$	\$
Opening balance	-	277,035
Transfer to accumulated funds	-	(277,035)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

This relates to funds which have been set aside by the Trustees to meet the cost of additional/replacement properties, repayment of mortgage debt, replacement of chattels and maintenance. This fund was closed at the end of the previous financial year as a result of restructuring bank accounts and cash flow management to decrease the interest cost.

**15 Asset Revaluation Reserve**

	<b>2016</b>	<b>2015</b>
	\$	\$
Opening balance	3,302,607	3,302,607
Revaluation reserve increases	2,522,190	-
<b>Closing balance</b>	<b>5,824,797</b>	<b>3,302,607</b>

**16 Notes to the Cash Flow Statement**

**(a) Cash and Cash Equivalents**

Cash and cash equivalents consist of petty cash and balances with Westpac.

**(b) Current and Non-Current Assets**

During the period, three of the residential properties were completed and \$5,297,527 cost was transferred to fixed assets. Also \$85,000 of capital grants from SHU included in the accounts receivables was not received until July 2016. These movements were excluded from the cash flow statement.



For the Year Ended 30 June 2016

(c) Reconciliation of Net Cash Flows from Operating Activities to Surplus

	2016	2015
	\$	\$
<b>Surplus</b>		
Net operating surplus	585,147	405,813
Grants received	2,555,185	2,342,007
Total surplus	3,140,332	2,747,820
<b>Add/(deduct) Non-cash movements</b>		
Depreciation	364,891	343,650
Net loss/(gain) on disposal (sale) of property	(5,048)	9,726
<b>Add/(deduct) movements in working capital items</b>		
Trade and other receivables	(188,207)	(43,078)
Prepayments	(20,520)	(13,428)
Trade and other payables	829,263	(141,753)
GST payable	14,125	(34,472)
<b>Net Cash Flows from Operating Activities</b>	<u>4,134,837</u>	<u>2,868,464</u>

17 Financial Instruments

(i) Concentration of Credit Risk

In the normal course of business, the Trust incurs credit risk from trade debtors and transactions with financial institutions. The Trust has a credit policy which is used to manage this risk. As part of this policy, limits on exposures with counterparties have been set and approved by the Board of Trustees and are monitored on a regular basis. The Trust has no significant concentrations of credit risk.

The Trust does not require any collateral or security to support financial instruments due to the quality of financial institutions and trade debtors dealt with.

(ii) Fair Values

The estimated fair values of the Trust's financial assets and liabilities do not differ from the carrying values.

(iii) Term Liabilities

The fair value of the Trust's term liabilities is estimated based on current market rates available to the Trust for debt of similar maturity.

18 Contingent Assets and Liabilities

At balance date there was a contingent liability for the repayment of the Housing Innovation Conditional Grant of \$182,500 (received 27 July 2007). If, within 10 years from draw down date, the properties cease to be used by the Trust for the agreed social housing purposes, the Trust will repay the greater of the grants or 15% of the proceeds of any sale or registered valuation (2015: \$182,500).

At balance date there was a contingent liability for the repayment of the Housing New Zealand Corporation Housing Innovation Fund Suspensory Loans of \$141,205 (received 12 May 2008) and \$138,560 (received 18 June 2008) if all obligations and undertakings set out in the loan agreement are not met over 10 years (2015: \$279,765).

At balance date the Trust also has contingent liabilities of \$1,347,013 to SHU and \$893,172 to RATA to complete Building Projects 3 and 4 (2015: \$2,112,000).

There were no contingent assets at balance date (2015: Nil).



**For the Year Ended 30 June 2016**

**19 Capital Commitments**

At balance date the Trust had capital commitments of \$2,058,033 relating to contracts associated with Building Projects (2015: \$3,278,716).

**20 Leases**

As at the reporting date, the Board of Trustees has entered into the following operating lease commitments:

	<b>2016</b>	<b>2015</b>
	\$	\$
Less than 1 year	117,806	133,324
Between 1 and 5 years	73,582	130,246
More than 5 years	-	-
<b>Total</b>	<b>191,387</b>	<b>263,570</b>

**21 Events After the Reporting Date**

The Board of Trustees and management is 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 Comcare Charitable Trust. (2015: \$Nil).

**22 Related Party Disclosure**

The only related party transaction includes remuneration to the key management personnel who are considered to be the Board of Trustees, together with the members of senior management group of the entity as below:

	<b>2016</b>		<b>2015</b>	
	\$	FTE	\$	FTE
Key management personnel compensation -	802,468	8.35	672,792	7.35
short term benefits for employees				
<b>Total</b>	<b>802,468</b>	<b>8.35</b>	<b>672,792</b>	<b>7.35</b>

