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Manawatū Community Trust

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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A handwritten signature in black ink, appearing to be 'P. M.' followed by a flourish.

Chairperson's Report

Manawatū Community Trust For the year ended 30 June 2024

On behalf of the Trustees of the Manawatū Community Trust I am pleased to present our Annual Report for the year ending 30 June 2024.

By the time this Annual Report is published we will have completed the installation of heat pumps and extractor fans in all our flats. This is the bulk of our Healthy Homes requirements – a costly and time-consuming investment but one that will help ensure all our tenants are able to live in warm and healthy homes. This work has been completed nearly a year ahead of the government deadline, a credit to our team at the Manawatū Community Trust, Jones Electrical & Heatpumps Ltd, and the other contractors who completed the work.

Continuing the theme of getting things done ahead of time, we also managed to lift all of our flats to the minimum 3-star rating a year earlier than we had planned. Reroofing two complexes (Rawhiti on the corner of Monckton and Denbigh Streets, and Elizabeth on Queen Street) at the end of the year saw us cross this line. We're not stopping there in terms of our asset maintenance planning though – now that we have achieved the first set of targets, we will reexamine our levels of service and progress the implementation of new property maintenance software so we can continue to improve.


These achievements have occurred at the same time as smaller improvements have been made. This year we have taken a closer look at footpaths and pathways in our complexes, identifying those that may pose a trip hazard to our tenants and improving access for walking aids and scooters. Our new Facilities and Project Manager, Phil Clark, has been working closely with our maintenance guru Nigel Hartley to quickly resolve and prioritise maintenance jobs, seeing the average days that minor maintenance jobs are open reduce from 65 days to less than two. This is a result of making better use of Nigel's skills as a carpenter and electrician and getting contractors to tackle the other tasks.

We also welcomed two other new staff members – Victor Cheng and Sarah Aydon – to the team during the year. This means we are at full staffing complement after a period of change, and I would like to particularly thank Donna Cribb, Nigel Hartley and Teresa Hague who put extra effort in to ensure our tenants continued to receive a high standard of service whilst the changes were occurring.

The increasing cost of building has meant we decided to take the opportunity to have our architects work closely with Humphries Construction to find some design tweaks to our Corrick Court plans that will reduce costs. We remain committed to achieving a minimum Lifemark 4 rating to ensure the new units will meet our tenants needs. Plans for new units at our Prince Street section were also progressed, and we have been engaged in conversations with other landowners to secure more land for the future. This is a significant shift for us as a Trust following a number of years supporting the establishment of the Feilding Health Centre.

On top of all of that, we also submitted our application to the Community Housing Registration Authority to establish a Community Housing Provider for the Manawatū District. New bureaucratic hoops keep popping up as we work through the process with the Authority, and the change in Government has meant some uncertainty for the funding of public housing in the future. These uncertainties have not put us off though – it remains important that we keep progressing to ensure we have the option of establishing a Community Housing Provider for our community, rather than waiting for absolute clarity from Wellington.

Our surplus for the year was more than budgeted, and our balance sheet remains strong. We are very conscious of the impact that the cost-of-living changes have on our tenants but remain committed to not setting our rents at more than 30% the superannuation and accommodation supplement levels (approximately \$200 a week). At the last rent review around 62% of our tenants were paying under the \$200 level (with the lowest at \$173 a week), so there is still scope to move in this regard, but we doing this gradually over time rather than making the leap all at once. It is worth noting that the maximum accommodation supplement rates for Feilding have not increased since 2018, despite the changes in the cost of living and housing over the last 5 years.



Tyson Schmidt
Chairperson

Date:

30/9/2024.

Entity Information

Manawatū Community Trust For the year ended 30 June 2024

Legal Name

The Manawatū Community Trust (the Trust)

Entity Type and Legal Basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by The Manawatū District Council as a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Trust's Purpose or Mission

The primary objective of the Trust is to promote and provide housing, health and wellbeing services that are relevant and meet the long term needs of the community.

Structure of the Trust's Operations, Including Governance Arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust, a Trust Manager/General Manager Teresa Hague, who is responsible for the day to day management of the Trust's business and all reporting requirements of the Trust which includes reporting to the Trust Board. The Trust also employs four other people with particular responsibilities for property and tenancy management, accounts and office administration. The Trustees are appointed by Manawatū District Council for a three year term. The Trust produces an Annual Statement of Intent which is approved by Manawatū District Council, the Trust reports to Council against this statement on a 6 monthly basis.

Main Sources of the Trust's Cash and Resources

Rental and lease receipts received from tenants of the residential and commercial properties are the primary sources of funding to the Trust.

Trustees

Allan Davey
Joanne Shortall
Liam Greer
Tracey Hunt
Tyson Schmidt

Auditors

Audit New Zealand - 31 Amesbury Street, Palmerston North

Bankers

ANZ Bank New Zealand Limited – Commercial Banking PO Box 92210, Auckland 1142

Attorneys

John W Key Barristers -Solicitors - Law House 71 Kimbolton Road, Feilding

Statement of Comprehensive Revenue and Expenses

Manawatū Community Trust For the year ended 30 June 2024

	NOTES	ACTUAL 2024	BUDGET 2024	ACTUAL 2023
Revenue				
Residential Rents Received		1,889,933	1,875,100	1,734,733
Commercial Lease Receipts		1,011,050	1,030,000	1,004,408
Interest Revenue		9,852	400	1,708
Grants and Donations	1	2,447	200	55
Other Revenue		25,433	10,600	22,297
Total Revenue		2,938,716	2,916,300	2,763,201
Expenses				
Employee Benefit Expenses	2	405,166	429,500	327,443
Costs from Providing Goods or Services	3	964,080	1,057,600	918,962
Depreciation of Property, Plant and Equipment		925,583	821,500	917,925
Trustees Fees	15	108,741	113,600	105,574
Interest on Borrowing		287,017	370,500	221,617
Loss on Disposal of Fixed Assets		-	-	6,137
Total Expenses		2,690,587	2,792,700	2,497,658
Surplus/(Deficit) for the Year		248,129	123,600	265,543

The accompanying notes and policies form part of these financial statements.



