

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

**Financial Statements
For the Year Ended 30 June 2022**

Tuwharetoa ki Kawerau Health, Education and Social Services Trust
For the year ended 30 June 2022

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Tuwharetoa ki Kawerau Health, Education and Social Services Trust
For the year ended 30 June 2022

Directory

Nature of Business:	The Trust will provide quality Health, Education and Social Services within the rohe of Tuwharetoa ki Kawerau and Eastern Bay of Plenty that reflects Te Taha Tinana, Te Taha Hinengaro, Te Taha Wairua me Te Taha Whānau.
Charities Commission Registration Number:	CC40350
Physical Address:	28 - 30 Islington Street Kawerau, 3127
Postal Address:	PO Box 262 Kawerau, 3169
Board of Trustees:	Dorothy Mareroa - Chair Jonathon Te Rire - Deputy Chair Sela Kingi Huia Ann MacDonald Merehira Savage June Lewis Phebe Eruera
Chief Executive Officer:	Christopher Marjoribanks (resigned 30 June 2022) Dr Peta Ruha (appointed 4 July 2022)
Accountants:	Goldsmiths Chartered Accountants PO Box 810 Whakatane, 3158
Independent Auditors:	William Buck New Zealand Tauranga office The Kollektive 145 Seventeenth Ave Tauranga, 3112

Independent Auditors Report

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

Approval of Financial Report

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

The Trustees are pleased to present the approved financial report of Tuwharetoa ki Kawerau Health, Education and Social Services Trust for the year ended 30 June 2022.

APPROVED

For and on behalf of the Board of Trustees.



Dorothy Mareroa
Chair

Date 21. 11. 22



Jonathon Te Rire
Deputy Chair

Date 21. 11. 22

Statement of Comprehensive Revenue and Expenses

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Revenue			
Revenue from Exchange Transactions			
Government Grants	4	5,554,585	3,794,685
Interest Received		12,444	4,911
Rent Received		0	2,729
Other Revenue	5	843,286	1,023,893
Total Revenue		6,410,315	4,826,218
Expenses			
Administration Expenses	6	382,493	223,940
Employee Related Costs	7	3,403,975	2,535,894
Depreciation	10	128,885	137,735
Governance		123,720	79,679
Service Delivery Costs	8	1,304,368	892,482
Other Expenses		5,866	433
Total Expenses		5,349,307	3,870,163
Net Surplus for the year		1,061,008	956,055
Other Comprehensive Revenue and Expense		0	0
Total Comprehensive Revenue and Expense for the year		1,061,008	956,055

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

Statement of Changes in Equity

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

	Reserves	Accumulated comprehensive revenue & expenses	Total Equity
	\$	\$	\$
Opening Balance 1 July 2021	238,160	2,994,670	3,232,830
Total comprehensive revenue and expenses for the year	0	1,061,008	1,061,008
Closing Equity 30 June 2022	238,160	4,055,678	4,293,838
Opening Balance 1 July 2020	238,160	2,038,615	2,276,775
Total comprehensive revenue and expenses for the year	0	956,055	956,055
Closing Equity 30 June 2021	238,160	2,994,670	3,232,830

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

Statement of Financial Position

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

As at 30 June 2022

	Notes	2022	2021
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents	9, 14	2,769,398	1,802,816
Receivables	14	710,842	462,625
Prepayments		12,741	9,028
Total Current Assets		3,492,981	2,274,469
Non-Current Assets			
Property, Plant and Equipment	10	1,784,310	1,371,703
Intangible Assets	11	55,900	0
Total Non-Current Assets		1,840,210	1,371,703
Total Assets		5,333,191	3,646,172
Liabilities			
Current Liabilities			
Trade and Other Payables	14	523,921	232,649
Employee Benefits	14	340,436	115,148
Income in Advance		63,731	0
GST Payable		111,265	65,545
Total Current Liabilities		1,039,353	413,342
Total Liabilities		1,039,353	413,342
Net Assets		4,293,838	3,232,830
Equity			
Accumulated comprehensive revenue and expenses		4,055,678	2,994,670
Reserves	12	238,160	238,160
Total Equity		4,293,838	3,232,830

