

West Auckland Living Skills Homes
Trust Board
Financial Report
For the year ended 30 June 2023

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West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

Board of Trustees	Suzanne Sinclair (Chair)
	Gail Tongs (Deputy Chair)
	Madhavan Raman (Chair – Finance, Risk and Audit Committee)
	David Lui
	Bram Kukler
	Ian Mac Clure
	Gayleen Maurice
	Kaylene Parr
	Sonya Russell
	Phil Laird
	Pamela Tate (appointed February 2022)
	Robyn Fausett (appointed April 2023)
Registered office	8 Hickory Avenue, Auckland
Nature of business	Providing community based mental health services in Auckland.
Auditors	William Buck Audit (NZ) Limited, Auckland
Accountants	Chapmans Chartered Accountants Limited, Auckland
Charities Commission Registration number:	CC20356

Statement of Service Performance

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

Introduction and Service Offerings:

WALSH Trust was established in 1988 by a group of West Auckland community members who were concerned about the lack of housing and support services available for people being discharged as a consequence of the closure of Carrington Hospital (a large psychiatric asylum). A 12 bed facility was established on Te Atatu Road.

In 2023, WALSH Trust is contracted by Te Whatu Ora to provide a range of support services designed to assist people challenged by mental ill-health, illness, injury and disability to successfully live lives in the community. Between 450 and 500 people are enrolled with WALSH Trust services each day. The supports offered are:

- Residentially based – including maternal respite, older persons respite and longer term rehabilitation
- Mobile / community based (non-clinical and clinical, and peer support)
- Supported Employment

WALSH Trust's Strategic Plan 2023-2026 and Trust Deed presents a concise statement of purpose: "Everything we do is based in the shared belief that all people have a right to a sense of self-worth, and the potential to live a rich and fulfilling life that holds personal meaning and purpose."

To achieve this WALSH Trust services currently employ 85 FTEs; a mix of both full and part time staff.

Fundamental to any success enjoyed, has been a commitment to a strengths based, recovery focused philosophy which shapes service design, practices, and delivery. The service is values led: the values are: atawhaitanga (courtesy); manaakitanga (respect); whakamana (integrity); aroha (kindness); and kotahitanga (we, us...together)

The organisation's vision statement is: "healthy lives, shaping healthy communities"; the mission statement is: "inspiring change, transforming lives".

During the year 2022-2023, 1,444 people "came through the doors" at WALSH Trust (compared to 1,307 during the 2021-2022 year).

WALSH Trust continues to apply a "strengths-based" approach in its support of people. This means the prime focus is always to identify, enhance and build upon - even exploit - a client's strengths and personal resources, rather than just to focus on deficits and "problems" to be rectified.

Engaging with participants, gaining their trust and confidence provides an essential platform upon which people may be supported to self-manage, problem solve and achieve goals, un-aided in the future. Ensuring clients experience and recognise tangible, positive change occurring in their lives will be a priority.

Te Whatu Ora requested WALSH Trust to establish a short term respite service (5 beds) for people who were experiencing mental distress and who also were required to isolate due to Covid 19. This service operated from March to mid-August 2023.

Statement of Service Performance

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

The 2022-2023 year at WALSH Trust remained impacted by Covid 19 lockdowns, on-going Government restrictions (prescribed by the “traffic light system”), and the staff illness / isolation requirements.

That said, the financial / contract year ended with a sense of the Covid 19 emerging more as a serious inconvenience, rather than a pandemic requiring the constant application of emergency procedures and contingency practices.

A new role of General Manager – Community Services was established in response to a need to strengthen management / leadership capacity, reinforce capability in anticipation of further growth of integrated, community-based services and to build on / embed quality initiatives and practices.

Service Performance Metrics:

- Support hours is the amount of time staff spent in contact with people using services. Our mobile support contracts are paid per support hour. Community Support hours delivered: 2023: 25,540; 2022: 32,175 hours.
- Number of days occupancy in respite represents the average number of days people remain in our respite beds; This is a short term service. Number of days occupancy in respite: 2023: 10.24 days; 2022: 8.87 days.
- People assisted to access and retain employment. We are contracted to support 60 people into employment. People assisted to access and retain employment: 2023: 78 people; 2022: 43 people.
- People entering / exiting services: a goal of all mental health services is to improve access. One way to improve access is to ensure people exit services when they are no longer needed. People entering / exiting services: 2023: 1,020 / 1,210 2022 (2022: 846 / 1,068).
- Average % of people with current support plans: an individual “personal support plan” guides the provision of support services. These are reviewed / updated at least once every 6 months; we monitor the number of people who have a current plan. Average % of people with current support plans: 2023: 49.8% (2022 58.08%).

