



**COMCARE CHARITABLE TRUST**  
**FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2023

**COMCARE CHARITABLE TRUST**  
**CONTENTS OF THE FINANCIAL STATEMENTS**



**For the Year Ended 30 June 2023**

	<u>Page</u>
Trustees' Responsibility Statement	2
Directory	3
Independent Auditor's Report	4-6
Statement of Service Performance	7-9
Statement of Comprehensive Revenue and Expenses	10
Statement of Changes in Net Assets	11
Statement of Financial Position	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 24

**For the Year Ended 30 June 2023**

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 2023 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 2023.

The Board of Trustees of Comcare Charitable Trust authorised these financial statements for distribution on 12 September 2023.

  
For and on behalf of the Trust  
**M Hendy**  
Chairperson

<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>	334 Lincoln Road Christchurch
<b>Registered Office</b>	334 Lincoln Road Addington Christchurch 8024
<b>Trustees</b>	Murray James Hendy - Chairperson Peter Young - Deputy Chair Richard Steane Oliver Roberts Mark Newsome Sandy Brinsdon Alex Booker Murray Bain Irihapeti Mahuika David Griffiths Martin Cole
<b>Chief Executive Office</b>	Martin Cole
<b>Auditors</b>	Nexia Audit Christchurch Level 4 123 Victoria Street Christchurch 8013
<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**

#### **Opinion**

We have audited the accompanying financial statements of Comcare Charitable Trust (the "Trust") which comprise the financial statements on pages 10 to 24 and the statement of service performance on pages 7 to 9. The complete set of financial statements comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, 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.

In our opinion, the accompanying financial statements presents fairly, in all material respects;

- The service performance for the year then ended; and
- The financial position of the Trust as at 30 June 2023, 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 of the statement of comprehensive revenue and expenses, statement of financial position, statement of changes in net assets, cash flow statement, statement of accounting policies and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in Auditor's 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 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.

Nexia Christchurch Limited, a related entity, carried out other business and corporate advisory services for the Trust during the period. The provision of these other services has not impaired our independence. Other than this assignment, and in our capacity as Auditor, we have no other relationships with, or interests in, the Trust.

## **Trustees' Responsibility for the Financial Statements**

The Trustees are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) The preparation and fair presentation of the financial statements on behalf of the Trust which comprises:
  - The statement of service performance; and
  - The statement of comprehensive revenue and expense, statement of financial position, statement of changes in net assets, statement of cash flows, statement of accounting policies and notes to the financial statementsin accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand by the New Zealand Accounting Standards Board, and
- c) For such internal control as the Trustees determines is necessary to enable the preparation of the financial statements and statement of service performance that is 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 is 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) and ISAE (NZ) 3000 (Revised) 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 this financial statements.

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, 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 Trust 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.
- 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 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 Trustees, as a body. Our audit work has been undertaken so that we might state to the 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 Trustees, as a body for our audit work, for this report or for the opinion we have formed.

*Nexia Audit Christchurch.*

**Nexia Audit Christchurch**

12 September 2023  
Christchurch



## Statement of Service Performance

### Our Vision

People who experience mental illness and addictions living well.

### Our Mission

To contribute positively to the recovery of people who experience mental illness and addictions through the provision of quality community services, social housing, and by supporting mental health sector development.

### What will we do?

Promote, establish and maintain programmes and facilities to assist people who have restricted opportunities due to mental ill health.

#### Housing



We will provide a range of housing options, those that we own and those that we lease.

We will deliver services focussed on supporting people to retain suitable and affordable housing during periods of potential housing instability.

We will offer supports to those who are homeless or facing homelessness to access long term appropriate affordable housing.

#### Employment an Education



We will provide pre-employment support where people gain the experience, skills, and habits necessary to enter the workforce including accessing voluntary and training opportunities.

We will support people to get and maintain paid employment.

We will deliver Job Rescue support for workers and employers to save a job that may be at risk.

## Personalised Planning and Support



We will support people to access resources and services, that are part of the wider community.

We will partner with people to determine goals and actions, targeting areas known to have a significant impact on mental health and wellbeing including personal support and relationships and physical health.

## Doing things well



We will look for ways to improve the services we deliver to the people and communities we serve via the collection and analysis of information through our quality assurance activities.

