

the village square trust

# annual report 2022



a place for all to  
meet, learn, create  
& grow



The Village Square Trust  
Annual Report 2022  
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# The Village Square Trust

## **Chair's Report**

for the year ended 30 June 2022

It has been a frustratingly difficult but ultimately encouraging year at The Village Square Trust.

### **Performance and Results**

The Trust's activities were severely restricted by COVID-19 in the year to June 2022. The lengthy Auckland lockdown from August to December 2021, together with ongoing bureaucratic and illness-related restrictions took their toll on staff, management and the board.

Nevertheless, the care, leadership and fortitude of our CEO is seen in the results with both our staff and our bottom line. This year has highlighted the fundamental importance of good people and good relationships with them. Lyn's considerate management of our people, together with her continued prudence, mean we ended the year with a surplus close to that of last year.

We are a 'for purpose' (or 'not for profit') organisation. We have no shareholders requiring distributions. However, we also have no capital investments to rely on for ongoing income or borrowing. Surpluses provide us with financial stability to manage unforeseeable hurdles and a base from which we can grow and reach more communities.

### **Our Board**

Our board of trustees has been substantially refreshed this year.

We farewelled Bill Sinclair on his retirement at the end of 2021. Bill gave 14 years of tremendous service to the Trust as both trustee and honorary treasurer. In keeping with his deeply held values, he retired only when he felt comfortable that we had achieved a position of financial strength and self-sufficiency.

Chris Cole retired in December 2021 after 6 years of significant contribution. Chris's expertise in early childcare in particular provided helpful guidance at some critical moments during his tenure.

Len Ward retired in March 2022 to move into the political arena after 2 years of active and thought-provoking service. We enjoyed meeting Tae Park who was appointed to the board in August 2021. Sadly, personal circumstances led Tae to retire in February 2022.

We welcomed to the Board:

- Simone Horrobin in October 2021. Simone is an experienced property developer with expertise in creating neighbourhoods of meaning. She champions and helps form quality community spaces, connections and experiences for all people. She is also an enthusiastic nature-lover and has developed her own urban garden providing both a haven for native birds and organic food sources for her household.
- Connie Rowe in May 2022. Connie has expertise in public relations, communications, government relations and community engagement, particularly in the transport sector. She has governance experience in the Early Childhood Education sector and is passionate about providing whānau with good quality Early Childhood Education opportunities in their communities.
- Kelvin Sim in June 2022. Kelvin is a career banker with 20 years' experience in the industry. He has held executive and senior leadership roles across several local and global banks. Originally from Malaysia, he is proud to have called Auckland home since the 1990's. He takes pride in being able to positively contribute towards the progress and wellbeing of New Zealand Inc through his work. Kelvin was appointed to the Board's Finance and Audit Subcommittee in June 2022.

We also welcomed with gratitude Peter Martin as Board Secretary May 2022.

Our continuing trustees Lynne Bjarnesen (Treasurer, Chair of Finance and Audit Subcommittee and Deputy Chair) and Kay Madigan (business and community services expert) have both given significant service to the Trust over the past year. Lynne's ongoing diligent oversight of our finances is essential. Kay's work to identify new ways by which we can serve our communities and in helping the Trust celebrate its 40th birthday have both been very welcome.

I am grateful to all our trustees, old and new, for their service to The Village Square Trust. All of our trustees are honorary. Their service is a gift of their time and expertise to our communities and people. I was delighted to be able to celebrate and thank both our retiring and new trustees over dinner in late June 2022, once COVID restrictions allowed us to gather.

## Looking Forward

Our Trust celebrates its 40th anniversary in the second half of 2022. We have a number of special occasions planned to mark that milestone.

We are also celebrating a rejuvenation since the end of Covid-19 restrictions. Our aim is to reach more people and communities with our services. We have some exciting opportunities on the horizon. I look forward very much to a brighter year ahead.



Kate Wiseman  
Chair

# The Village Square Trust

## **Chief Executive's Report**

for the year ended 30 June 2022

This year has been a game of two halves. Commencing our year in July and being plunged into lockdown in August saw the organisation shutdown for 5 weeks. On the 22nd of September we moved to the orange setting which allowed The Village Square Trust to provide childcare to parents in need, but the rest of the organisation remained in lockdown.

