



COMCARE CHARITABLE TRUST
FINANCIAL STATEMENTS
For the Year Ended 30 June 2020

COMCARE CHARITABLE TRUST
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For the Year Ended 30 June 2020

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For the Year Ended 30 June 2020

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 2020 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 2020.

The Board of Trustees of Comcare Charitable Trust authorised these financial statements for distribution on 21 October 2020.

For and on behalf of the Trust.

D Griffiths
Chairperson

Principal Activity	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.
Address	334 Lincoln Road Christchurch
Registered Office	334 Lincoln Road Addington Christchurch 8024
Trustees	Mr David Griffiths - Chairperson Mr Murray Hendy - Deputy Chair Assoc Prof Pauline Barnett Dr Richard Steane Mr Oliver Roberts Mr Peter Young Ms Sandy Brinsdon
Chief Executive Office	Mr Martin Cole
Auditors	Nexia Audit Christchurch Level 4 123 Victoria Street Christchurch 8013
Solicitors	Trollope & Co PO Box 20 Christchurch 8140
Bankers	Westpac Christchurch
Charities Reg Number	CC10571

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Comcare Charitable Trust

Report on the Financial Statements**Opinion**

We have audited the accompanying financial statements of Comcare Charitable Trust (the "Trust") on pages 7 to 20 which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Comcare Charitable Trust as at 30 June 2020 and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 services for the Trust in relation to provide agreed upon procedure work which is a separate engagement to the audit of the financial statements. The firm has no other interest in the Trust.

Emphasis of Matter – COVID-19

We draw attention to Note 21 to the financial statements, which explains the impact of the Covid-19 pandemic on the Trust. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, 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.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust 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 the Trustees 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 Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISA's (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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), 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, 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 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 the Trustees 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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 our audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

Nexia Audit Christchurch.

Nexia Audit Christchurch
21 October 2020
Christchurch

COMCARE CHARITABLE TRUST
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES



For the Year Ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue from Exchange Transactions			
Rental income received from Clients		940,822	914,599
Interest Received		142	428
Other Operating Revenue		100,589	506,134
		<u>1,041,554</u>	<u>1,421,161</u>
Revenue from Non-exchange Transactions			
Canterbury District Health Board		5,865,012	5,609,730
Ministry of Social Development/ Ministry of Housing and Urban Development		1,342,786	1,239,796
Accommodation/Rental/IRRS		1,633,040	1,452,504
Ministry of Social Development - Conditional Capital Grant		-	378,000
Housing Plus Charitable Foundation		125,000	-
		<u>8,965,837</u>	<u>8,680,030</u>
Total Revenue		<u>10,007,391</u>	<u>10,101,191</u>
Expenses			
Audit Fees		9,091	13,000
Interest Expense		107,597	47,273
Rental Expense		1,057,994	1,027,919
Wages		5,371,273	5,420,016
Other Operating Expenses		2,077,608	2,192,335
Depreciation	9	560,052	585,135
Net Loss /(Gain) on Disposal of Fixed Assets		83,323	186,286
Total Expenses		<u>9,266,936</u>	<u>9,471,964</u>
Total Surplus / (Deficit) for the year		<u>740,453</u>	<u>629,228</u>
Other Comprehensive Revenue and Expense			
Net Increase /(Decrease) on Property Revaluation	15	-	1,068,847
Other Comprehensive Revenue and Expense for the year		<u>-</u>	<u>1,068,847</u>
Total Comprehensive Revenue and Expenses for the year		<u>740,453</u>	<u>1,698,074</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 2020

	Note	Asset Revaluation Reserve	Retained Surplus	Total Equity
	14 & 15	\$	\$	\$
Opening Balance 1 July 2019		5,977,373	19,354,151	25,331,524
Surplus/ (Deficit) for the year		-	740,453	740,453
Transfers		(174,500)	-	(174,500)
Closing Equity 30 June 2020		<u>5,802,873</u>	<u>20,094,604</u>	<u>25,897,478</u>
Opening Balance 1 July 2018		4,908,526	18,536,923	23,445,449
Surplus/ (Deficit) for the year		1,068,847	629,228	1,698,074
Transfers		-	188,000	188,000
Closing Equity 30 June 2019		<u>5,977,373</u>	<u>19,354,151</u>	<u>25,331,524</u>