We will maintain Social Sector Accreditation Level 2

We will maintain our status as a Registered Community Housing Provider

We will undertake a Consumer Satisfaction Survey

SERVICE	MEASURE	NUMBER
Housing	Number of properties owned as at 30/6/2023 and the average level of occupancy	102 99%
	Number of properties built during the period in question	7
	Number of properties or land purchased in the period in question	1
	Number of TH properties leased as at 30/6/2023	68
	Number of people supported to access housing	107
	Number of people supported to sustain housing	111
Employment	Number of people supported into paid employment in the period in question	48
	Number of people supported into training and education in the period in question	25
	Number of people supported into vocational activities the period in question	10
	Number of people who accessed job rescue in the period in question	59

SERVICE	MEASURE	NUMBER
Personal Planning & Support	Number of unique individuals who received community support services in the period in question	1,197
Doing Things Well	We maintained our Registration as a Registered Community Housing Provider Class 1 Social Landlord	N/A
	We undertook a survey of people renting Comcare Social Housing. There was an 85% positive response rate.	N/A
	We undertook a survey of people who use Comcare services. There was an 81.5% positive response rate.	N/A
	We have Level 2 Social Services Accreditation	N.A



**COMCARE CHARITABLE TRUST**  
**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES**  
**For the Year Ended 30 June 2023**



	Note	2023	2022
		\$	\$
<b>Revenue from Exchange Transactions</b>			
Interest Received		10,345	1,535
		<u>10,345</u>	<u>1,535</u>
<b>Revenue from Non-exchange Transactions</b>			
Health NZ / Te Whatu Ora		7,407,977	6,424,799
Ministry of Social Development/ Ministry of Housing and Urban Development		2,286,194	2,332,944
Accommodation/Rental/IRRS		2,426,862	1,987,387
Rental income received from Clients		1,103,630	1,043,415
Other Operating Revenue		233,086	220,301
MOH		90,000	-
		<u>13,547,749</u>	<u>12,008,846</u>
<b>Total Revenue</b>		<u>13,558,094</u>	<u>12,010,381</u>
<b>Expenses</b>			
Audit Fees		16,500	13,006
Interest Expense		157,306	120,567
Rental Expense		1,733,028	1,421,780
Wages		7,280,776	6,640,040
Other Operating Expenses		2,824,260	2,342,359
Depreciation	8	638,483	603,688
Net Loss /(Gain) on Disposal of Fixed Assets		<u>(19,243)</u>	<u>37</u>
<b>Total Expenses</b>		<u>12,631,109</u>	<u>11,141,478</u>
<b>Total Surplus / (Deficit) for the year</b>		<u>926,986</u>	<u>868,902</u>
<b>Other Comprehensive Revenue and Expense</b>			
Net Increase /(Decrease) on Property Revaluation	13	-	8,747,753
<b>Other Comprehensive Revenue and Expense for the year</b>		<u>-</u>	<u>8,747,753</u>
<b>Total Comprehensive Revenue and Expenses for the year</b>		<u>926,986</u>	<u>9,616,655</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 2023**

	Note	ASSET Revaluation	Retained Surplus	Total Equity
	12 & 13	\$	\$	\$
Opening Balance 1 July 2022		14,550,626	23,164,777	37,715,403
Surplus/ (Deficit) for the year		-	926,986	926,986
Transfers		-	-	-
<b>Closing Equity 30 June 2023</b>		<u>14,550,626</u>	<u>24,091,764</u>	<u>38,642,390</u>
Opening Balance 1 July 2021		5,802,873	22,295,874	28,098,747
Surplus/ (Deficit) for the year		8,747,753	868,902	9,616,655
Transfers		-	-	-
<b>Closing Equity 30 June 2022</b>		<u>14,550,626</u>	<u>23,164,777</u>	<u>37,715,403</u>

