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Manawatū Community Trust

MANAGEMENT REPORT

FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

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Compilation Report and Disclaimer of Liability

Manawatū Community Trust

For the 6 months ended 31 December 2024

Compilation Report and Disclaimer of Liability to the Directors of Manawatū Community Trust.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the management reports of Manawatū Community Trust for the 6 months ending 31 December 2024.

These statements have been prepared in accordance with the accounting policies described in the Notes to these management reports.

The management reports are special purpose reports to meet the management report requirements of the Trust.

Responsibilities

The Trustees are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the management reports were prepared.

The management reports were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the management reports.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the management reports from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with Manawatū Community Trust other than for the preparation of management reports and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these management reports based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the management reports. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

Signed by:

5D8E2B2BCA9267DB

BDO Manawatu Limited
Chartered Accountants

32 Amesbury Street
Palmerston North

Dated: 29 / 01 / 2025

Statement of Financial Performance

Manawatū Community Trust

For the 6 months ended 31 December 2024

	JUL-DEC 2024	JUL-DEC 2024 OVERALL BUDGET	VARIANCE	VARIANCE %
Revenue				
Rental Income				
HOUSING - Rental Income	1,023,822	985,080	38,742 ↑	4% ↑
14 Bowen Street property (MH) - Rent & Recovered expenses	7,975	2,846	5,129 ↑	180% ↑
Clevely - Rental Income	139,044	138,348	696 ↑	1% ↑
FHC - Rental income	371,187	369,336	1,851 ↑	1% ↑
Total Rental Income	1,542,028	1,495,610	46,418	3%
Interest Received				
Interest Income	16,058	4,682	11,376 ↑	243% ↑
Total Interest Received	16,058	4,682	11,376	243%
Grants & Donations				
Donation Income	7	-	7 ↑	- —
Total Grants & Donations	7	-	7	-
Other Income				
Bad Debts Recovered	-	112	(112) ↓	-100% ↓
Meeting Room Income	1,496	1,639	(143) ↓	-9% ↓
HOUSING - Sundry Income	1,755	1,491	264 ↑	18% ↑
MENZSHED - Rental Income	2,600	2,601	(1) ↓	0% ↓
Sundry Income	2,941	3,352	(411) ↓	-12% ↓
Total Other Income	8,792	9,195	(403)	-4%
Total Revenue	1,566,885	1,509,487	57,398	4%
Expenses				
Administration Expenses				
Accounting Fees	16,295	14,790	1,505 ↑	10% ↑
Audit Fees	28,411	28,468	(57) ↓	0% ↓
Bad Debts Expense	-	793	(793) ↓	-100% ↓
Communications & Public Relations	1,223	2,575	(1,352) ↓	-53% ↓
Computer Costs	87	6,340	(6,253) ↓	-99% ↓
Consultants Fees	-	10,771	(10,771) ↓	-100% ↓
General Expenses	2,686	1,975	711 ↑	36% ↑
Insurance - Professional Indemnity	1,240	1,876	(636) ↓	-34% ↓
Legal Fees	1,500	2,709	(1,209) ↓	-45% ↓

	JUL-DEC 2024	JUL-DEC 2024 OVERALL BUDGET	VARIANCE	VARIANCE %
Meeting Room Expenses	1,303	156	1,147 ↑	735% ↑
Office Electricity	606	990	(384) ↓	-39% ↓
Office Maintenance	785	815	(30) ↓	-4% ↓
Office Rates	1,969	2,356	(387) ↓	-16% ↓
Office Telephone	5,541	4,605	936 ↑	20% ↑
Postage & Stationery	585	439	146 ↑	33% ↑
Printing and Photocopies	1,341	703	638 ↑	91% ↑
Motor Vehicle Expenses	6,071	8,416	(2,345) ↓	-28% ↓
Subscriptions	251	408	(157) ↓	-38% ↓
Trust Development Fund	1,832	2,575	(743) ↓	-29% ↓
Web Page	-	833	(833) ↓	-100% ↓
Total Administration Expenses	71,726	92,593	(20,867)	-23%
Housing Expenses				
HOUSING - Appliances - Acquisition	-	2,498	(2,498) ↓	-100% ↓
HOUSING - Building Maintenance	172,255	47,996	124,259 ↑	259% ↑
HOUSING - Community Building	3,183	684	2,499 ↑	365% ↑
HOUSING - General Expenses	-	102	(102) ↓	-100% ↓
HOUSING - Grounds Maintenance	26,495	19,960	6,535 ↑	33% ↑
HOUSING - Healthy Homes Compliance	7,272	16,995	(9,723) ↓	-57% ↓
HOUSING - Horizons Rates	443	851	(408) ↓	-48% ↓
HOUSING - Insurance (P & C Brokers)	133,443	139,054	(5,611) ↓	-4% ↓
HOUSING - Rates	70,766	72,077	(1,311) ↓	-2% ↓
HOUSING - Revaluation Expense	16,998	16,995	3 ↑	0% ↑
HOUSING - Rubbish Removal	7,399	7,409	(10) ↓	0% ↓
HOUSING - Water Charges	20,942	20,653	289 ↑	1% ↑
Total Housing Expenses	459,196	345,274	113,922	33%
Commercial Expenses				
Bowen Street Property				
14 Bowen Street Expenses	7,884	4,305	3,579 ↑	83% ↑
Total Bowen Street Property	7,884	4,305	3,579	83%
Menzshed expenses	1,872	498	1,374 ↑	276% ↑