Conclusion

The 2022-2023 year has faced a number of challenges:

- The Covid-19 pandemic remained a constant spectre – right into the first quarter of 2023. The ripple effects of this – and the lockdowns – we have seen in workforce challenges in terms of sickness, weariness - and recruitment.
- The transformation of the health system has caused frustration and concern with little sense of clear direction nor strong leadership emerging yet.
- Advocacy and support for implementation of the recommendations contained in He Ara Oranga (report of the 2018 Ministerial Inquiry into Mental Health and Addiction), and Kia Manawanui – Long-term pathway to mental wellbeing (the Government’s plan for transformation)
- The 2022-2023 year ended with a modest surplus for WALSH Trust. This was principally an outcome of our having “vacancies” in our residential services. This year we have begun re-structuring these with a sole aim of ensuring that they are financially viable.

In spite of these challenges the organisation has performed to the satisfaction of funding / contracting agencies, has prepared a new strategic plan to guide development from 2023-2026, and has been able to retain key personnel to lead the next 3 years.

Statement of Comprehensive Revenue and Expenses

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
Revenue from non-exchange transactions			
Government funding		7,336,010	7,448,702
Packages of care (Flexifunding)		-	4,259
Gain on disposal of property, plant and equipment		12,175	-
	5	<u>7,348,185</u>	<u>7,452,961</u>
Revenue from exchange transactions			
Rent		284,679	313,179
Interest revenue		1,541	46
Dividends		303	303
		<u>286,523</u>	<u>313,528</u>
Total revenue		<u>7,634,708</u>	<u>7,766,489</u>
Expenses			
Packages of care (Flexifunding)		-	6,950
Employee related costs		5,690,711	5,740,059
Audit fees	6	7,761	7,000
Interest Expense		39,125	21,990
Depreciation	8	240,563	204,333
Loss on disposal of property, plant and equipment		-	361
Motor vehicle expenses		340,085	316,829
Rent		125,341	125,498
Consultancy fees		119,683	126,668
Outsourcing		105,424	87,772
Cleaning and utilities		92,369	88,220
Computer, internet and communications		236,556	239,100
Insurance expense		38,309	36,791
Other staff costs		171,047	142,242
Other expenses		425,691	387,553
Total expenses		<u>7,632,665</u>	<u>7,531,366</u>
Total surplus/(deficit) for the year		<u>2,043</u>	<u>235,123</u>
Other comprehensive revenue and expenses	8	-	-
Total comprehensive revenue and expenses		-	-
Total comprehensive revenue and expense for the year		<u>2,043</u>	<u>235,123</u>

These financial statements should be read in conjunction with the notes to the financial statements and Audit Report.

Statement of Changes in Net Assets**West Auckland Living Skills Homes Trust Board****For the year ended 30 June 2023**

	Special Projects Reserve	Asset Revaluation Reserve	Accumulated comprehensive revenue and expense	Total equity
	\$		\$	\$
Opening balance 1 July 2022	210,000	6,699,433	3,175,108	10,084,541
Surplus for the year	-	-	2,043	2,043
Other comprehensive revenue	-	-	-	-
Closing equity 30 June 2023	210,000	6,699,433	3,177,151	10,086,584

	Special Projects Reserve	Asset Revaluation Reserve	Accumulated comprehensive revenue and expense	Total equity
	\$		\$	\$
Opening balance 1 July 2021	210,000	6,699,433	2,939,985	9,849,418
Deficit for the year	-	-	235,123	235,123
Other comprehensive revenue	-	-	-	-
Closing equity 30 June 2022	210,000	6,699,433	3,175,108	10,084,541

These financial statements should be read in conjunction with the notes to the financial statements and Audit Report.