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



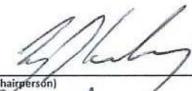
**COMCARE CHARITABLE TRUST  
STATEMENT OF FINANCIAL POSITION**



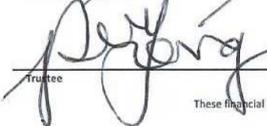
As at 30 June 2023

	Note	2023	2022
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	1,507,217	980,624
Receivables	6	1,316,369	1,531,723
Invoice Received in Advance	7	244,633	278,790
<b>Total Current Assets</b>		<b>3,068,219</b>	<b>2,791,138</b>
<b>Non-current Assets</b>			
Property, Plant & Equipment	8	39,110,306	37,191,359
Building Work in Progress	9	1,231,390	2,393,776
<b>Total Non-current Assets</b>		<b>40,341,696</b>	<b>39,585,135</b>
<b>Total Assets</b>		<b>43,409,915</b>	<b>42,376,273</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	1,707,160	1,131,107
GST Payable		193,204	191,251
Current Portion of Long-term Borrowings	11(iii)	112,338	2,768,420
<b>Total Current Liabilities</b>		<b>2,012,702</b>	<b>4,090,778</b>
<b>Non-current Liabilities</b>			
Advance Accommodation		60,000	60,000
Term Loans	11	2,694,824	510,092
<b>Total Non-current Liabilities</b>		<b>2,754,824</b>	<b>570,092</b>
<b>Total Liabilities</b>		<b>4,767,526</b>	<b>4,660,870</b>
<b>Net Assets</b>		<b>38,642,389</b>	<b>37,715,404</b>
<b>NET ASSETS/EQUITY</b>			
Accumulated Funds	12	24,091,764	23,164,777
Asset Revaluation Reserve	13	14,550,626	14,550,626
<b>Total Net Assets/Equity</b>		<b>38,642,388</b>	<b>37,715,403</b>

For and on behalf of the Board of Trustees:

  
Trustee (Chairperson) Mr. Hardy

12/9/23  
Date 12/9/2023

  
Trustee P.W. Young

12/9/23  
Date 12/9/2023

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 2023

	Note	2023	2022
		\$	\$
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Receipts from Non-exchange Transactions		13,763,103	11,719,739
Receipts from Exchange Transactions		10,345	1,535
		<u>13,773,449</u>	<u>11,721,274</u>
<b>Payments</b>			
Payments to Suppliers		3,961,624	3,598,217
Payments to Employees		7,280,776	6,640,040
Interest Paid		157,306	120,567
		<u>11,399,706</u>	<u>10,358,824</u>
<b>Net Cash Flows from Operating Activities</b>	14	<u>2,373,743</u>	<u>1,362,450</u>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Sale of Fixed Assets		33,870	17,978
<b>Payments</b>			
Purchase of Fixed Assets		2,620,931	259,270
Building Work In Progress		(1,211,261)	1,586,032
<b>Net Cash Flows from Investing Activities</b>		<u>(1,375,800)</u>	<u>(1,827,324)</u>
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
New Borrowings Drawn down		-	-
<b>Payments</b>			
Repayments Made		471,350	370,411
<b>Net Cash Flows from Financing Activities</b>		<u>(471,350)</u>	<u>(370,411)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		526,593	(835,285)
<b>Cash and Cash Equivalents at Beginning of Period</b>		980,624	1,815,909
<b>Cash and Cash Equivalents at End of Period</b>	5	<u>1,507,217</u>	<u>980,624</u>

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



**For the Year Ended 30 June 2023**

**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 12 September 2023.

**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.

**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 Changes in accounting policies**

Except for the new standards adopted (as described below) there have been no changes in the accounting policies during the period, all policies have been applied consistently with the previous financial year.

Comcare adopted PBEIPSA41 Financial Instruments for the year ended 30 June 2023. This new standard is effective for periods beginning on or after 1 January 2022. PBEIPSA41 establishes requirements for the recognition and measurement of financial instruments by Tier 1 and Tier 2 public benefit entities.

PBEIPSA41 supersedes PBEIPAS29 Financial Instruments: Recognition and Measurement, which was previously applied by the entity. PBEIPSA29 is based on IAS39 Financial Instruments: Recognition and Measurement issued by IASB. That standard has since been replaced by the IASB with IFRS9 Financial Instruments. PBEIPSA41 is more aligned with IFRS9.

In the case of disclosure requirements, the NZASB has amended PBEIPAS30 Financial Instruments: Disclosures to include the disclosure concessions for Tier 2 entities, aligning to the equivalent requirements in NZIFRS.