The second half of the year saw a lift in engagement in January, but again this was stifled by growing Covid numbers in March. Covid, flu, stomach bugs and staff shortages have seriously impacted our organisation. Requiring Jubilee staff to work in bubbles, employing expensive relief teachers and a reduction in fees charged to parents impacted on our year end surplus. However, this enabled the organisation to remain open and provide services to many that were in need.

I am greatly appreciative of how my staff have gone above and beyond during this period. Stepping in and covering for each other, working longer days and just the overall care and support they have provided for each other, reminds me why I work in this organisation.

This level of dedication assisted in The Village Square Trust achieving a surplus for 2022 – 2023 of \$52,705.

Furthermore, even during this difficult period, we have been able to fulfil several of the projects identified in the Annual Plan for 2021-2022. One of these projects was to form a sub-committee to assist with fundraising. This was extremely timely as it is our 40th birthday in October 2022. Kay Madigan, a Trustee, has worked tirelessly to organise the High Tea and partner with Auckland Garden DesignFest.



# Highlights of the Year

## Parnell and Epsom Community Centre, Venue, Classes and Parnell Farmers' Market



Reception and Venue Assistant, Charly Carter, with our Winter Coat Collection for Auckland City Mission

Our Christmas food collection for the Auckland City Mission was especially well received and needed this year. We also did a Winter Coat Collection during April, May and June, to give some comfort to the homeless in the colder months.

We facilitated additional online classes for community. Our offerings included The Art of Dance, Adult Jazz, various languages, and we continued to offer yoga and pilates from previous lockdowns.



Our dance classes appreciated the offering of online classes and were very excited to return in person

We supported the Parnell Farmers' Market Stallholders during lockdown by sharing produce availability on the weekly newsletter. This enabled stallholders to do non-contact deliveries.

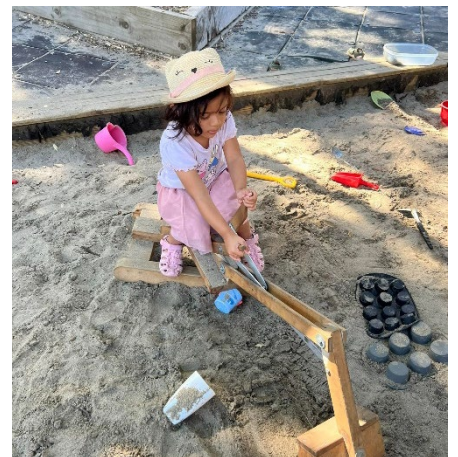
## Early Childhood Centres

We completed the refurbishment of Parnell Early Childhood Centre in July and early August 2021.



The Over 2's room at Gladstone Park after the refurbishment

The interior of Gladstone Park Early Childcare Centre has been refurbished with new flooring and blinds, painting throughout and new furniture. Parents, who were not allowed into the centre until recently due to COVID restrictions, have been amazed at how great the centre looks. The plan for 2022-2023 is to upgrade the outside space.



Digging in the sand pit at Parnell Early Childhood Centre



## Programmes for Children

As part of our strategy to grow The Village Square Trust's footprint, we won the contract to become the Before and After School and Holiday Programme providers at Balmoral School. This starts in July 2022. This may lead to The Village Square Trust providing additional community offerings in this area.



Balmoral School

## Outlook

Growing our existing services to pre-Covid levels and broadening our footprint within the wider community is our overall strategy for 2022-2023. Our central focuses are to reset expectations and look at different ways of working for staff, and to rebuild our financial position after Covid.

The first half of the year will see emphasis given to our birthday celebrations throughout the organisation. We understand people want to reconnect and have something to look forward to after such a tumultuous time. We start by celebrating our 40th birthday with a Disco for Under 5's on the 26th of August. A High Tea will follow in the Jubilee Hall on the 30th of October, and a morning tea in December for community Tutors.

I am looking forward to a year of reduced sickness where we can engage in person with staff, trustees, community, and stakeholders, with a greater level of certainty.

Lyn Fox  
Chief Executive

# The Village Square Trust

## **Treasurer's Report**

for the year ended 30 June 2022

This report accompanies the Financial Statements of The Village Square Trust for the year ended 30 June 2022.

Revenue for the year is \$3,236,332 (2021: \$3,817,863). The net surplus for the year is \$52,705 (2021: \$59,025). The surplus has been added to accumulated surpluses of \$108,779 brought forward from last year, giving accumulated surpluses of \$161,484 to be carried forward.

Trustees and management have maintained their focus throughout the year on three key areas: the health and safety of our people; enhancing the resilience of our business units by intensely managing our costs, cash flows and balance sheet; and retaining focus on customer performance and delivering our strategy.