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

Statement of Cash Flows

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

	2022	2021
	\$	\$
Statement of Cash Flows		
Cash Flows from Operating Activities		
Receipts from Government Grants	5,354,818	3,694,511
Interest Received	12,444	9,658
Receipts from Rent Received	960	15,269
Receipts from Other Revenue	876,366	1,023,215
Goods and Services Tax	25,743	(4,493)
Payments to Employees	(3,311,591)	(2,557,085)
Payments to Suppliers	(1,394,667)	(1,127,863)
Net Cash Flows from Operating Activities	1,564,073	1,053,212
Cash Flows From Investing Activities		
Sale of Property, Plant and Equipment	0	1,435
Purchase of Property, Plant and Equipment	(541,591)	(209,328)
Purchase of Intangible Assets	(55,900)	0
Net Cash Flows From Investing Activities	(597,491)	(207,893)
Net Increase in Cash and Cash Equivalents	966,582	845,319
Cash and Cash Equivalents at 1 July	1,802,816	957,497
Cash and Cash Equivalents at 30 June	2,769,398	1,802,816

This statement is to be read in conjunction with the Notes to the Financial Statements and the Audit Report.

Notes to the Financial Statements

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

1. Reporting Entity

The reporting entity is Tuwharetoa ki Kawerau Health, Education and Social Services Trust (The Trust), a charitable trust and a charitable organisation registered under the Charitable Trusts Act 1957 and the Charities Act 2005.

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 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 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.

Basis of Measurement

The financial statements have been prepared on an historical cost basis.

Functional and Presentation Currency

The financial statements are presented in NZD, which is the Trust's functional currency. All amounts have been rounded to the nearest dollar.

Use of Estimates and Judgements

The preparation of financial statements requires the Board of Trustees to make judgments, 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 these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are disclosed where applicable in the relevant notes to the financial statements.

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 exchange transactions

Government Grants Revenue

Revenue received from government grants is provided as funding for services the Trust provides in relation to health, education and social services. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Contract Revenue

Contract Revenue is received from community providers for the delivery of health and social services. The revenue is reported as Other Revenue. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Rental Income

Rental income is recognised in surplus or deficit on a straight-line basis over the term of the lease.

Interest Income

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

This statement is to be read in conjunction with the Audit Report.

Notes to the Financial Statements

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

3. Summary of Accounting Policies (continued)

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 when the contractual rights to the cash flows for the asset expire, or it transfers the rights to receive the contractual cash flow in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or controlled by the Trust is recognised as a separate asset or liability.

The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Trust also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets within the scope of NFP PBE IPSAS 29 *Financial Instruments* 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. Financial instruments are initially measured at fair value or directly attributable transaction costs.

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's financial assets are classified held-to-maturity or receivables. The Trust's financial assets include: cash and cash equivalents, short-term investments and receivables from exchange transactions.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Trust has the positive intention and ability to hold them to maturity. Held-to-maturity assets comprise bank term deposits.

Receivables

Receivables are non-derivative financial instruments 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 and receivables fall into this category of financial instruments.

Financial liabilities

Financial liabilities include trade and other creditors and employee benefits.

All financial liabilities are initially recognised at fair value and are measured subsequently at amortised cost using the effective interest method.

Impairment of non-derivative financial assets

A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring on an amount due to the Trust on terms that the Trust would not consider otherwise and indications that a counterparty will enter bankruptcy.

Financial assets classified as held-to-maturity and receivables

The Trust considers evidence of impairment for financial assets measured at amortised cost (receivables and held-to-maturity) at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance against receivables or held-to-maturity financial assets.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Individual receivables that are known to be uncollectible are written off when identified, along with associated allowances.

This statement is to be read in conjunction with the Audit Report.

Notes to the Financial Statements

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

3. Summary of Accounting Policies (continued)

Cash & Cash Equivalents

Cash & 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.

Investments

Short-term investments comprise term deposits which have a term of greater than three months and less than twelve months and do not fall into the category of cash and cash equivalents.

Property, Plant & Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment loss.

Depreciation is charged using both the diminishing value and straight-line method over the useful life of the asset.

Freehold Land	0%
Property Improvements	4% - 10% DV
Buildings	0% - 20% DV
Office Equipment	0% - 67% DV
Motor Vehicles	30% DV
Software & Website	50% DV, 20% SL

Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and impairment loss.

Intangible assets with an indefinite useful life are not amortised.

Amortisation is charged on a straight-line basis over the useful life of the asset. Amortisation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

Intangible assets that are classed as under development are not amortised until completed.

Intangibles under development	0%
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Leases

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

Employee Benefits

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

Income Tax

The Trust is a registered charity and is wholly exempt from income tax having fully complied with all statutory conditions for these exemptions.