Statement of Financial Position

West Auckland Living Skills Homes Trust Board


As at 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
Current assets			
Cash and cash equivalents	7	296,006	673,030
Receivables from exchange transactions		7,245	-
Receivables from non-exchange transactions		868,870	697,744
Prepayments		54,174	75,486
		<u>1,226,295</u>	<u>1,446,260</u>
Non-current assets			
Receivables from exchange transactions		11,825	11,824
Property plant and equipment	8	10,362,605	10,290,620
		<u>10,374,430</u>	<u>10,302,444</u>
Total assets		<u>11,600,725</u>	<u>11,748,704</u>
Current liabilities			
Trade and other creditors		528,278	616,593
Employee entitlements		505,317	548,753
Loans and borrowings	9	397,900	88,679
		<u>1,431,495</u>	<u>1,254,025</u>
Non-current liabilities			
Loans and borrowings	9	82,646	410,138
		<u>82,646</u>	<u>410,138</u>
Total liabilities		<u>1,514,141</u>	<u>1,664,163</u>
Net assets		<u>10,086,584</u>	<u>10,084,541</u>
Equity			
Accumulated comprehensive revenue and expense		3,177,151	3,175,108
Special projects reserve		210,000	210,000
Revaluation reserve		6,699,433	6,699,433
Total net assets attributable to the owners		<u>10,086,584</u>	<u>10,084,541</u>

These financial statements should be read in conjunction with the notes to the financial statements and Audit Report.

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on

__19__ / __10__ / 2023


Chairperson


Trustee

Statement of Cash Flows

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

	Notes	30 June 2023	30 June 2022
		\$	\$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from Government funding		7,164,884	7,380,959
Receipts from donations		-	-
Receipts from exchange transactions – rent received		277,433	313,179
Dividends received		303	303
Interest received		1,542	46
		<u>7,444,162</u>	<u>7,694,487</u>
<i>Payments</i>			
Operating expenses		1,796,865	1,430,073
Payments to employees		5,666,551	5,632,655
Interest paid		39,126	21,990
		<u>7,502,542</u>	<u>7,084,718</u>
Cash from / (applied to) operating activities		<u>(58,380)</u>	<u>609,769</u>
Cash flows from investing activities			
<i>Receipts</i>			
Sale of property, plant and equipment		12,175	-
		<u>12,175</u>	<u>-</u>
<i>Payments</i>			
Purchase of property, plant and equipment		312,548	171,265
		<u>312,548</u>	<u>171,265</u>
Cash from / (applied to) investing activities		<u>(300,373)</u>	<u>(171,265)</u>
Cash flows from financing activities			
<i>Receipts</i>			
Loans drawn down		125,387	-
		<u>125,387</u>	<u>-</u>
<i>Payments</i>			
Loan repayments		(143,658)	(88,679)
		<u>(18,271)</u>	<u>(88,679)</u>
Cash from / (applied to) financing activities		<u>(18,271)</u>	<u>(88,679)</u>
Net increase in cash and cash equivalents		(377,024)	349,825
Cash and cash equivalents at 1 July		673,030	323,205
Cash and cash equivalents at 30 June	7	<u>296,006</u>	<u>673,030</u>

These financial statements should be read in conjunction with the notes to the financial statements and Audit Report.

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

1 Reporting entity

The reporting entity is the West Auckland Living Skills Homes Trust Board. West Auckland Living Skills Homes Trust Board is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

The financial statements are presented for the year ended 30 June 2023.

These financial statements and the accompanying notes summarise the financial results of activities carried out by West Auckland Living Skills Homes Trust Board. The Trust provides community based mental health services in Auckland.

These financial statements have been approved by the board and were authorised for issue on 1 November 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 purposes 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 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.

3.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost.

3.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency.

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

3.3 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

Donations

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for a specific programme or services or donations in-kind. Donations in-kind include donations received for services, furniture and volunteer time and is recognised in revenue and expense when the service or good is received. Donations in-kind are measured at their fair value as at the date of acquisition, ascertained by reference to the expected cost that would be otherwise incurred by the Trust.

Funding

Funding revenue includes funding given by government agencies, other charitable organisations, philanthropic organisations and businesses. Funding revenue is recognised when the conditions attached to the funding has been complied with. Where there are unfulfilled conditions attaching to the funding, 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

Rental income

Rental income is recognised as revenue as the property has been made available to the tenant and the amount of revenue can be reliably measured.

Interest and dividend revenue

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

Dividend revenue is recognised when the dividend is declared.

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

3.4 Financial instruments

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

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

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

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 revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Trust's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The Trust's financial assets include: cash and cash equivalents, receivables from non-exchange transactions, and receivables from exchange transactions.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The Trust does not have any assets that fall into this category.