Statement of Financial Position

Manawatū Community Trust

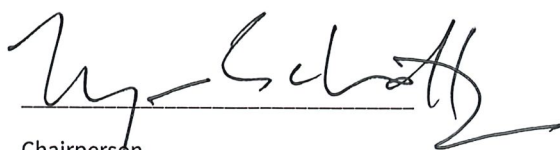
As at 30 June 2024

	NOTES	ACTUAL 30 JUNE 2024	BUDGET 30 JUNE 2024	ACTUAL 30 JUNE 2023
Assets				
Current Assets				
Bank Accounts and Cash	4	486,067	265,200	39,196
Debtors and Prepayments	5	68,595	231,000	56,743
GST Receivable		-	-	11,112
Inventory		6,188	-	-
Total Current Assets		560,849	496,200	107,052
Non-Current Assets				
Debtors and Prepayments	5	-	-	11,752
Property, Plant and Equipment	6	36,238,110	40,749,500	36,221,554
Intangibles	7	-	-	432
Total Non-Current Assets		36,238,110	40,749,500	36,233,738
Total Assets		36,798,960	41,245,700	36,340,789
Liabilities				
Current Liabilities				
Bank Overdraft	4	939	-	87,466
Creditors and Accrued Expenses	8	305,909	670,890	299,512
GST Payable		14,996	-	-
Current Portion Loan from MDC	9	316,403	346,200	282,873
Current Portion Loan from ANZ	9	216,000	216,000	216,000
Current Portion of Lease Payable		10,208	4,300	7,337
14 Bowen Street Deferred payment	10	90,000	-	-
Employee Costs Payable	11	60,169	50,000	55,370
Total Current Liabilities		1,014,624	1,287,390	948,557
Non-Current Liabilities				
Loan from MDC	9	4,110,966	4,886,500	3,831,060
Loan from ANZ	9	794,000	1,010,000	1,010,000
Lease Payable		110,599	107,700	123,493
14 Bowen Street Deferred payment	10	-	-	90,000
Total Non-Current Liabilities		5,015,565	6,004,200	5,054,552
Total Liabilities		6,030,189	7,291,590	6,003,109
Total Assets less Total Liabilities (Net Assets)		30,768,771	33,954,110	30,337,680
Accumulated Funds				
Capital Contributed by Owners or Members	12	10	10	10
Accumulated Surpluses or (Deficits)	12	15,026,816	14,900,200	14,778,687
Asset Revaluation Reserve	12	15,741,945	19,053,900	15,558,983
Total Accumulated Funds		30,768,771	33,954,110	30,337,680

The accompanying notes and policies form part of these financial statements.



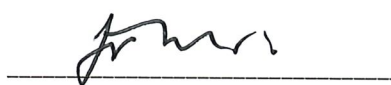
These financial statements have been approved and authorised for issue by:



Chairperson

30/9/2024.

Date



Trustee

The accompanying notes and policies form part of these financial statements.

Statement of Cash Flows

Manawatū Community Trust For the year ended 30 June 2024

	NOTES	ACTUAL 2024	BUDGET 2024	ACTUAL 2023
Cash flows from operating activities				
Receipts from residential rents		1,846,108	1,890,000	1,728,945
Receipts from commercial lease		1,011,777	1,077,200	1,017,316
Donations, fundraising and other similar receipts		25,433	17,000	24,799
Interest receipts		9,852	10,000	1,708
Net GST movement		17,730	22,800	37,523
Payments to suppliers and employees		(1,415,516)	(1,532,300)	(1,231,250)
Interest paid		(287,017)	(370,500)	(218,784)
Net cash from operating activities		1,208,367	1,114,200	1,360,257
	NOTES	ACTUAL 2024	BUDGET 2024	ACTUAL 2023
Cash flows from investing activities				
Payments to acquire property, plant and equipment		(772,406)	(1,538,500)	(875,633)
Net cash from investing activities		(772,406)	(1,538,500)	(875,633)
	NOTES	ACTUAL 2024	BUDGET 2024	ACTUAL 2023
Cash flows from financing activities				
Proceeds from loans		600,000	1,241,100	-
Repayments of loans		(502,564)	(582,500)	(490,565)
Net cash from financing activities		97,436	658,600	(490,565)
	NOTES	ACTUAL 2024	BUDGET 2024	ACTUAL 2023
Cash and cash equivalents				
Net (decrease)/increase in cash for the year		533,397	234,300	(5,941)
Add opening bank accounts and cash	4	(48,270)	30,900	(42,329)
Closing bank accounts and cash		485,128	265,200	(48,270)

The accompanying notes and policies form part of these financial statements.

Statement of Accounting Policies

Manawatū Community Trust For the year ended 30 June 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 \$5 million in the two years prior to 30 June 2024.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements 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 financial statements 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 financial statements.

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 (2022: 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 Manawatū 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 its financial statements.

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 financial statements.