	JUL-DEC 2024	JUL-DEC 2024 OVERALL BUDGET	VARIANCE	VARIANCE %
Feilding Health Centre				
FHC - Building Maintenance	55,834	18,025	37,809 ↑	210% ↑
FHC - Consultants	3,348	3,348	- —	- —
FHC - Feilding Health Care - Insurance	43,183	41,879	1,304 ↑	3% ↑
FHC - Fire Security and Compliance	3,631	4,439	(808) ↓	-18% ↓
FHC - Generator maintenance	720	1,114	(394) ↓	-35% ↓
FHC - Grounds Maintenance	7,641	8,060	(419) ↓	-5% ↓
FHC - Lease	17,350	14,286	3,064 ↑	21% ↑
FHC - Rates (Water only)	977	1,282	(305) ↓	-24% ↓
Total Feilding Health Centre	132,685	92,433	40,252	44%
Total Commercial Expenses	142,441	97,236	45,205	46%
Other Expenses				
Depreciation and amortisation				
Depreciation	480,948	459,579	21,369 ↑	5% ↑
Total Depreciation and amortisation	480,948	459,579	21,369	5%
Employee costs				
Accident Compensation Levies	912	1,180	(268) ↓	-23% ↓
Staff other costs	7,778	2,592	5,186 ↑	200% ↑
Staff Training/Conf/Networking/Development	8,908	3,958	4,950 ↑	125% ↑
Trustee Expenses	-	515	(515) ↓	-100% ↓
Trustee Wages	54,371	56,002	(1,631) ↓	-3% ↓
Wages - Maintenance Staff	11,959	22,088	(10,129) ↓	-46% ↓
Wages & Salaries	198,618	218,922	(20,304) ↓	-9% ↓
Total Employee costs	282,545	305,257	(22,712)	-7%
Finance costs				
Bank Charges	234	262	(28) ↓	-11% ↓
Interest Expenses	151,778	186,582	(34,804) ↓	-19% ↓
Total Finance costs	152,012	186,844	(34,832)	-19%
Total Other Expenses	915,506	951,680	(36,174)	-4%
Total Expenses	1,588,868	1,486,783	102,085	7%
Surplus/(deficit) for the year	(21,983)	22,704	(44,687)	-197%

Statement of Financial Position

Manawatū Community Trust As at 31 December 2024

31 DEC 2024 31 DEC 2023

Assets

Current Assets

Bank Accounts and Cash

Current Account	236,703	107,449
Savings Account	11,109	199,435
Debit Card	8,390	2,620
Petty Cash Account	303	31
ANZ Short-Term Deposits	151,627	-
Total Bank Accounts and Cash	408,132	309,535

Accounts Receivable	107,937	97,625
Prepayments	197,218	167,487
Deferred GST - Current	-	11,752
Appliances on Hand	9,239	-
ANZ Term Deposits	451,683	-
Total Current Assets	1,174,209	586,398

Non-current Assets

Property, plant and equipment	36,060,054	36,076,165
Intangible Assets	-	216
Total Non-current Assets	36,060,054	36,076,381

Total Assets	37,234,263	36,662,780
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Liabilities

Current Liabilities

Bank Overdraft

Commercial Flexi Facility	2	2,831
Total Bank Overdraft	2	2,831

Creditors and Accrued Expenses

Trade Creditors	139,478	60,508
Sundry Expenditure Accruals	76,014	36,297
Total Creditors and Accrued Expenses	215,492	96,805