Anticipating continued lower market activity through periods of lockdown occasioned by the outbreak of COVID-19 we have managed the cost base of the business units tightly to ensure continuing improvement in the quality of the balance sheet.

Pleasingly, our cash flows have remained positive in another disruptive year. Borrowings from the bank have been fully repaid during the year.

With our progressively stronger balance sheet and lower cost base, we expect to achieve our aspirations and overall strategies more comfortably and with greater certainty. Trustees and management are pleased with the improved financial status achieved.

An unqualified Audit Report dated 21 September 2022 for the Financial Statements has been received.



Lynne Bjarnesen  
Deputy Chair and Treasurer

The Village Square Trust  
**Financial Statements**  
for the year ended 30 June 2022

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The Trustees are pleased to present the approved financial report including the historical financial statements of The Village Square Trust for year ended 30 June 2022.

The financial statements that follow are signed for and on behalf of the Board of Trustees and were authorised for issue on the date below.



**Chair** Kate Wiseman

**Date** 20 September 2022



**Treasurer** Lynne Bjarnesen

**Date** 20 September 2022

# The Village Square Trust

## Entity Information

for the year ended 30 June 2022

Date of Registration	2 September 1982
Legal Name of Entity	The Village Square Trust (formerly Parnell Community Trust)
Entity Type and Legal Basis	Incorporated Charitable Trust and Registered Charity
New Zealand Business Number	NZBN 9429042654797
Charity Registration Number	CC25685
Entity's Purpose	Our purpose is to build strong, connected local communities by giving people places to meet, learn, create and grow.
Trustees	Kate Wiseman <i>Chair</i> Lynne Bjarnesen <i>Deputy Chair and Treasurer</i> Kay Madigan Kelvin Sim <i>Appointed June 2022</i> Connie Rowe <i>Appointed May 2022</i> Simone Horrobin <i>Appointed November 2021</i> Tae Park <i>Appointed August 2021, Retired March 2022</i> Chris Cole <i>Retired December 2021</i> Len Ward <i>Retired March 2022</i>
Treasurer	Lynne Bjarnesen
Auditor	William Buck Audit (NZ) Level 4, 21 Queen Street, Auckland CBD 1010
Bank	BNZ 80 Queen Street, Auckland CBD 1010
Registered Office	Jubilee Building 545 Parnell Road, Parnell, Auckland 1052
Postal Address	PO Box 37682 Parnell, Auckland 1151

## The Village Square Trust

Independent auditor's report to the Members

### Report on the Financial Report

#### Opinion

We have audited the financial statements of The Village Square Trust (the entity), which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expenses, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion accompanying financial statements give a true and fair view of the financial position of The Village Square Trust as at 30 June 2022, and of its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (IPSAS RDR).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the entity.

#### ACCOUNTANTS & ADVISORS

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(WB052\_2007)



## **Going Concern**

We draw attention to Note 15 in the financial statements, which indicates that the Trust's current liabilities exceeded its current assets by \$85,908 (2021; \$129,822). As stated in Note 15, this condition, along with other matters as set forth in Note 15, indicate that the going concern assumption requires the support of the bank. The Board of Trustees (Board) remains committed to the continued financial success of the Trust and its ability to operate as a going concern. Our opinion is not modified in respect of this matter.

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Board is responsible for the other information. The other information comprises the Chair's Report, Chief Executive's Report and the Treasurer's Report included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Board of Trustees**

The Board is responsible on behalf of the entity for the preparation of the financial statements that give a true and fair view in accordance with Public Benefit Entity International Public Sector Accounting Standards, and for such internal control as the Board determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the entity for assessing the entity'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 Board either intend to liquidate the entity 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 are as a whole 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) 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 these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

The engagement director on the audit resulting in this independent auditor's report is Alison Anderson.

## **Restriction on Distribution and Use**

This report is made solely to the entity's trustees, as a body. Our audit work has been undertaken so that we might state to the entity's trustees those matters which we are required to state to them in an auditor's 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 entity and the entity's members, as a body, for our audit work, for this report or for the opinions we have formed.