Notes to the Performance Report

Manawatū Community Trust For the year ended 30 June 2024

	2024	2023
1. Grants and Donations		
Grants	2,447	55
Total Grants and Donations	2,447	55
	2024	2023
2. Employee-Related Costs		
Staff Related Expenses	368,353	290,627
Superannuation Contributions	12,858	12,785
Increase/(Decrease) in Employees' Annual Leave	23,954	24,031
Total Employee-Related Costs	405,166	327,443
	2024	2023
3. Costs of Providing Goods and Services		
Housing		
Bad Debt Expense	2,059	-
Electricity	-	1,090
General Expenses	1,379	2,265
Healthy Homes Compliance	3,228	33,881
Maintenance	148,073	113,252
Major Maintenance	2,261	48,609
Property Insurance	252,376	221,896
Rates	137,924	136,779
Rubbish Removal	14,619	12,271
Valuation Expenses	2,070	17,595
Volumetric Water Charges	54,362	42,648
Total Housing	618,351	630,286
FHC Expenses		
General Expenses	5,873	7,285
Grounds Maintenance	21,516	14,375
Lease Expense	19,977	37,168
Property Insurance	77,929	61,348
Rates	3,132	1,799
Repairs & Maintenance	47,384	32,335
Valuation Expenses	5,300	3,500
Total FHC Expenses	181,111	157,811
Bowen Street Expenses		
Maintenance	1,880	436
Property Expenses	5,811	6,151
Total Bowen Street Expenses	7,691	6,587

	2024	2023
Administration		
Accounting Fees	26,392	19,809
Amortisation Expense	432	5,518
Audit Fees	45,883	35,450
Bank Charges	490	447
Legal Fees	4,744	5,532
Non Property Insurances	3,392	3,286
Office Expenses	24,992	17,610
Printing & Stationery	629	435
Telephone & Tolls	8,747	7,648
Trustee Expenses	-	967
Consultants Fees	20,508	10,841
Vehicle Expenses	14,212	12,027
Trust Development Fund	4,421	4,708
Wellbeing Initiative	2,086	-
Total Administration	156,927	124,278
Total Costs of Providing Goods and Services	964,080	918,962
	2024	2023

4. Cash at bank and In hand

Bank accounts and cash		
ANZ - MCT Cheque Account	69,099	34,576
ANZ - MCT Savings Account	413,962	4
ANZ - MCT Commercial Flexi Facility	(939)	(87,466)
ANZ - MCT Debit Card	1,993	4,316
Petty Cash	1,012	300
Total Cash at bank and In hand	485,128	(48,270)
	2024	2023

5. Debtors and Prepayments

Current		
Trade receivables	38,546	(981)
Prepayments	18,296	57,724
Deferred GST receivable	11,752	-
Total Current	68,595	56,743
Non-current		
Deferred GST receivable	-	11,752
Total Non-current	-	11,752
Total Debtors and Prepayments	68,595	68,495

The carrying value of debtors and prepayments approximates their fair value. The trade receivables have been individually assessed as impaired where the tenant has vacated the premises and management have concluded that it is remote that the overdue amounts will be recovered. The amount of trade receivables written off during the period was \$2,096 (30 June 2023: \$Nil). The Trust holds no collateral as security against these financial assets.



6. Property, Plant and Equipment 2024

Cost	Commercial Land & Buildings	Residential Land	Residential Buildings & Improvements	Residential Furniture & Fittings	Work in Progress	Plant & Equipment	Vehicles	Total
Opening 1 July 2023	12,982,000	8,692,000	14,180,000	-	314,377	60,669	54,402	36,283,448
Restated Assets	-	-	194,174	-	-	-	-	194,174
Reclassified Assets	-	-	(194,174)	194,174	-	-	-	-
Additions	-	-	-	185,307	562,624	14,095	-	762,025
Disposals	-	-	-	-	-	(2,849)	-	(2,849)
Work in progress transferred to capital	-	-	431,556	-	(431,556)	-	-	-
Closing Cost Amount	12,982,000	8,692,000	14,611,556	379,481	445,445	71,915	54,402	37,236,799
Accumulated Depreciation								
Opening accumulated depreciation	-	-	-	-	-	(45,341)	(16,553)	(61,894)
Restated Assets	-	-	(11,212)	-	-	-	-	(11,212)
Reclassified Assets	-	-	11,212	(11,212)	-	-	-	-
Depreciation expense	(261,484)	-	(620,461)	(29,074)	-	(5,558)	(9,006)	(925,583)
Closing Accumulated Depreciation	(261,484)	-	(620,461)	(40,286)	-	(50,899)	(25,559)	(998,689)
Net book value								
As at 1 July 2022	13,105,000	9,848,000	16,615,000	-	242,214	18,985	29,601	39,858,800
As at 30 June 2023	12,982,000	8,692,000	14,180,000	-	314,377	15,328	37,849	36,221,554
As at 30 June 2024	12,720,516	8,692,000	13,991,095	339,195	445,445	21,016	28,843	36,238,110