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 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash & Cash Equivalents	5	359,051	440,643
Receivables from Exchange Transactions	6	828,375	1,016,827
Prepayments	7	201,412	171,756
Assets Held For Sale (249&251 Lichfield St)	8	1,405,000	-
Total Current Assets		<u>2,793,838</u>	<u>1,629,226</u>
Non-current Assets			
Property, Plant & Equipment	9	29,303,635	26,445,394
Building Work in Progress	10	-	11,415
Total Non-current Assets		<u>29,303,635</u>	<u>26,456,809</u>
Total Assets		<u>32,097,473</u>	<u>28,086,035</u>
LIABILITIES			
Current Liabilities			
Payables	11	932,586	951,236
GST Payable		105,562	151,625
Current Portion of Long-term Borrowings	12(iv)	1,599,468	634,887
Total Current Liabilities		<u>2,637,615</u>	<u>1,737,748</u>
Non-current Liabilities			
Advance Accommodation		60,000	60,000
Term Loans	12	3,222,616	677,000
Suspensory Loans	13	279,764	279,764
Total Non-current Liabilities		<u>3,562,381</u>	<u>1,016,764</u>
Total Liabilities		<u>6,199,996</u>	<u>2,754,513</u>
Net Assets		<u>25,897,478</u>	<u>25,331,523</u>
NET ASSETS/EQUITY			
Accumulated Funds	14	20,094,604	19,354,151
Asset Revaluation Reserve	15	5,802,874	5,977,373
Total Net Assets/Equity		<u>25,897,478</u>	<u>25,331,523</u>

For and on behalf of the Board of Trustees:

Trustee (Chairperson)

Trustee

21/10/2020
Date

21/10/20
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 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities			
Receipts			
Receipts from Non-exchange Transactions		8,965,837	8,680,030
Receipts from Exchange Transactions		1,230,005	1,411,389
		<u>10,195,842</u>	<u>10,091,419</u>
Payments			
Payments to Suppliers		3,239,063	3,670,592
Payments to Employees		5,371,273	5,420,016
Interest Paid		107,597	47,273
		<u>8,717,932</u>	<u>9,137,881</u>
Net Cash Flows from Operating Activities	16	<u>1,477,911</u>	<u>953,538</u>
Cash Flows from Investing Activities			
Receipts			
Sale of Fixed Assets		71,873	56,489
Payments			
Purchase of Fixed Assets		5,141,575	249,483
Building Work In Progress		-	1,381,280
Net Cash Flows from Investing Activities		<u>(5,069,702)</u>	<u>(1,574,274)</u>
Cash Flows from Financing Activities			
Receipts			
New Borrowings Drawn down		3,623,022	-
Payments			
Repayments Made		112,825	132,039
Net Cash Flows from Financing Activities		<u>3,510,197</u>	<u>(132,039)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(81,593)	(752,776)
Cash and Cash Equivalents at Beginning of Period		440,643	1,193,419
Cash and Cash Equivalents at End of Period		<u>359,051</u>	<u>440,643</u>

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



For the Year Ended 30 June 2020

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 the 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 21 October 2020.

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 Not-For-Profit entities. For the purpose of complying with NZ GAAP, the Trust is a public benefit not for profit entity 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

Government contracts:

Revenue from government contracts relates to income received from Canterbury District Health Board (CDHB), Ministry of Housing and Urban Development (MHUD) and Ministry of Social Development (MSD). The entity recognises revenue to the extent that the conditions in the contract have been satisfied - Revenue is recognised in the period the services are provided.

Grants:

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

Received from clients:

Rental income and contributions received weekly from clients are recognised as revenue.

Interest revenue:

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

The trustees have reviewed the classification of exchange and non-exchange revenue in relation to the government contacts. This has resulted in a reclassification of exchange and non-exchange revenue of \$8,302,030 at 30 June 2019. The impact of this reclassification on the total surplus for the period is nil.

4.4 Volunteer Services

The value of services provided by volunteers is not recorded.

For the Year Ended 30 June 2020

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 Financial Instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Financial assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust financial assets are classified in no other category except for loan and receivables. The Trust financial assets include: cash and cash equivalents, receivables from exchange transactions, receivables from non-exchange transactions.

Loan and 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 equivalent, receivables from exchange transactions, and receivables from non-exchange transactions fall into this category of financial instruments.