**William Buck Audit (NZ) Limited**  
Auckland  
21 September 2022

## The Village Square Trust

# Statement of Comprehensive Revenue & Expenses

for the year ended 30 June 2022

Account	Notes	2022 \$	2021 \$
<b>Revenue</b>			
Revenue from non-exchange transactions	5	2,560	-
Revenue from exchange transactions	6	3,233,772	3,817,863
<b>Total Revenue</b>		<b>3,236,332</b>	<b>3,817,863</b>
<b>Expenses</b>			
Employee Related Costs		2,091,875	2,343,101
Marketing Expenses		11,177	30,710
Depreciation and Amortisation	7	72,035	64,056
Loss on Disposal	7	-	88,757
Occupancy Expenses		469,518	461,283
Operational Expenses		539,022	770,931
<b>Total Expenses</b>		<b>3,183,627</b>	<b>3,758,838</b>
<b>Surplus/(Deficit) for the Year</b>		<b>52,705</b>	<b>59,025</b>

This statement should be read in conjunction with the Statement of Accounting Policies.

## The Village Square Trust

# Statement of Movements of Equity

for the year ended 30 June 2022

	2022 \$	2021 \$
Opening Balance	108,779	49,754
Comprehensive Revenue and Expenses	52,705	59,025
<b>Equity at the End of the Year</b>	<b>161,484</b>	<b>108,779</b>

This statement should be read in conjunction with the Statement of Accounting Policies.

The Village Square Trust  
**Statement of Financial Position**  
for the year ended 30 June 2022

Account	Notes	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	9	38,009	28,693
Receivables from Exchange Transactions	9	271,434	282,159
<b>Total Current Assets</b>		<b>309,440</b>	<b>310,852</b>
<b>Current Liabilities</b>			
Payables under Exchange Transactions	9	69,430	91,079
Employee Costs Payable		178,048	180,167
Fees and Grants in Advance	9	16,704	21,864
Government Wage Subsidy		450	1,559
BNZ Loan - Current		-	25,902
GST Payable		32,760	21,845
Accruals	9	97,956	98,258
<b>Total Current Liabilities</b>		<b>395,347</b>	<b>440,674</b>
<b>Net Current Assets / (Liabilities)</b>		<b>(85,908)</b>	<b>(129,822)</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment Cost	7	242,123	226,947
Intangible Assets	8	5,269	11,654
<b>Total Non-Current Assets</b>		<b>247,392</b>	<b>238,601</b>
<b>Net Total Assets / (Liabilities)</b>		<b>161,484</b>	<b>108,779</b>
<b>Equity</b>		<b>161,484</b>	<b>108,779</b>

This statement should be read in conjunction with the Statement of Accounting Policies.

The Village Square Trust  
**Cash Flow Statement**  
for the year ended 30 June 2022

Account	2022 \$	2021 \$
<b>Cash Flows from Operating Activities</b>		
<i>Receipts</i>		
Receipts from Government	1,696,062	1,249,682
Receipts from Council	106,672	103,891
Receipts from grants	2,560	-
Receipts from donations	-	-
Receipts from fees	1,417,541	2,382,465
Receipts from other income	17,805	28,584
Interest Received	151	156
	<b>3,240,791</b>	<b>3,764,778</b>
<i>Payments</i>		
Payments to employees	(2,093,994)	(2,343,101)
Payments to suppliers	(1,030,752)	(1,408,905)
	<b>(3,124,746)</b>	<b>(3,752,006)</b>
<b>Total Cash Flows from Operating Activities</b>	<b>116,045</b>	<b>12,772</b>
<b>Cash Flows from Investing Activities</b>		
Receipts from sale of Assets held for sale	-	100,000
Payments to acquire property, plant and equipment	(80,827)	(66,756)
<b>Total Cash Flows from Investing Activities</b>	<b>(80,827)</b>	<b>33,244</b>
<b>Cash Flows from Financing Activities</b>		
Repayment of bank loan	(25,902)	(36,654)
<b>Total Cash Flows from Financing Activities</b>	<b>(25,902)</b>	<b>(36,654)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>9,316</b>	<b>9,362</b>
<b>Cash and Cash Equivalents</b>		
Opening balance	28,693	19,331
Net Increase/(Decrease) in Cash	9,316	9,362
<b>Closing Cash and Cash Equivalents</b>	<b>38,009</b>	<b>28,693</b>

This statement should be read in conjunction with the Statement of Accounting Policies.

# The Village Square Trust

## **Statement of Accounting Policies**

for the year ended 30 June 2022

### **1. REPORTING ENTITY**

The reporting entity is The Village Square Trust. The Village Square Trust is domiciled in New Zealand and is a registered charity under the Charities Act 2005.