Comcare has adopted PBEFRS48 Service Performance Reporting for the year ended 30 June 2023. This new standard is effective for periods beginning on or after 1 January 2022. PBEFRS48 establishes principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in general-purpose financial report.

Comcare's performance measures reported in the Statement of Service Performance show the mix of occupancy and resident satisfaction which are the key drivers to ongoing financial sustainability.

There are no material changes to the accounting statements resulting from the adoption of this standard.

**4.2 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.

**4.3 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.

**For the Year Ended 30 June 2023**

**4.4 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 Health NZ / Te Whatu Ora, 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.

**Received from clients:**

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

**Revenue from Exchange transactions**

**Interest revenue:**

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

Revenue is divided into exchange contracts whereby the entity provides service or goods for approximately equal value to the revenue received. Non-exchange contracts arise where an entity receives value from another entity without giving approximately equal value in exchange.

**4.5 Impairment for trade debtors**

The collectability of trade debtors is reviewed on an ongoing basis. A provision for impairment of trade debtors is established when there is objective evidence that Trust will not be able to collect all amounts due according to the original terms of the trade debtors.

**4.6 Volunteer Services**

The value of services provided by volunteers is not recorded.

**For the Year Ended 30 June 2023**

**4.7 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.

**4.8 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 and loans and borrowings (in respect of 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.

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.

**4.9 Impairment of non-financial assets**

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

**4.10 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.

**4.11 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 2023**

**4.12 Property, Plant & Equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, except for land and buildings which are revalued every three years. 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.

Land and buildings are valued when purchased, and then revalued approximately every three years thereafter. Selected properties were revalued by Ford Baker in 30 June 2022 and have been disclosed at such. The next full, market revaluation is scheduled for June 2025.

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

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	8 - 67% Diminishing Value and 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.

**4.13 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.

**4.14 Income Taxation**

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

**4.15 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.

**4.16 Employee benefit policy**

**i. Short-term employee benefits**

Short-term employee benefit liabilities are recognised when the Trust has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date.

**ii. Long-term employee benefits**

Long-term employee benefit obligations are recognised when the Trust has a legal or constructive obligation to remunerate employees for services provided up to reporting date for which settlement will be beyond 12 months of reporting date.

**4.17 Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Management have made the following judgement's, these judgements have the most significant effect on the amounts recognised in the financial statements.

**i. Useful Economic Life**

The useful economic life and residual values of assets are assessed using the condition and nature of the asset to determine potential future use.

**ii. Revaluation**

In general most assets are reviewed and revalued, if necessary during the end of financial year audit process. We do however have a significant residential property portfolio that is formally revalued every three years for rental income, insurance sum insured and current market valuation, we use an independent valuer to determine these values which are used to inform any estimates for future cash flows etc.

**iii. Capitalisation of Development costs**

Any development costs are capitalised if the asset will generate probable future economic benefits, and will be required to complete the asset for use or sale.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**4.18 Going Concern Disclosures**

An amendment to PBE IPSAS 1 in relation to going concern disclosures was adopted by the Trust. The amendment introduced more specific disclosures about going concern assessments to provide more relevant and transparent information about the matters considered when making such assessments. This amendment has not had an impact on accounting policies of the Trust. As the Trust is a going concern with significant reserves, no further disclosures around the going concern assessment are considered to be required by the Trustees.

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



**For the Year Ended 30 June 2023**

**5 Cash & Cash Equivalents**

Cash and cash equivalents include the following components:

	2023	2022
	\$	\$
Westpac operating accounts	1,504,317	978,824
Petty cash	2,900	1,800
<b>Total</b>	<b>1,507,217</b>	<b>980,624</b>

**6 Receivables**

	2023	2022
	\$	\$
Trade debtors	978,040	1,407,230
Accrued income	233,931	32,396
Bonds paid	104,397	92,097
<b>Total</b>	<b>1,316,369</b>	<b>1,531,723</b>

**7 Invoice Received in Advance**

	2023	2022
	\$	\$
Insurance (i)	244,633	193,074
ACC (ii)	-	60,476
Software licenses	-	25,240
<b>Total</b>	<b>244,633</b>	<b>278,790</b>

(i) Insurance: the total of AVON Insurance invoices for insurance coverage for period July 2023 to June 2024.