Property, Plant and Equipment 2023

Cost	Commercial Land & Buildings	Residential Land	Residential Buildings & Improvements	Work in Progress	Plant & Equipment	Vehicles	Total
Opening 1 July 2022	13,105,000	9,848,000	16,615,000	242,214	59,888	44,139	39,914,241
Additions	299,099	-	194,174	270,513	1,430	34,602	799,818
Sales	-	-	-	-	(649)	(24,339)	(24,988)
Revaluation - movement	(170,514)	(1,156,000)	(2,168,449)	-	-	-	(3,494,963)
Work in progress transferred to capital	-	-	198,350	(198,350)	-	-	-
Revalued Accumulated Depreciation	(251,586)	-	(659,075)	-	-	-	(910,661)
Closing Cost Amount	12,982,000	8,692,000	14,180,000	314,377	60,669	54,402	36,283,448
Accumulated Depreciation							
Opening Accumulated Depreciation	-	-	-	-	(40,903)	(14,538)	(55,441)
Depreciation Expense	(251,586)	-	(659,075)	-	(4,438)	(2,826)	(917,925)
Disposals	-	-	-	-	-	811	811
Revalued Accumulated Depreciation	251,586	-	659,075	-	-	-	910,661
Closing Accumulated Depreciation	-	-	-	-	(45,341)	(16,553)	(61,894)
Net book value							
As at 1 July 2021	-	32,896,000	-	280,642	27,114	8,435	32,212,191
As at 30 June 2022	13,105,000	9,848,000	16,615,000	242,214	18,985	29,601	39,858,800
As at 30 June 2023	12,982,000	8,692,000	14,180,000	314,377	15,328	37,849	36,221,554

2024 Residential Furniture & Fittings

For the year ended 30 June 2024, a new asset class - Residential Furniture & Fittings has been established to provide more clarity and ensure fixed asset classes reflect the actual assets contained. The Heatpumps purchased in 2023 have been restated into the new asset class. The restated assets were included as part of the Residential Improvements in 2023, which resulted in the revaluation loss being overstated.

2024 Residential Land, Buildings, and Improvements

For the year ended 30 June 2024 the assessment of property market value movements was undertaken by QV and the analysis of the market movement was not material, therefore the three yearly cycle of revaluation assessments was appropriate.

2024 Commercial Land and Buildings

A full revaluation of the Feilding Health Centre has been undertaken by Morgans for the year ended 30 June 2024 and the valuation of the market movement was not material, therefore the three yearly cycle of revaluation assessments was appropriate.

2023 Residential Land, Buildings, and Improvements

Land and buildings were revalued as at 30 June 2023 using an independent valuer (Morgans). In estimating the fair value of land and buildings, the Fair Value method was used under a highest and best use scenario.

The Fair Value method does make significant use of observable prices in active markets and recent market transactions on arm's length basis. The Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

For the year ended 30 June 2023 QV have been engaged by the Trust to consider and analyse the indicative percentage movement of the residential properties under the ownership of the Trust for the 12-month period from 1 July 2022 to 30 June 2023. QV reported a 10-15% decrease in the market valuations. Therefore, JP Morgans and Associates Limited ("Morgans") have been engaged to complete a full valuation of the residential properties. Due to the significant decrease that the Morgans valuation indicates for the fair value of land and residential buildings, the Trust has used the valuation as a basis for adjusting the carrying value of land and residential buildings as at 30 June 2023.

Significant assumptions in the 30 June 2023 valuation of residential property include market rents and market yields:

- Market rents for a unit range from \$200/pw - \$450/pw
- Market yields ranged from 2.95% - 10.31%. The yield of 2.95% related to a property with a large amount of surplus land. The yield on the assessed market rental excluding surplus land is 5.96%.

2023 Commercial Land and Buildings

A full revaluation of the Feilding Health Centre has been undertaken by Morgans for the year ended 30 June 2023. In determining fair value Morgans have utilised an assessment of the following approaches:

- Replacement cost approach – the replacement cost of new structures less an allowance for depreciation and saleability.
- Income approach
 - Income capitalisation approach - references the capitalisation of the passing and/or potential net rental income utilising yields have been derived from sales of comparable properties.
 - Discounted cash flow method – discount of known and potential income streams after allowing for growth, non-recovered outgoings, any capital expenditure and other related costs
- Market approach – provides an indication of value by comparing the assets with identical or comparable assets for which price information is available.

Significant assumptions in the 30 June 2023 valuation of the FHC include rental increase and capitalisation rate:

- Rental increase of 3% - 3.50%
- Capitalisation rates of 7.30% - 8.50% on actual rentals.
- Discount rates in the range of 8.15% to 8.65% have been utilised reflecting the current ten-year Government Stock plus an increased margin for investment risk/property type.

Restrictions over titles

The land and buildings situated at 100 Awahuri Road, Feilding, with a valuation of \$3.7m as at 30 June 2024 (30 June 2023: \$3.7m) are pledged as a security for the loan advanced by Manawātū District Council to the Trust. Land and buildings situated at 1-7 Duke Street, with a valuation of \$12.5m as at 30 June 2024 (30 June 2023: \$12.6m), are pledged as a security for the loan advanced by ANZ. ANZ also holds a General Security Agreement of the Assets of the Trust (Please refer to note 9 for more information on loans). There are no other restrictions over the title of the Trust's property, plant and equipment.

7. Intangible Assets 2024

Cost	Software
Opening 1 July 2023	16,553
Additions	0
Closing Cost Amount	16,553
Accumulated Amortisation	
Opening Accumulated Amortisation	16,122
Amortisation	431
Closing Accumulated Amortisation	16,553
Net Book Value	5,949
As at 1 July 2022	5,949
As at 30 June 2023	432
As at 30 June 2024	0

Intangible Assets 2023

Cost	Software
Opening 1 July 2022	16,553
Additions	-
Closing Cost Amount	16,553
Accumulated Amortisation	
Opening Accumulated Amortisation	10,604
Amortisation	5,518
Closing Accumulated Amortisation	16,122
Net Book Value	
As at 1 July 2021	10,172
As at 30 June 2022	5,949
As at 30 June 2023	432

	2024	2023
8. Creditors and Accrued Expenses		
Trade Creditors	229,989	206,479
Other Creditors	57,310	63,768
Tenancy Bonds Held	600	1,719
Income in Advance	18,010	27,545
Total Creditors and Accrued Expenses	305,909	299,512