Goods & Services Tax

All amounts are recorded exclusive of GST, except for receivables and payables which are stated inclusive of GST.

Nature and Purpose of Reserves

The Trust creates and maintains reserves in terms of specific requirements.

General Cash Surplus

This reserve was created by amounts transferred from retained surpluses and is a fiscal security reserve.

Funding Subsequent Year Activities

This reserve was created by amounts transferred from retained surpluses and is intended to be used for future year's activities not funded by revenue received in that particular year.

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

This statement is to be read in conjunction with the Audit Report.

Notes to the Financial Statements

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

4. Government Grants

	2022	2021
BOP District Health Board	2,527,014	1,835,358
Interim Maori Health Authority	102,192	0
Ministry of Business, Innovation and Employment	0	263,200
Ministry of Education	60,000	60,000
Ministry of Health	144,840	123,245
Ministry of Justice	96,623	108,772
Ministry of Social Development	1,163,340	541,639
Oranga Tamariki	1,051,966	862,471
Te Puni Kokiri	408,610	0
Total Government Grants	5,554,585	3,794,685

5. Other Revenue

	2022	2021
Eastern Bay Primary Health Alliance	0	189,000
Nga Mataapuna Oranga	74,929	252,511
Ngati Awa Social and Health Services	155,260	53,230
Te Ao Hou Trust	23,607	39,894
Te Pou Oranga o Whakatohea Ltd	0	25,980
Te Rau Ora	90,000	0
Te Runanga o te Whanau Charitable Trust	452,800	433,000
Trust Horizon	0	29,500
Tuhoe Hauora	46,420	0
Contributions	270	100
Gain on Disposal of Fixed Assets	0	678
Total Other Revenue	843,286	1,023,893

6. Administration Expenses

	2022	2021
Accountancy Fees	90,421	45,699
Advertising/Promotion	6,372	7,114
Audit Fees	9,264	8,900
Bank Charges	1,340	1,208
Building Maintenance	10,358	3,450
Catering Costs	34,794	7,637
Cleaning & Office Supplies	74,922	58,084
Computer Expenses	27,853	629
Electricity	116	66
Gifts	10,317	6,839
Grounds Maintenance	721	25,204
Insurance - General	0	1,555
Interest	84	0
Koha	7,990	8,520
Office Equipment	6,234	1,999
Penalties	750	250
Printing & Stationery	6,147	4,518
Professional Fees	47,003	7,844
Projects & Programmes	21,193	9,923
Resources	3,964	6,513
Security Expenses	495	482
Subscriptions & Licenses	794	1,537
Travel and Accommodation	5,551	1,194
Uniforms	4,175	12,161
Vehicle Expenses	2,480	1,805
Venue Expenses	9,155	809
Total Administration Expenses	382,493	223,940

7. Employee Related Costs

	2022	2021
ACC Levy	5,783	6,082
Fringe Benefit Tax	157	3,754
Insurance - Southern Cross	57	5,047
Staff Training	74,887	64,152
Salaries	3,323,091	2,456,859
Total Employee Related Costs	3,403,975	2,535,894

This statement is to be read in conjunction with the Audit Report.

Notes to the Financial Statements

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

8. Service Delivery Costs

	2022	2021
Advertising/Promotion	14,910	16,330
Building Maintenance	26,046	27,405
Catering Costs	29,469	21,499
Cleaning & Office Supplies	6,543	5,566
Computer Expenses	34,002	60,383
Cultural Framework	49,995	0
Electricity	18,853	18,004
Financial Management	0	0
Governance Training	0	19,920
Grounds Maintenance	11,535	5,377
Human Resources	0	2,338
Insurance	26,043	23,047
Iwi Alliance Sub-Contract	153,537	148,320
Koha	1,800	1,250
Office Equipment	12,405	9,456
Package of Care	11,776	21,521
Photocopying	17,450	15,101
Printing & Stationery	22,621	14,129
Professional Fees	94,940	86,828
Projects & Programmes	505,988	183,647
Rates	23,963	16,964
Rent	52,110	40,770
Resources	17,894	8,169
Respite Care	0	1,561
Security	9,851	7,566
Service Design & Evaluation	0	25,200
Subscriptions & Licenses	21,219	6,461
Telecommunications	78,619	54,325
Travel & Accommodation	42,279	35,133
Vehicle Expenses	15,345	14,598
Venue Expenses	5,175	1,614
Total Service Delivery Costs	1,304,368	892,482