**8 Property, Plant & Equipment**

	2023	2022
	\$	\$
Land & buildings	38,232,890	36,586,648
Household chattels	10,561	12,594
Office furniture & equipment	365,578	349,006
Motor vehicles	501,277	243,112
<b>Total</b>	<b>39,110,306</b>	<b>37,191,359</b>

**Land & Buildings**

Cost	40,475,703
Accumulated depreciation	(3,889,055)
Carrying value at the beginning of the year	36,586,648
Additions	2,059,948
Disposals	
Revaluation Reserve	-
Depreciation	(413,706)

Carrying value at the end of the year 38,232,890

Represented by:

Cost	42,535,651
Accumulated depreciation	(4,302,761)
<b>Carrying value at the end of the year</b>	<b>38,232,890</b>



For the Year Ended 30 June 2023

**Household Chattels**

Cost	45,202
Accumulated depreciation	(32,608)
Carrying value at the beginning of the year	12,594
Additions	-
Disposals	-
Depreciation	(2,033)
Carrying value at the end of the year	10,561
Represented by:	
Cost	45,202
Accumulated depreciation	(34,641)
<b>Carrying value at the end of the year</b>	<b>10,561</b>

**Office Furniture & Equipment**

Cost	986,445
Accumulated depreciation	(637,439)
Carrying value at the beginning of the year	349,006
Additions	121,064
Disposals	(808)
Depreciation	(103,683)
Carrying value at the end of the year	365,578
Represented by:	
Cost	1,106,700
Accumulated depreciation	(741,122)
<b>Carrying value at the end of the year</b>	<b>365,578</b>

**Motor Vehicles**

Cost	1,106,943
Accumulated depreciation	(863,831)
Carrying value at the beginning of the year	243,112
Additions	391,043
Disposals	(13,818)
Depreciation	(119,060)
Carrying value at the end of the year	501,277
Represented by:	
Cost	1,484,168
Accumulated depreciation	(982,891)
<b>Carrying value at the end of the year</b>	<b>501,277</b>

Residential properties acquired on or before June 2022 reflect their independent revaluation as at 30 June 2022. Properties acquired on or after 01 July 2022 are disclosed at their historical cost.

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 2023**

<b>9 Building Work in Progress</b>		<b>2023</b>	<b>2022</b>
		\$	\$
<b>Fixed Assets Accrual</b>			
Project 6 - Work in Progress - 430 Armagh St	(i)	75,059	26,183
Project 7 - Work in Progress - 5 Taramea Place	(ii)	1,156,331	1,213,340
<b>Closing Balance</b>		<b>1,231,390</b>	<b>2,393,776</b>

(i) **Project 6:** To build 7 1 bedroom residential units at 430 Armagh St, Linwood, Christchurch. During the financial year, 430 Armagh St was completed and \$2,059,948 was transferred to fixed assets.

(ii) **Project 7:** New project at 5 Taramea Place, Addington, Christchurch. Total projected budget is \$2.75m - Expenditure to date comprises land acquisition.

**10 Payables**

	<b>2023</b>	<b>2022</b>
	\$	\$
Trade creditors	1,163,379	476,110
Accrued expenses	106,772	207,789
Holiday pay accrued	412,472	422,671
Insurance recovery - buildings	15,107	15,107
D L Moore support fund	9,430	9,430
<b>Total</b>	<b>1,707,160</b>	<b>1,131,107</b>



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



**For the Year Ended 30 June 2023**

**11 Term Loans**

		2023	2022
		\$	\$
SF Housing Trust	(i)	500,000	500,000
Westpac	(ii)	2,307,163	2,778,512
Total of borrowing		2,807,163	3,278,512
Less: current portion	(iii)	(112,338)	(2,768,420)
Non-current term loans		2,694,824	510,092

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

	2023	2022
	\$	\$
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, loan1 maturity date is 20/12/2033, loan2 maturity date is 02/09/2034 .