Financial liabilities

Financial liabilities include trade and other payables (excluding GST and PAYE), employee entitlements, loans and borrowings and income received in advance (in respect of grants whose conditions are yet to be compiled 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.

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of financial performance.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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 which are subject to an insignificant risk of changes in value.

4.8 Advance Accommodation

An amount forecasted by Ministry of Housing and Urban Development to cover rent and bond advance that the provider had to pay up front to secure the flat. At the end of the three years contract, it is expected that this money will be returned to Ministry of Housing and Urban Development, or the rent subsidy will not be invoiced for the amount of advance received (weeks).

For the Year Ended 30 June 2020

4.9 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 basis 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 10 - 50% Diminishing Value and 2 - 33% Straight Line

Household Chattels 10- 30% Diminishing Value

Office Furniture & Equipment 3 - 67% Diminishing Value and 3 - 25% 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.

Non-Current Assets Held For Sale

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale must be expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

4.10 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.

4.11 Income Taxation

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

4.12 Borrowing costs policy

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

COMCARE CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS



For the Year Ended 30 June 2020

5 Cash & Cash Equivalents

Cash and cash equivalents include the following components:

	2020	2019
	\$	\$
Westpac operating accounts	355,701	437,993
Petty cash	3,350	2,650
Total	359,051	440,643

6 Receivables from Exchange Transactions

	2020	2019
	\$	\$
Trade debtors	730,336	950,873
Accrued income	26,066	696
Bonds paid	71,974	65,258
Total	828,375	1,016,827

7 Prepayments

	2020	2019
	\$	\$
Insurance (i)	178,558	148,455
Software licenses	22,854	23,301
Total	201,412	171,756

(i) Insurance: the total of AVON Insurance invoices for insurance coverage for period July 2020 to June 2021.

8 Non-Current Assets classified as Held For Sale

On 7 December 2019, the Trust entered into a Sale and Purchase Agreement with a buyer to sell properties located at 249A, 249B and 251 Lichfield Street, Christchurch. The sale price is agreed to be at \$1,425,000 and settlement date is 30 September 2020. The Trust holds the control of the properties (including title and possession) at 30 June 2020 and these would not be passed until the settlement date. Therefore these properties have been reclassified from Property, Plant and Equipment to Non-Current Assets classified as Held for Sale at 30 June 2020. The Trust received \$20,000 deposit on 19 February 2020, therefore the carrying value of the properties as at 30 June 2020 was \$1,405,000 (sale price \$1,425,000 less deposit \$20,000). As the properties sale price is less than the book value, these properties have been revalued down to its fair value in accordance with PBE IPSAS 17 Property, Plant and Equipment i.e. adjusting the Asset Revaluation Reserve rather than impairment in Profit or Loss. The sale was fully settled on 30 September 2020.

The Trust did not have any non-current assets classified as held for sale in 2019.

9 Property, Plant & Equipment

	2020	2019
	\$	\$
Land & buildings	28,566,012	25,940,341
Household chattels	7,558	4,425
Office furniture & equipment	522,996	201,011
Motor vehicles	207,069	299,618
Total	29,303,635	26,445,394
Land & Buildings		
Cost	26,769,338	
Accumulated depreciation	(828,932)	
Carrying value at the beginning of the year	25,940,407	
Additions	4,612,397	
Disposals		
Reclassification to assets held for sale	(1,425,000)	
Revaluation Reserve (i)	(174,500)	
Depreciation	(387,291)	
Carrying value at the end of the year	28,566,012	
Represented by:		
Cost	29,782,236	
Accumulated depreciation	(1,216,223)	
Carrying value at the end of the year	28,566,012	

(i) if the sale price of Current Assets Held for Sale is less than the carrying value, the asset will be revalued down to its fair value in accordance with PBE IPSAS 17.