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

	2024	2023
9. Borrowings		
Manawatū District Council Loans A & B		
Total Outstanding	330,785	437,805
Less:		
Current Portion	112,126	110,009
Term Portion	218,659	327,796
Manawatū District Council - Feilding Health Centre		
Total Outstanding	1,073,934	1,244,617
Less:		
Current Portion	174,651	168,763
Term Portion	899,283	1,075,854
Manawatū District Council - 14 Bowen Street		
Total Outstanding	27,427	31,510
Less:		
Current Portion	4,278	4,101
Term Portion	23,149	27,410
Manawatū District Council - LTP Loan 1		
Total Outstanding	1,000,000	1,000,000
Term Portion	1,000,000	1,000,000
Manawatū District Council - LTP Loan 2		
Total Outstanding	1,400,000	1,400,000
Term Portion	1,400,000	1,400,000
Manawatū District Council - LTP Loan 3		
Total Outstanding	595,223	-
Less:		
Current Portion	25,347	-
Term Portion	569,876	-



	2024	2023
ANZ Term Facilities - Feilding Health Centre		
Total Outstanding	1,010,000	1,226,000
Less:		
Current Portion	216,000	216,000
Total Less:	216,000	216,000
Term Portion	794,000	1,010,000
Total Term Loans	4,904,966	4,841,060

Manawatū District Council Loans A & B

Interest is incurred at the Council's borrowing rate of 4.67% p.a. for the twelve months ended 30 June 2024 (interest rate of 2.77% p.a. for year ended 30 June 2023). The loan from Manawatū District Council is secured by way of registered first mortgage over the land owned by the Trust at 100 Awahuri Road, Feilding.

Manawatū District Council - Feilding Health Centre

The loan was granted by the Council to assist with the development of the Feilding Health Centre. The interest rate applicable to the interest bearing portion of the loan at 30 June 2024 was 4.67% (30 June 2023: 2.77%). The Trust is charged the effective interest rate of 2.34%, because 50% of the loan is interest free (0%). No security is held for this loan.

Manawatū District Council - 14 Bowen Street

The loan was granted by the Council to assist with the purchase of 14 Bowen Street. The interest rate applicable to the interest bearing portion of the loan at 30 June 2024 was 4.67% (30 June 2023: 2.77%). No security is held for this loan.

Manawatū District Council - LTP Loan 1

The term of the loan is 15 years from the date of the first drawing (18 November 2019). The interest rate applicable to the interest bearing portion of the loan at 30 June 2024 was 2.42% (30 June 2023: 2.42%). No security is held for this loan.

Manawatū District Council - LTP Loan 2

The term of the loan is 15 years from the date of the first drawing (15 December 2021). The interest rate applicable to the interest bearing portion of the loan at 30 June 2024 was 4.67% (30 June 2023: 2.77%). No security is held for this loan.

Manawatū District Council - LTP Loan 3

An agreement was signed of 18 June 2024 which states the loan of \$1,400,000 will be made available by MDC to MCT from the signing of the agreement. During 2024, \$600,000 was drawn down and the remaining \$800,000 was received and drawn down on 11 July 2024. The term of the loan is 15 years from the date of the first drawing (17 July 2023). The interest rate applicable to the interest bearing portion of the loan at 30 June 2024 was 6.09%. No security is held for this loan.

ANZ Term Facilities - Feilding Health Centre

ANZ Term Loan 1001 is for 36 months with interest rate at 30 June 2024 was floating at 8.95% (2023: 8.95%). Maturity date for this loan is set at 30 November 2024. ANZ holds a General Security Agreement of the assets of the Trust. This loan has been refinanced and proceeds have been used to repay previous loans.

The Trust has access to an ANZ Commercial Flexi Facility of \$1,500,000 which is an on-demand facility and can be repaid at any time. Interest is incurred at 8.24% with a service line fee of 0.75%. As at 30 June 2024 \$939 was drawn down (2023: \$87,466).



	2024	2023
10. 14 Bowen Street - Deferred Settlement		
Total Outstanding	90,000	90,000
Less:		
Current Portion	90,000	-
Term Portion	-	90,000

The remaining \$90,000 is due on 6 July 2024. No interest is due on this deferred settlement.

	2024	2023
11. Employee Costs Payable		
Annual Leave	23,954	24,031
Salary and Wage Accrual	24,003	21,257
PAYE Payable	12,212	10,082
Total Employee Costs Payable	60,169	55,370

There has been no provision for sick leave or long service leave allowed.

	2024	2023
12. Trust Equity		
Capital contributed by owners or members		
Share capital	10	10
Total Capital contributed by owners or members	10	10
Accumulated surpluses or (deficits)		
Retained earnings/Accumulated funds	14,778,687	14,513,145
Current year earnings	248,129	265,543
Total Accumulated surpluses or (deficits)	15,026,816	14,778,687
Asset Revaluation Reserve		
Opening Balance	15,558,983	19,053,946
Gain on revaluation of Property, Plant and Equipment	182,962	(3,494,963)
Total Asset Revaluation Reserve	15,741,945	15,558,983
Total Trust Equity	30,768,771	30,337,680

13. Statement of Commitments

Operating Lease Commitments

Land lease for Feilding Health Centre

The Trust has entered into a 34 years and 11 months lease of the land effective from 13 April 2015. Under the terms of the agreement the Trust received a five year rental holiday, which expired on 13 April 2020. Should the lease not be renewed at the end of the 36 year term the Trust will sell the buildings to the Lessor at a prescribed purchase price. The amounts payable as operating commitments are as follows:

	2024	2023
Land Lease		
Not later than one year	30,000	30,000
Later than one year and not later than five years	120,000	120,000
Later than five years	620,000	650,000
Total Land Lease	770,000	800,000

Commitments

The Trust has entered into commitments with:

- Fix It Roofing Limited to repair and recoat the roofs at the Cedar Complex, on Cedar Crescent, Feilding of \$42,250. A deposit of \$16,034 has been paid.