Loans and receivables

Loans 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 non-exchange transactions, and receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

Impairment of financial assets

The Trust assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Trust first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Trust determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial liabilities

The Trust's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, and loans and borrowings.

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.

3.5 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.

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

3.6 *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, with the exception of land and buildings which are recorded based on the valuation approach. 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 a straight line basis over the useful life of the asset. Land is not depreciated. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life:

•	Buildings:	2% - 25%
•	Motor vehicles	20 - 30%
•	Furniture and Fittings	7% - 67%
•	Office equipment	11% - 67%

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 benefits or service potential embodied in the asset.

Land and buildings are revalued on a 3-5 yearly basis and revaluations are recorded in an asset revaluation reserve in accordance with PBE IPSAS 17: Property, Plant & Equipment.

3.7 *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.

3.8 *Borrowing costs*

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. The Trust has chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

3.9 *Employee benefits*

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

Long service leave

Employees of the Trust become eligible for long service leave after a certain number of years of employment, depending on their contract. The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

3.10 Income Tax

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

3.11 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

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

3.12 Equity

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

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Trust's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Special projects reserve

This is a restricted equity reserve created by the Trust for the purpose of financing special projects. The use of these funds is restricted to the specific purpose of the projects.

Asset Revaluation Reserve

This represents the revaluation movement on the periodic revaluations of the Trust's land and buildings.

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

4 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments

The Trust has entered into a number of vehicle, premises and equipment leases.

The Trust has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the assets, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Refer to note 11 for details of operating lease commitments.

Estimates and assumptions

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

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

Useful lives and residual values

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

- the condition of the asset;
- the nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- the nature of the processes in which the asset is deployed;
- availability of funding to replace the asset; and
- changes in the market in relation to the asset.

The estimated useful lives of the asset classes held by the Trust are listed in Note 3.6.

Changes in Accounting Policies

There have been no changes in accounting policies during the 30 June 2023 financial year.

5 Revenue from non-exchange transactions

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

	June 2023	June 2022
	\$	\$
Government Funding	7,336,010	7,448,702
Packages of care (Flexifunding)	-	4,259
Donations – General	-	-
Gain on sale of property plant and equipment	12,175	-
	<u>7,348,185</u>	<u>7,452,961</u>

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

6 Auditor's remuneration

Audit fees of \$7,761 (2021: \$7,000) were paid to William Buck Audit (NZ) Limited for the financial statement audit.

No fees were paid to William Buck (NZ) Limited for non-audit related services during the period (2022: Nil).

7 Cash and cash equivalents

Cash and cash equivalents include the following components:

	June 2023	June 2022
	\$	\$
Cash at bank	296,006	673,030
Total cash and cash equivalents	296,006	673,030

Notes to the financial statements

West Auckland Living Skills Homes Trust Board For the year ended 30 June 2023

8 Property plant and equipment

30 June 2023	Land	Buildings and Improvements	Motor Vehicles	Furniture and Fittings	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Cost	7,132,143	3,048,127	258,412	523,562	1,033,618	11,995,862
Accumulated depreciation	-	(207,702)	(88,224)	(382,804)	(954,527)	(1,633,257)
Net book value	7,132,143	2,840,425	170,188	140,758	79,091	10,362,605

Reconciliation of the carrying amount at the beginning and end of the period:

30 June 2023	Land	Buildings and Improvements	Motor Vehicles	Furniture and Fittings	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Opening balance	7,132,143	2,934,335	-	141,760	82,382	10,290,620
Additions	-	10,577	212,361	22,572	67,038	312,548
Disposals	-	-	-	-	-	-
Depreciation	-	(104,487)	(42,173)	(23,574)	(70,329)	(240,563)
Revaluation	-	-	-	-	-	-
Closing	7,132,143	2,840,425	170,188	140,758	79,091	10,362,605

30 June 2022	Land	Buildings and Improvements	Motor Vehicles	Furniture and Fittings	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Cost	7,132,143	3,037,551	90,390	500,995	966,574	11,727,653
Accumulated depreciation	-	(103,215)	(90,390)	(359,230)	(884,198)	(1,437,033)
Net book value	7,132,143	2,934,336	-	141,765	82,376	10,290,620