For the Year Ended 30 June 2023

(ii) Lender: Westpac

	Loan 95	Loan 94	Total
<b>2023</b>	\$	\$	\$
Funds drawdown	2,636,000	900,000	3,536,000
Repayments to date	(328,837)	(900,000)	(1,228,837)
<b>Balance 30 June</b>	<b>2,307,163</b>	<b>-</b>	<b>2,307,163</b>
<b>2022</b>	<b>Loan 95</b>	<b>Loan 94</b>	<b>Total</b>
	\$	\$	\$
Funds drawdown	2,636,000	900,000	3,536,000
Repayments to date	(253,105)	(504,382)	(757,488)
<b>Balance 30 June</b>	<b>-</b>	<b>2,382,895</b>	<b>2,778,512</b>

Westpac loan	Loan 95	Loan 93	Loan 92	Loan 91
Commencement	31/10/2019	18/06/2014	4/12/2013	4/12/2013
Interest only period	31/10/2020	18/06/2015	4/12/2014	4/12/2014
Maturity Dates	26/01/2026	18/06/2029	4/12/2038	4/12/2038
Current available credit*	-	384,296	385,124	57,937
2022 available credit	-	434,960	399,852	60,140
Interest rate	7.95%	8.10%	8.10%	8.10%

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 and 334 Lincoln Road.

Whilst Loans 91,92 and 93 have been fully repaid the balance of each loan facility remains available to Comcare to draw upon should the need arise prior to their respective maturity dates.

(iii) Current Portion of Term Loans

	2023	2022
	\$	\$
Supporting Families House Trust	-	(10,092)
Westpac loan	112,338	2,778,512
<b>Total</b>	<b>112,338</b>	<b>2,768,420</b>

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



**For the Year Ended 30 June 2023**

**12 Accumulated Funds**

	2023	2022
	\$	\$
Opening balance	23,164,777	22,295,874
Total comprehensive revenue and expense	926,986	868,902
Realised asset revaluation	-	-
<b>Closing Balance</b>	<b>24,091,764</b>	<b>23,164,777</b>

**13 Asset Revaluation Reserve**

	2023	2022
	\$	\$
Opening balance	14,550,626	5,802,873
Revaluation reserve increases /(decreases)	-	8,747,753
<b>Closing balance</b>	<b>14,550,626</b>	<b>14,550,626</b>

**14 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**

	2023	2022
	\$	\$
<b>Surplus</b>		
Net operating surplus	926,986	868,902
Total surplus	926,986	868,902
<b>Add/(deduct) Non-cash movements</b>		
Depreciation	638,483	603,688
Net loss/(gain) on disposal (sale) of property	(19,243)	37
<b>Add/(deduct) movements in working capital items</b>		
Trade and other receivables	215,355	(289,107)
Invoice Received in Advance	34,157	(110,454)
Trade and other payables	576,053	289,315
GST payable	1,953	68
<b>Net Cash Flows from Operating Activities</b>	<b>2,373,743</b>	<b>1,362,450</b>



**For the Year Ended 30 June 2023**

**15 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.

**16 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 (2022: Nil).

There were no contingent assets at balance date (2022: Nil).

**17 Capital Commitments**

At balance date the Trust has no capital commitments (2022: \$669,577).

**18 Leases**

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

	2023	2022
	\$	\$
Less than 1 year	199,200	124,596
Between 1 and 5 years	208,783	238,347
More than 5 years	-	4,417
<b>Total</b>	<b>407,983</b>	<b>367,360</b>

Description of the lease agreements Comcare has:	Leesor	What is the lease for	Terms of the lease	The rights of renewal
	Ricoh	photocopier rental	not cancellable	none
	The Salvation Army	rental of office	not cancellable	1/3/2026 and 1/3/2029
	Walsall Street Developments	car park rental	not cancellable	none
	Corina Dempsey Trust	rental of office	not cancellable	2/8/2023 and 2/8/2025

**19 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.

**20 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:

	2023		2022	
	\$	FTE	\$	FTE
Senior management personnel compensation -				
1) short term benefits for employees	1,283,981	10	1,021,236	8
Close members of the family of key management personnel	72,160	1	66,454	1
2) Board of Trustees	-	8	-	8
<b>Total</b>	<b>1,356,140</b>	<b>19</b>	<b>1,087,689</b>	<b>17</b>