The total value of the commitments as at 30 June 2024 is \$26,216 (30 June 2023: \$62,931). All commitments are expected to be completed throughout the 2025 financial year.

All Commitments are stated exclusive of GST.

14. Related Party Transactions

The Manawatū Community Trust is a Council Controlled Organisation of Manawatū District Council. The related party transactions are within a normal supplier or client/recipient relationship on terms and conditions no more favourable or less favourable than those that is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances, except for the \$2,500,000 loan from the Manawatū District Council that interest is only charged on 50% of the outstanding loan balance.

No provision has been required, nor any expense recognised, for the impairment of receivables from related parties.

The Trustees are considered key management personnel. Other than fees in note 15 there were no other benefits paid to Trustees.

	2024	2023
The following transactions were carried out with related parties:		
Loan repaid during the period	286,558	277,438
Rates to Manawatū District Council	140,406	135,861
Volumetric water charges by Manawatū District Council	58,681	45,893
Interest to Manawatū District Council	143,687	99,641
	2024	2023
Amounts owing at balance date to related parties:		
Manawatū District Council	66,410	69,175
Loan outstanding to Manawatū District Council at period end	4,427,369	4,113,932
Interest payable at period end	28,202	21,390



	2024	2023
15. Trustee Fees		
Allan Davey	20,157	19,570
Joanne Shortall	20,157	19,570
Liam Greer	20,157	19,570
Tracey Hunt	20,157	19,570
Tyson Schmidt (Chairperson)	28,113	27,294
Total Trustee Fees	108,741	105,574

16. Statement of Contingent Assets and Liabilities

The Manawatū Community Trust is not aware of any contingent assets and liabilities as at 30 June 2024 (30 June 2023: Nil).

17. Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets. The Trust deed requires the Trustees to manage all aspects of the business prudently. The Trust's equity is largely managed as a by product of managing all financial dealings. The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

18. Events After Balance Date

There were no events that have occurred after the balance date that would have a significant impact on the Performance Report.

19. Explanation of Major Variances Against Budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2024 statement of intent are as follows:

Statement of Financial Performance

- **Costs from Providing Goods or Services:** Positive variance to budget of \$100,171, primarily due to increased capital improvement projects and reduced minor maintenance work. Smaller miscellaneous variances also contributed to this outcome.
- **Depreciation of Property, Plant, and Equipment:** Negative variance to budget of \$109,583, resulting from a full year of depreciation recorded after the completion of the Feilding Health Centre Clevely Wing project, which was not anticipated during budget setting.
- **Interest on Borrowing:** Positive variance to budget of \$83,483, mainly because the expected interest expenses for the Prince Street development did not occur in the 2024 financial year.

Statement of Financial Position

- **Bank Accounts and Cash:** Positive variance to budget of \$220,867, primarily due to the anticipated costs of the Prince Street development not being incurred in the 2024 financial year.
- **Debtors and Prepayments:** Negative variance to budget of \$162,405, mainly because MCT insurance policies were aligned with the June balance date, mitigating the need for accrual of prepaid insurance expenses.
- **Property, Plant, and Equipment:** Negative variance to budget of \$4,511,390, and the **Asset Revaluation Reserve:** Negative variance to budget of \$3,311,955, both resulting from the anticipated capital gain on property not being achieved and the Prince Street development not being completed in the 2024 financial year.
- **Creditors and Accrued Expenses:** Positive variance to budget of \$364,981, predominantly due to MCT insurance policies being aligned with the June balance date, mitigating the need for accrual of prepaid insurance expenses.
- **14 Bowen Street Deferred Payment:** Negative variance to budget of \$90,000, due to the final installment payable in July 2024 not being included in the 2024 budget.
- **Loan from MDC Non-current Portion:** Positive variance to budget of \$775,534, as \$800,000 of the MDC LTP Loan 3 was not drawn down until July 2024.

- **Loan from ANZ Non-current Portion:** Positive variance to budget of \$216,000, resulting from the financing for the Prince Street development not being required in 2024.

Statement of Cash Flows

- **Receipts from Commercial Lease:** Negative variance to budget of \$65,423, due to the agreed rent for the Clevely Wing site being subject to final measurement and negotiation of square metre lease rates.
- **Payments to Suppliers and Employees:** Positive variance to budget of \$116,784, primarily due to reduced minor maintenance and lower-than-budgeted salary expenses. Other miscellaneous variances also contributed to this balance.
- **Interest Paid:** Positive variance of \$83,483, mainly because the expected interest expenses for the Prince Street development were not incurred in the 2024 financial year.
- **Payments to Acquire Property, Plant, and Equipment:** Positive variance to budget of \$766,094, resulting from the deferral of the Prince Street development until 2025.
- **Proceeds from Loans and Repayments of Loans:** Negative variances to budget of \$641,100 and \$79,936, respectively, due to \$800,000 of the MDC LTP Loan 3 not being drawn down until July 2024.

There are no other major variances against the prospective statement of financial performance, statement of financial position and statement of cash flows.

STATEMENT OF INTENT 2023/24

This Statement of Intent covers the year 1 July 2023 to 30 June 2024

PURPOSE

The purpose of this statement of intent is to

- (a) state publicly the activities and intentions of this council-controlled organisation for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for shareholders¹ to influence the direction of the organisation; and
- (c) provide a basis for the accountability of the directors² to their shareholders for the performance of the organisation.