Employee Costs Payable

Accrued Wages	11,647	34,258
Annual Leave Entitlement	25,163	21,346
PAYE Payable	16,534	12,260
Total Employee Costs Payable	53,344	67,864

GST	6,474	15,547
Income in Advance	134,117	106,243
14 Bowen St - Deferred Payment	-	90,000
Lease Payable	14,707	8,772

	31 DEC 2024	31 DEC 2023
Loans - Current Portion		
ANZ Bank Loan	216,000	216,000
MDC Loans	316,403	-
Total Loans - Current Portion	532,403	216,000
Total Current Liabilities	956,538	604,063
Non-current Liabilities		
Lease Payable	108,449	112,748
Loans - Non-current Portion		
ANZ Bank Loans	686,000	902,000
MDC Loans	4,736,488	4,574,188
Total Loans - Non-current Portion	5,422,488	5,476,188
Total Non-current Liabilities	5,530,938	5,588,936
Total Liabilities	6,487,475	6,192,999
Net Assets	30,746,788	30,469,781
Equity		
Contributed Capital	10	10
Accumulated revenue and expense	15,004,833	14,910,788
Asset Revaluation Reserve	15,741,945	15,558,983
Total Equity	30,746,788	30,469,781

Statement of Accounting Policies

Manawatū Community Trust

For the 6 months ended 31 December 2024

Basis of Preparation

The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$5million in the two years prior to 30 June 2024.

All transactions in the management reports are reported using the accrual basis of accounting.

The management reports are special purpose reports to meet the management report requirements of the Trust.

The management reports are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The Trust is registered for GST. All amounts in the management reports are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST. The Trust also carries out transactions which fall under exempt supplies legislation for GST purposes and therefore are not applicable for GST and are recorded gross in the management reports.

Summary of Significant Accounting Policies

Revenue

Rental/Lease Income

Rental revenue is recognised as revenue on a straight-line basis over the term of the agreement.

Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Donated assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Interest

Interest revenue is recorded as it is earned during the year.

Employee Related Costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements

Superannuation contributions are recorded as an expense as staff provide services.

Advertising, Marketing, Administration, Overhead, and Fundraising Costs

These are expensed when the related service has been received.

Lease Expense

Lease payments are recognised as an expense on a straight-line basis over the lease term.

Bank Accounts and Cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventory

Inventory is measured at cost upon initial recognition when title over the goods purchased is transferred to the Trust.

Property, Plant and Equipment

Property, plant and equipment consist of rental accommodation available for the elderly and disabled and property leased out and operated as an integrated health centre, the Manchester House Senior Hub Facility and The Feilding Menzshed. This has been classified as property plant and equipment rather than investment property as it is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from the assets' fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then an off-cycle asset valuation is undertaken.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results of revaluing are credited or debited to the asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the Statement of Comprehensive Revenue and Expenses. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expenses will be first recognised in the Statement of Comprehensive Revenue and Expenses up to the amount previously expensed, and then recognised in equity.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the asset will provide future economic benefits or service potential to the Trust and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Financial Performance.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year end.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Land	Indefinite	None
Buildings and Improvements	2 - 78 years	1.28% - 50%
Furniture and Fittings	7.69 - 10 years	10% - 13%
Motor Vehicles	5 years	20%
Plant and Equipment	3 - 10 years	10% - 33%

Impairment of Assets

Property, plant, and equipment assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the Statement of Financial Performance. The reversal of an impairment loss is recognised in the Statement of Financial Performance.

Intangible Assets

Recognition and measurement

Intangible assets are initially measured at cost. All of the Trust's intangible assets are subsequently measured in accordance with the *cost model*, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment. The Trust has no intangible assets with indefinite useful lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

The estimated useful lives amortisation rates are:

- Software 3 years (2023: 3 years).

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Loans

Loans are recorded at the amount borrowed from the lender. Loan balances include any interest accrued at balance that has not yet been paid.

Employee Costs Payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

Income Tax

The Manawātū Community Trust has been granted charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

Tier 2 PBE Accounting Standards Applied

The Trust has elected to apply Tier 2 Accounting Standard PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets when preparing the management reports.

Changes in Accounting Policies

There have been no changes in accounting policies. The accounting policies detailed have been applied consistently to all periods presented in these management reports.