9. Cash and Cash Equivalents

Cash and Cash equivalents include the following components:

	2022	2021
Cash and Deposits:		
BNZ Cheque Account	319,429	744,541
BNZ Call Account	454,961	1,059,585
BNZ Term Deposits	2,000,000	0
BNZ Credit Card	(4,992)	(1,310)
Total Cash and Cash Equivalents	2,769,398	1,802,816

10. Property, Plant and Equipment

2022	Freehold	Property		Office	Motor	Software	Total
	Land	Improvements	Buildings	Equipment	Vehicles	& Website	
Cost	237,440	47,415	1,234,753	364,637	489,464	39,778	2,413,487
Accumulated Depreciation	0	3,997	100,970	213,152	301,409	9,649	629,177
Net Book Value	237,440	43,418	1,133,783	151,485	188,055	30,129	1,784,310
2021	Freehold	Property		Office	Motor	Software	Total
	Land	Improvements	Buildings	Equipment	Vehicles	& Website	
Cost	75,735	34,144	991,240	307,187	434,487	30,496	1,873,289
Accumulated Depreciation	0	1,111	73,760	180,874	242,413	3,428	501,586
Net Book Value	75,735	33,033	917,480	126,313	192,074	27,068	1,371,703

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

	Freehold	Property		Office	Motor	Software	Total
	Land	Improvements	Buildings	Equipment	Vehicles	& Website	
Opening Net Book Value	75,735	33,033	917,480	126,313	192,074	27,068	1,371,703
Additions	161,705	13,270	243,513	58,843	54,978	9,282	541,591
Disposals	0	0	0	0	0	0	0
Depreciation	0	(2,885)	(27,210)	(33,572)	(58,997)	(6,221)	(128,885)
Profit on Sale of Fixed Assets	0	0	0	0	0	0	0
Loss on Sale of Fixed Assets	0	0	0	(99)	0	0	(99)
Closing Net Book Value	237,440	43,418	1,133,783	151,485	188,055	30,129	1,784,310

This statement is to be read in conjunction with the Audit Report.

Notes to the Financial Statements

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

11. Intangible Assets

	Intangibles under development	Total
2022		
Cost	55,900	55,900
Accumulated Amortisation	0	0
Net Book Value	55,900	55,900
2021		
Cost	0	0
Accumulated Amortisation	0	0
Net Book Value	0	0

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

	Intangibles under development	Total
Opening Net Book Value	0	0
Additions (acquired externally)	55,900	55,900
Amortisation	0	0
Closing Net Book Value	55,900	55,900

The intangible under development comprises of computer software to control and manage the large number of contracts the Trust holds with various funders. The Trust expect that future economic benefits and service potential will flow to the entity from the development of the software once it is completed.

12. Reserves

	2022	2021
General Cash Surplus		
Balance	120,281	120,281
Funding Subsequent Year Activities		
Balance	117,879	117,879

13. Operating Leases

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

	2022	2021
Not longer than one year	9,465	9,465
Later than one year but not longer than five years	18,930	28,396
	28,395	37,861

14. Categories of Financial Assets and Liabilities

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

	2022	2021
Financial Assets		
Loans and Receivables		
Cash and Cash Equivalents	2,769,398	1,802,816
Receivables	710,842	462,625
	3,480,240	2,265,441
Financial Liabilities		
At amortised cost		
Trade and Other Payables	523,921	232,649
Employee Benefits	340,436	115,148
	864,357	347,797

15. Related Party Disclosure

PBE IPSAS 20 *Related Party Disclosures* requires disclosure of the numbers of individuals and aggregate remuneration for the members of the governing body and the Chief Executive Officer. The aggregate remuneration and the number of individuals on a full time equivalent basis is as follows:

	2022	2021
Total Remuneration	404,065	243,763
Total FTE's	1.5	1.1

This statement is to be read in conjunction with the Audit Report.

Notes to the Financial Statements

Tuwharetoa ki Kawerau Health, Education and Social Services Trust

For the year ended 30 June 2022

16. Capital Commitments

There were no capital commitments at the reported date (2021: \$Nil).

17. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the reporting date (2021: \$Nil).

18. Events Subsequent to Balance Date

There were no material events subsequent to the reporting date that would materially affect the fair presentation of these financial statements.