OBJECTIVES OF THE COUNCIL CONTROLLED ORGANISATION

1. Section 59 of the Local Government Act 2002 provides:

Principal objective of a council-controlled organisation

- (1) The principal objective of a council-controlled organisation is to

- (a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and
- (b) be a good employer; and
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) if the council-controlled organisation is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice.

- (2) In subsection (1)(b), good employer has the same meaning as in clause 36 of Schedule 7 of the Local Government Act 2002.

¹ 'Shareholders' include any partners, joint venture partners, members or other persons holding equity securities in relation to the organisation. In this case the shareholders will be the Mayor and the Councillors of the Manawatu District Council.

² 'Directors' and the 'Board' include trustees, managers or office holders (however described in the organisation).

NATURE AND SCOPE OF ACTIVITIES

Nature

The Nature of the Trust is to promote and provide housing and wellbeing services that are relevant and meet long term community needs.

Scope

The Trust is a robust, professional, and viable organisation that is providing a modern healthy living environment, up to date, good quality, sustainable housing and health facilities that address the needs of the community to enhance the long term wellbeing of Manawatu residents.

OBJECTIVES OF THE MANAWATU COMMUNITY TRUST

The objectives of the Manawatu Community Trust as identified in its Deed of Trust are:

1. Any charitable purpose within the Manawatu District
2. To create a fund to be used for:
 - 2.1 The promotion of any purpose or purposes within the Manawatu District for the relief of poverty and for the benefit of the residents of the Manawatu District.
 - 2.2 The promotion and provision of housing for the elderly and disabled residents of the Manawatu District.
 - 2.3 The promotion of health services for the residents of the Manawatu District.
 - 2.4 The promotion of wellbeing services for residents of the Manawatu District – these services shall include services promoting the improvement of the lifestyle, health and welfare of residents in the Manawatu District and creating a sense of community for the benefit of the residents of the Manawatu District.
 - 2.5 To accept gifts and grants of whatever description, provided that any private benefit conferred on any individual is incidental to the above purposes.

GOVERNANCE

Five Trustees have been appointed by the Manawatu District Council to the Trust with terms as set out below.

- **Tyson Schmidt**, Chairperson, reappointed for 3 years from 1 July 2022 – 30 June 2025
- **Liam Greer**, appointed for 3 years from 1 April 2021 – 31 March 2024
- **Joanne Shortall**, appointed for 3 years from 1 April 2021 – 31 March 2024
- **Tracey Hunt**, appointed for 3 years from 1 July 2021 – 30 June 2024
- **Allan Davey**, appointed for 3 years from 6 May 2022 – 5 May 2025

The Trust meets on a monthly basis, and on a regular basis meets with senior staff to review the operational business of the Trust.

STATEMENT OF ACCOUNTING POLICIES

The Trust has elected to apply PBESFR-A (PS) Public Benefit 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 \$2 million in the two years prior to June 2022.

All transactions in the financial statements are reported using the accrual basis of accounting.

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

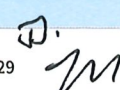
PERFORMANCE TARGETS

Goal 1: Develop and maintain existing housing stock

Description	Starting Point	Target	Results to 30 th June 2024	Results to 30 th June 2023	Management Comments
Have all occupied housing stock at a 3 Star* rating or above by 2025. <i>*A rating system from 1 to 5 Star, 5 Star being the highest.</i>	Housing at a 3 Star rating or above as at 30 June 2021: 193 of 205	2024: 200 of 205 2025: All housing stock 2026 All housing stock	2024: 205 of 205.	2023: 198 of 205	Achieved.
Maintain average month end occupancy at above 95%.	Average month end occupancy 2022: 96%	2024: >95% 2025: >95% 2026: >95%	2024: 96% average occupancy of the full residential portfolio.	2023: 96% average monthly occupancy	Achieved.
Be responsive to urgent maintenance requirements or resident health and safety needs	Maintenance requests from tenants are recorded electronically and are subsequently responded to in accordance with their priority. Service Contractors are engaged with regard to their ability to provide prompt and reliable services to our tenants.	Electronic recording indicates maintenance requests are assessed and addressed promptly. Service contractors are engaged in accordance with the priority of the maintenance request.	There were 11 urgent plumbing jobs recorded within the MCT database and were allocated to the appropriate service provider within expected timeframe.	All maintenance jobs were recorded on the MCT database and allocated to appropriate service people as required	Achieved.

Goal 2: Increase the number of housing units.

Description	Starting Point	Target	Results to 30 th June 2024	Results to 30 th June 2023	Management Comments
MCT will facilitate development to a total of 250 housing units by 2030	As at 30 June 2022: 205 units.	2024: 205 2025: 208 2026: 220	2024: 205	2023: 205	Achieved.