COMCARE CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS



For the Year Ended 30 June 2020

Household Chattels

Cost	32,297
Accumulated depreciation	(27,872)
Carrying value at the beginning of the year	4,425
Additions	4,124
Disposals	-
Depreciation	(991)
Carrying value at the end of the year	7,558
Represented by:	
Cost	36,421
Accumulated depreciation	(28,863)
Carrying value at the end of the year	7,558

Office Furniture & Equipment

Cost	550,868
Accumulated depreciation	(346,556)
Carrying value at the beginning of the year	204,312
Additions	498,824
Disposals	(96,619)
Depreciation	(83,522)
Carrying value at the end of the year	522,996
Represented by:	
Cost	953,074
Accumulated depreciation	(430,078)
Carrying value at the end of the year	522,996

Motor Vehicles

Cost	657,464
Accumulated depreciation	(361,213)
Carrying value at the beginning of the year	296,251
Additions	17,643
Disposals	(18,577)
Depreciation	(88,247)
Carrying value at the end of the year	207,069
Represented by:	
Cost	656,529
Accumulated depreciation	(449,460)
Carrying value at the end of the year	207,069

Office Properties and Residential Properties as at 30 June 2019 have been disclosed at the latest valuation by an independent valuer (Ford Baker valuation report on 30 June 2019) based on their fair values. Accumulated depreciation to 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 2020

10 Building Work in Progress

		2020	2019
		\$	\$
New Administration Building	(i)	-	-
Opening balance		11,415	-
Land Value		1,350,000	-
Building Value		2,139,809	-
Development Costs		1,111,173	11,415
Transferred to Fixed Assets		<u>(4,612,397)</u>	<u>-</u>
Closing Balance		<u>-</u>	<u>11,415</u>

(i) New Administration Building: On 12 July 2019 The Board signed a Sales and Purchase Agreement for a building at 334 Lincoln Road, Christchurch. This property will become the new centralised Head Office for Comcare - The work has been done and the building transferred to Fixed Assets Register.

11 Payables

		2020	2019
		\$	\$
Trade creditors		426,361	384,458
Accrued expenses		200,810	310,278
Holiday pay accrued		280,878	225,734
Insurance recovery - buildings		15,107	15,107
Income received in advance	(i)	-	6,229
D L Moore support fund		9,430	9,430
Deposit On Sale - Lichfield St	(ii)	-	-
Total		<u>932,586</u>	<u>951,236</u>

(i) Income Received in Advance

No income in advance has been received in the year ending 30 June 2020.

(ii) Deposit On Sale: On 19 February 2020 The Trust received \$20,000 deposit on sale of 249a, 249b and 251 Lichfield St buildings. The total sale and purchase agreement is \$1,425,000 and the settlement date is 30/09/2020.



COMCARE CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS



For the Year Ended 30 June 2020

12 Term Loans

		2020	2019
		\$	\$
Housing New Zealand Corporation Housing Innovation Fund	(i)	177,843	189,000
SF Housing Trust	(ii)	500,000	500,000
Westpac	(iii)	4,144,241	622,887
Total of borrowing		4,822,084	1,311,887
Less: current portion	(iv)	(1,599,468)	(634,887)
Non-current term loans		<u>3,222,616</u>	<u>677,000</u>

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

	2020	2019
	\$	\$
Facility 3		
Term loan	300,000	300,000
Repayments to date	(122,157)	(111,000)
Balance 30 June	<u>177,843</u>	<u>189,000</u>

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. Interest commenced 10 years after the date of the last drawdown (23 March 2010) Interest rate (4.43%) Maturity date (12 February 2035).

(ii) Lender: SF Housing Trust

	2020	2019
	\$	\$
Funds drawdown to date	500,000	500,000
Repayments to date	-	-
Closing Balance	<u>500,000</u>	<u>500,000</u>

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.



COMCARE CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS



For the Year Ended 30 June 2020

(iii) Lender: Westpac

2020	Loan 96	Loan 95	Loan 94	Loan 92	Loan 93	Total
	\$	\$	\$	\$	\$	\$
Funds drawdown	987,022	2,636,000	900,000	-	-	4,523,022
Repayments to date	-	-	(378,781)	-	-	(378,781)
Balance 30 June	987,022	2,636,000	521,219	-	-	4,144,241
2019	Loan 96	Loan 95	Loan 94	Loan 92	Loan 93	Total
	\$	\$	\$	\$	\$	\$
Funds drawdown	-	-	900,000	-	-	900,000
Repayments to date	-	-	(277,113)	-	-	(277,113)
Balance 30 June	-	-	622,887	-	-	622,887