The financial statements for The Village Square Trust are for the year ended 30 June 2022.

These financial statements and the accompanying notes summarise the financial results of activities carried out by The Village Square Trust, The Village Square Trust is a provider of community and childcare services.

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

### **2. BASIS OF PREPARATION**

#### **a. Statement of Compliance**

The Trust financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity Standard Reduced Disclosure Regime (PBE Standards RDR) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. The Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE Standards RDR on the basis that it does not have public accountability and is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Standards RDR and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

#### **b. Basis of Measurement**

These financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of non-derivative financial instruments. The financial statements are prepared on a going concern basis.

#### **c. Functional and Presentational Currency**

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

### **3. SUMMARY OF ACCOUNTING POLICIES**

The specific accounting policies adopted in the Financial Statements, which have a significant effect on the results and financial position, are disclosed in the notes to which they apply.

Other general accounting policies are:

#### **a. Income Tax and Goods and Services Tax**

These Financial Statements have been prepared exclusive of Goods and Services Tax except for Debtors and Creditors that are inclusive of GST. The Village Square Trust is a registered charity and is therefore exempt from income tax.

#### **b. Revenue**

Revenue is recognised to the extent that it is possible that the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured as the fair value of the consideration received.

#### **c. Cash and Cash Equivalents**

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

#### **d. 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 and any impairment recognised.

### **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 the asset or liability.

The Trust bases its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments 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. The key significant judgements and estimates used in the preparation of these financial statements are as follows:



### *Useful lives and residual values*

The useful lives and residual values of assets are assessed annually. Any movement in the useful life and/or residual value would impact the depreciation expense and consequently increase/decrease the net carrying value of the asset.

## **5. REVENUE FROM NON-EXCHANGE TRANSACTIONS**

### *Grant Revenue*

Grant revenue includes grants given by Auckland Council and charitable organisations. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to a grant, the amount relating to the unfulfilled condition is recognised as a liability and released as revenue as the conditions are fulfilled.

### *Donations*

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programmes and donations or services in-kind.

Donations in-kind include donations received for services, consumables and volunteer time and are recognised in revenue and expense when the goods or services are received. Donations in-kind are measured at their fair value as at date of acquisition, ascertained by reference to the expected cost that would be otherwise incurred by the Trust.

Services in-kind may be recognised as revenue but do not have to be, including volunteer time which has been recorded where possible but has not been given a financial value in these financial statements.

Included in operating income in the statement of comprehensive revenue and expenditure are the following grants:

	2022 \$	2021 \$
Mana Wahine Mau Rakau Workshop Grant	1,043	-
Waitemata Local Board - Sustainable Living	1,517	-
	<b>2,560</b>	<b>-</b>

## **6. REVENUE FROM EXCHANGE TRANSACTIONS**

Revenue from exchange transactions comprises income derived from normal trading activity where the amount of payment received for products or services is related to the quantum of product or service delivered.

### *Fees and Childcare Services*

Revenue of this type includes fees from parents and guardians, hire of facilities and funding from Government and Auckland Council wherein the amount paid is related to the quantum of service delivered.

Where services are provided at a future date, receipts are initially recorded as income in advance and recognised in revenue once the Trust becomes entitled to the revenue at the time the service is provided.

### *Interest and Dividend Income*

Interest revenue is recognised as it accrues, using the effective interest method. Dividend income is recognised when the dividend is declared.

	2022 \$	2021 \$
Auckland Council	105,221	103,849
Ministry of Education	1,129,880	1,268,401
Ministry of Social Development	56,115	62,415
Fees and Subscriptions	1,924,600	2,334,950
Interest Income	151	156
Other Operating Income	17,805	48,092
	<b>3,233,772</b>	<b>3,817,863</b>

## **7. FIXED ASSETS**

Fixed assets are valued at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged in the accounts on a straight-line basis over the estimated useful life of the assets, as summarised below:

Equipment	3 years
Furniture and Fittings	5 years
Leasehold Improvements	3-12.6 years
Technology	3-5 years

The carrying value of fixed assets is reviewed annually for any impairment in value. Impairment losses are recognised in the statement of comprehensive revenue and expenses.