Reconciliation of the carrying amount at the beginning and end of the period:

30 June 2022	Land	Buildings and Improvements	Motor Vehicles	Furniture and Fittings	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Opening balance	7,132,143	3,006,696	129	96,611	88,470	10,324,049
Additions	-	29,914	-	65,077	76,274	171,265
Disposals	-	-	-	(361)	-	(361)
Depreciation	-	(102,275)	(129)	(19,567)	(82,362)	(204,333)
Revaluation	-	-	-	-	-	-
Closing	7,132,143	2,934,335	-	141,760	82,382	10,290,620

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

During the 30 June 2021 year land and buildings were revalued based on valuations received as follows:

- 166-168 Te Atatu Road, Auckland – 16 March 2021
- 6-8 Swanson Road, Auckland – 2 November 2020
- 8 Hickory Avenue, Auckland – 15 March 2021

The revaluations of the properties was performed by the following valuers:

- 166-168 Te Atatu Road, Auckland – Jones Lang La Salle, Valuation Advisory
- 6-8 Swanson Road, Auckland – Opteon New Zealand Limited
- 8 Hickory Avenue, Auckland – Opteon New Zealand Limited

9 Loans

Secured bank loan

The loan is secured by a first charge over certain of the Trust's land and buildings.

	Effective Interest Rate %	June 2023 \$	June 2022 \$
Current interest bearing loans and borrowings			
Secured bank loan	5.75%	22,740	88,679
Secured bank loan	8.59%	375,160	
		<u>397,900</u>	<u>88,679</u>
Non- Current interest bearing loans and borrowings			
Secured bank loan	5.75%	82,646	410,138
Secured bank loan	8.59%	-	
		<u>82,646</u>	<u>410,138</u>

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

10 Related party transactions

The following table provides the total amount of transactions that were entered into with related parties:

Related Party		Sales to Related Parties	Purchases from Related Parties	Other transactions with Related Parties
		\$	\$	\$
Trustees:				
Robyn Fausett (trading as Nest Consulting)				
– Consulting Fees	2023	-	-	-
Gail Tongs				
– Consulting fees	2023	-	1,750	-
Don Anton				
Consulting fees	2023	-	650	-
Trustees:				
Robyn Fausett (trading as Nest Consulting)				
– Consulting Fees	2022	-	-	-
Gail Tongs				
– Consulting fees	2022	-	175	-
Don Anton				
– Consulting fees	2022	-	1,006	-

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

Allowance for doubtful debts on trade receivables

For the year ended 30 June 2023, the Trust has not made any allowance for doubtful debts relating to amounts owed by related parties as there has not been any history of write offs (2022: nil).

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees, Chief Executive Officer, Quality and Organisational Development Manager, Services Manager Housing and Recovery, Service Manager Maternal Mental Health and Integrated Practice Team Service Managers, which constitutes the governing body of the Trust. Total remuneration of \$33,970 was paid to members of the Board of Trustees during the year ended 30 June 2023 (2022: \$34,500). The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	June 2023	June 2022
	\$	\$
Total remuneration	877,153	764,340
Number of persons	9	8

11 Leases

As at the reporting date, the Board of Trustees has entered into the following non-cancellable operating leases:

	June 2023	June 2022
	\$	\$
Not later than one year	157,173	95,599
Later than one year and no later than five years	297,637	7,178
Later than five years	-	-
	<u>454,810</u>	<u>102,777</u>

In addition to the above there are open ended leases for various property rentals (currently \$9,909 per month (2022: \$9,909)).

Notes to the financial statements

West Auckland Living Skills Homes Trust Board

For the year ended 30 June 2023

12 Categories of financial assets and liabilities

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

	June 2023 \$	June 2022 \$
Financial assets		
<i>Loans and receivables</i>		
Cash and cash equivalents	296,006	673,030
Receivables from exchange transactions	19,070	11,824
Receivables from non-exchange transactions	868,869	697,744
	<u>1,183,945</u>	<u>1,382,598</u>
Financial liabilities		
<i>At amortised cost</i>		
Trade and other creditors	528,278	616,593
Employee entitlements	505,317	548,753
Loans and borrowings	480,546	498,817
	<u>1,514,141</u>	<u>1,664,163</u>

13 Capital commitments

There were no capital commitments at the reporting date (2022: Nil).

14 Contingent assets and liabilities

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

15 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 Trust.