Westpac loan	Loan 96	Loan 95	Loan 94	Loan 93	Loan 92	Loan 91
Commencement	22/01/2020	31/10/2019	22/09/2014	18/06/2014	4/12/2013	4/12/2013
Interest only period	22/01/2021	31/10/2020	22/09/2015	18/06/2015	4/12/2014	4/12/2014
Maturity	22/01/2021	31/10/2022	22/09/2020	18/06/2029	4/12/2038	4/12/2038
Current available credit*	-	-	-	542,865	433,480	65,167
2019 available credit	-	-	-	585,975	445,289	66,927
Interest rate	3.65%	2.90%	3.75%	4.05%	4.05%	4.05%

Westpac loans are secured by way of mortgage over the properties at 5 Newmark Street, 65A Tankerville Road, 19A Hillier Place, 5-7 Montreal Street, 351 Hereford Street, 334 Lincoln Road, 249a & 249b Lichfield street and 251 Lichfield Street.

The Board have been arranged a further financial facility (Loans 95 and 96) to support the purchase of 334 Lincoln Road building - Loans are secured by way of mortgage over 334 Lincoln Road property.

(iv) Current Portion of Term Loans

	2020	2019
	\$	\$
HCNZ Facility 3	10,895	12,000
Supporting Families House Trust	(10,092)	-
Westpac loan	1,598,665	622,887
Total	1,599,468	634,887

13 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.



COMCARE CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS



For the Year Ended 30 June 2020

14 Accumulated Funds

	2020	2019
	\$	\$
Opening balance	19,354,151	18,536,923
Total comprehensive revenue and expense	740,453	629,228
Realised asset revaluation	-	188,000
Closing Balance	20,094,604	19,354,151

15 Asset Revaluation Reserve

	2020	2019
	\$	\$
Opening balance	5,977,373	4,908,526
Revaluation reserve increases /(decreases)	-	1,068,847
Derecognition of disposed assets	(174,500)	-
Closing balance	5,802,873	5,977,373

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) Reconciliation of Net Cash Flows from Operating Activities to Surplus

	2020	2019
	\$	\$
Surplus		
Net operating surplus	615,453	251,228
Grants received	125,000	378,000
Total surplus	740,453	629,228
Add/(deduct) Non-cash movements		
Depreciation	560,052	585,135
Net loss/(gain) on disposal (sale) of property	83,323	186,286
Add/(deduct) movements in working capital items		
Trade and other receivables	188,451	(9,772)
Prepayments	(29,656)	(17,912)
Trade and other payables	(18,651)	(437,884)
GST payable	(46,063)	18,458
Net Cash Flows from Operating Activities	1,477,909	953,538



For the Year Ended 30 June 2020

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

As all the funded building projects were completed during the reporting financial year, the Trust has no outstanding contingent liabilities related to the building projects (2019: Nil).

There were no contingent assets at balance date (2019: Nil).

19 Capital Commitments

At balance date the Trust has no capital commitments (2019: \$3,400,000).

20 Leases

As at the reporting date, the Board of Trustees has the following operating lease commitments in respect of premises and office equipment:

	2020	2019
	\$	\$
Less than 1 year	149,744	164,933
Between 1 and 5 years	133,341	100,000
More than 5 years	-	-
Total	<u>283,085</u>	<u>264,933</u>

21 Events After the Reporting Date

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. Following this, on Wednesday 25 March 2020 the New Zealand Government raised its Alert Level to 4 (full lockdown of non-essential services) for an initial 4 week period.

As COVID-19 is a developing situation, there remains uncertainty about the full financial impact it has on the entity. Economic uncertainties have arisen which may negatively affect the operations and services of the entity. We describe below the possible effect on the entity that we have identified, resulting from the COVID-19 pandemic:

A loss of contractual income resulting from a reprioritisation of available funding provided by Crown entities.

There is no major impacts from additional developments of COVID-19 that should be documented as non-adjusting events.

Property, Plants and Equipment are all currently available for their intended use and the entity intends to retain those assets for use until their useful life comes to an end. As such, the asset's value is expected to be realised from use over the asset's useful life.

22 Related Party Disclosure

Related party transactions comprise remuneration to the key management personnel who are considered to be the Board of Trustees, together with the members of the senior management group of the entity as below:

	2020		2019	
	\$	FTE	\$	FTE
1) Senior management personnel compensation - short term benefits for employees	978,825	8	1,042,651	14
2) Board of Trustees	-	7	-	7
Total	<u>978,825</u>	<u>15</u>	<u>1,042,651</u>	<u>21</u>