	Opening NBV \$	Additions \$	Depreciation \$	Disposals \$	Closing NBV \$
<b>At 30 June 2022</b>					
Equipment	25,359	15,919	15,341	-	25,937
Furniture and Fittings	3,389	8,206	2,435	-	9,159
Leasehold Improvements	172,685	45,446	33,891	-	184,242
Technology	25,514	9,073	13,984	-	20,602
	<b>226,947</b>	<b>78,644</b>	<b>65,651</b>	<b>-</b>	<b>239,940</b>
<b>At 30 June 2021</b>					
Equipment	23,604	14,252	12,498	-	25,359
Furniture and Fittings	1,461	3,397	1,469	-	3,389
Leasehold Improvements	187,767	18,585	32,760	907	172,685
Technology	18,904	18,051	11,441	-	25,514
	<b>231,736</b>	<b>54,285</b>	<b>58,168</b>	<b>907</b>	<b>226,947</b>

Fixed Asset Clearing Account \$2,183. Leasehold Improvement Asset yet to be installed and depreciated.

During the year ended 30 June 2021, St Johns Early Childhood Centre was sold at a loss of \$87,851.

## 8. INTANGIBLE ASSETS

	Opening NBV \$	Additions \$	Amortisation \$	Disposals \$	Closing NBV \$
<b>At 30 June 2022</b>					
Software	11,654	-	6,385	-	5,269
<b>A 30 June 2021</b>					
Software	5,072	12,470	5,888	-	11,654

## 9. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

### Financial Assets

The Trust's financial assets comprise: cash, cash equivalents and receivables from exchange transactions.

#### *Receivables*

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.

#### *Impairment of financial assets*

The Trust assesses for each category of financial asset at the end of reporting date whether a financial asset or a group of financial assets is impaired when there is objective evidence of a loss in value.

<i>Loans and Receivables</i>	2022 \$	2021 \$
Cash and cash equivalents	38,009	28,693
Receivables from exchange transactions	271,431	282,159
	<b>309,440</b>	<b>310,852</b>

### Financial Liabilities

The Trust's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, bank loans and overdrafts and deferred income (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction costs for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method.

Employee entitlements for wages, salaries and annual leave are recognised 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.

<i>Financial liabilities</i>	2022 \$	2021 \$
Trade and other creditors	69,430	91,079
Accrued expenditure	97,956	98,258
Employee entitlements	135,089	143,629
Fees and Grants received in advance	16,704	21,864
Government wage subsidy	450	1,559
BNZ overdraft and loan	-	25,902
	<b>319,629</b>	<b>382,291</b>

## 10. COMMITMENTS TO LEASE OR RENT ASSETS

Operating leases are over Gladstone Park, Parnell and St Johns Early Childhood Centres, the Jubilee Building, and printers with Ricoh Finance and are recognised over the term of the lease.

	2022 \$	2021 \$
Current Portion	348,093	241,680
2-5 Years	661,835	188,960
Over 5 years	161,292	196,292
	<b>1,171,220</b>	<b>626,932</b>

## 11. CAPITAL COMMITMENTS

The Trust has no capital commitments as at 30 June 2022 (2021 - nil).

## 12. CONTINGENT LIABILITIES AND GUARANTEES

There are no contingent liabilities or guarantees as at 30 June 2022 (2021 - nil).

## 13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

Key management personnel, as defined by PBE IPAS20 Related Party Disclosures are the Board of Trustees, Chief Executive Officer, Business and Finance Manager, Marketing Manager, Venue Manager and Early Childhood Manager, which comprises the governing body of the Group. No remuneration is paid to the members of the Board of Trustees. The aggregate remuneration of key personnel and the number of individuals receiving remuneration is:

	2022 \$	2021 \$
Total Remuneration	\$461,010	\$404,570
Full time equivalents	5	5

### Related Parties

There were no transactions involving related parties during the financial year ending 30 June 2022 (2021 - \$10,900).

### 12. EVENTS AFTER THE BALANCE DATE

The Board and management are 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 affected or may significantly affect these financial statements.

### 13. GOING CONCERN

The Trustees have continued to adopt the going concern assumption when preparing these financial statements. At balance date, the Trust has a working capital deficit of (\$85,908) compared with (\$129,882) in the prior year. A net surplus of \$52,705 after depreciation has been generated compared with \$59,026 in the previous year.

The Childcare Centres, Programmes for Children, Community Activities and Venue Hire business units continue to demonstrate growth and an ability to generate surpluses after a period of closedown due to COVID-19. The Trust continues to receive good support from its banking partner (BNZ) who provides an on-going overdraft facility without imposition of banking covenants.

Based on their financial forecasts, the Trustees remain committed to the continued financial success of the Trust and its ability to operate as a going concern.







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