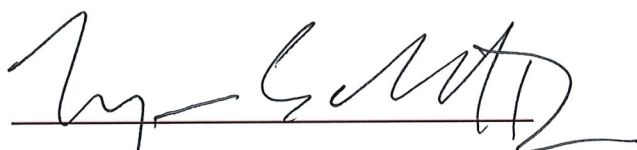
Collaborate with the MDC in defining, developing, and refining a strategy to address housing needs for elderly and disabled residents in the Manawatu.	Availability of suitable land and residential planning regulations have been assessed	2023: Agreement reached on co-operative goals. 2025 – 2026: Advancing goals as determined above	Oroua Community Housing Trust Deed and Board have been established and the entity is registered with the Companies Office and Charities Services. Application for CHP registration was submitted in April and MCT is working through additional requests for information.	MCT has provided updates in respect of scoping the establishment of a Feilding based CHP at Council meetings.	Achieved.
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Goal 3: Develop services promoting health and wellbeing

Description	Starting Point	Target	Results to 30 th June 2024	Results to 30 th June 2023	Management Comments
The promotion of wellbeing services promoting the improvement of lifestyle, health and welfare and creating a sense of community for the benefit of the residents of the Manawatu.	Needs assessment developed in association with Manchester House.	2024: Outcome decisions made, and planning commenced for services and community facilities. 2025 – 2026: Implementation of community services and facilities.	Research-based future needs assessment has been completed. Resultant MCT actions are in process.	The joint research collaboration between MCT, Manchester House Social Services (funded by MDC) has been completed.	Achieved.
Continue to offer Manawātū residents the option of rentals at no more than 30% of the superannuation and accommodation benefits available.	April 2023: Highest rental at 30% of single superannuation benefit and available accommodation supplement. Note that 92% of tenants are not at the highest rental.	2024: <30% 2025: <30% 2026: <30%	The highest rent is \$200 per week, which is 30% of the single superannuation and accommodation benefits available.	Highest rental at 30 June 2023 is \$191 which is 30% of the single superannuation benefit and 30% of the available accommodation benefit	Achieved. Only 38% of MCT tenants pay the top rent of \$200. The lowest rent paid per week is \$173 and the median rent is \$196

Compliance and Financial Performance Targets

Description	Starting Point	Target	Results to 30 th June 2024	Results to 30 th June 2023	Management Comments
Provide financial reporting to the MDC as required applying PBE SFR (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector).	Meet half yearly and annual reporting deadlines set by MDC and Audit NZ.	2024 - 2026: Reports submitted on time and to the satisfaction of MDC.	The six month and EOY reports where completed as expected.	Failed to meet statutory deadline for Annual Reports FY2022 due to delays in completing audit.	Achieved.
Meet ANZ financial undertakings as per our loan agreements to maintain an effective equity / total tangible asset % greater or equal to 50%.	As at 30 June 2022: 83.6%	2024-2026: ≥ 50%	84%	83%	Achieved.
Maintain an interest coverage ratio of EBITDA to interest at above 3.	As at 30 June 2022: 8.4	202 -2026: >3	5.12	6.3	Achieved.



Tyson Schmidt
Chairperson
Manawatu Community Trust



Charitable Trust CC32454

1/100 Awahuri Road
Feilding 4702
Phone 06-3240491

30 September 2024

Debbie Perera
Appointed Auditor
Audit New Zealand
PO Box 149
Palmerston North

Tēnā koe Debbie,

Representation letter for the year ended 30 June 2024

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements and statement of performance of Manawatū Community Trust for the year ended 30 June 2024 for the purpose of expressing an independent opinion about whether:

The financial statements:

- present fairly, in all material respects:
 - the financial position as at 30th June 2024; and
 - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard.

The performance information:

- presents fairly, in all material respects, the performance for the year ended 30 June 2024, including:
 - the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives; and
- complies with generally accepted accounting practice in New Zealand.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General representations

To the best of our knowledge and belief:

- the resources, activities, under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of Manawātū Community Trust) to prevent and detect fraud or error, and which enables the preparation of the financial statements and the performance information that are free from material misstatement whether due to fraud or error.

Representations on the financial statements and the statement of performance

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of performance, and that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the performance information as required by the Local Government Act 2002 and, in particular, that:

The financial statements:

- present fairly, in all material respects:
 - the financial position as at 30 June 2024; and
 - the financial performance and cash flows for the year then ended; and



- comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) Standard.

The performance information:

- presents fairly, in all material respects, the performance for the year ended 30 June 2024, including:
 - the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives; and
 - complies with generally accepted accounting practice in New Zealand.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements and performance information are appropriate to achieve recognition, measurement, or disclosure that is in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) Standard;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to 30 June 2024 that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements and performance information as a whole. A list of the uncorrected misstatements is attached as Appendix 1 to this representation letter; and
- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually and in aggregate, to the financial statements and performance information as a whole; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) Standard.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:



- all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the performance information; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of performance may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements and the statement of performance.
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements and statement of performance communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the performance information;
- we have provided you with all the other documents ("other information") which will accompany the financial statements and the performance information which are consistent with one another, and the other information does not contain any material misstatements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Publication of the financial statements and the performance information and related audit report on a website

- The Trust Board accepts that it is responsible for the electronic presentation of the audited financial statements and the performance information.
- The electronic version of the audited financial statements and the performance information and the related audit report presented on the website are the same as the final signed version of the audited financial statements and performance information and audit report.
- We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

- We have assessed the security controls over audited financial and performance information and the related audit report, and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- Where the audit report on the full financial statements and performance information is provided on a website, the financial statements and performance information are also provided in full.

Going concern basis of accounting


We confirm that, to the best of our knowledge and belief, the Manawatū Community Trust has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Trust Board continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of performance for the year ended 30 June 2024. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the Manawatū Community Trust during the period of one year from 300 September 2024, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements and performance information adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the Manawatū Community Trust.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the Manawatū Community Trust and to confirm information given to you orally.

Nāku noa, nā


Chairperson


General Manager

Appendix 1: Uncorrected misstatements

Note	Statement of comprehensive income		Statement of financial position	
	Dr \$	Cr \$	Dr \$	Cr \$
1		10,208	10,208	
2				

Explanation for uncorrected differences

- 1 To adjust the lease liability in line with no CPI increase – not adjusted as not material.

