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Consolidated Financial Statements

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust
For the year ended 30 June 2022

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For the year ended 30 June 2022

Charities Commission registration number

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust - CC54095
Te Ranga Maro Charitable Trust - CC57814

Date of Commencement

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust - 16 November 2016
Te Ranga Maro Charitable Trust - 19 August 2019

Nature of Business

To provide a comprehensive range of services and support to realise the aspirations of Whanau Ora throughout the Manawatu, Horowhenua and parts of the Tararua and Rangitikei districts.

Registered Office

140-180 Maxwells Line, Palmerston North 4412

Trustees

Danielle Harris
Delwyn Te Oka
Dennis Emery
Dianne Rump
Hare Arapere
Jordan Winiata-Haines
Kim Savage
Oriana Paewai
Ngareta Paewai

Auditors

CKS Audit
27 Matipo Street, Takaro, Palmerston North 4410

Solicitors

Innes Dean Tararua Law Ltd
165 Broadway Avenue, PO Box 43, Palmerston North

Accountants

AllanMcNeill
240 Ruahine Street, Palmerston North

Statement of Service Performance

Te Tihi O Ruahine Whānau Ora Alliance Charitable Trust
For the year ended 30 June 2022

Entity Outcomes

To provide a comprehensive range of aspiration whānau centred health, disability, support, educational, social, traditional and alternative practices and services based on Whānau Ora to Māori people and others in Manawatu, part Rangitikei, Horowhenua and part Tararua Districts.

RANGATIRATANGA – Service Delivery

Central to whānau wellbeing is the the capacity of whānau to determine their own pathways and manage their own affairs. Te Tihi will create opportunities for whānau to connect as hapori to inform whānau-led strategies and approaches. This is largely attributed to whānau access to opportunities through different service offerings at Te Tihi o Ruahine and providing feedback that supports Te Tihi to influence system re-design to facilitate the removal of barriers.

	2022	2021
# of Existing Whanau	762	560
# of New active whanau	410	458

The above describes the number of whanau participating in 5 of the contract services provided by Te Tihi which includes the Whānau Ora Navigation Service (Te Ohu Whakaaraara), Kainga Whanau Ora, Ngā Tini Whetu and Te Pae Oranga.

TIAKI TAIAO – Te MataRau

Whānau are active participants within, to and for their natural environments to ensure responsible and sustainable Mana Whakahaere.

Te Tihi offer whānau the opportunity to engage with cyber and digital tools. Whānau are also offered the opportunity to determine data outcomes. To support this outcome, Te Tihi are required to ensure their own internal systems and technologies are capable of developing the cyber and digital tools for whānau. This includes the procurement of new and up to date hardware for kaimahi to engage in their day to day mahi.

	2022	2021
# of new computer hardware	36	30

The above data provides an understanding the of amount of hardware that is procured on a yearly basis.

KOTAHITANGA - Communications

Whānau cohesion encourages the use of modern approaches such as technology and other communication strategies to keep connected. This supports the building and strengthening of whānau connectivity, increasing the ability for whānau to unite.

Te Tihi engage in meaningful partnerships that realise whānau aspirations and opportunities – and provide information to whānau in a meaningful way.

	2022	2021
# whanau reached (aggregated across social media platforms)	99,643	41,858
# of new collateral developed (give an approximate)	195	

The collateral developed includes 6 Kia Ora FM Radio Ads and approximately 189 Videos and Posts on our social media platforms (this includes Facebook and Instagram). The collateral developed was not measured in 2021.

PAPORITANGA – Kaupapa Innovation

Whānau are conduits to society and societal institutions that culturally improves relationships within Aotearoa-New Zealand.

Te Tihi remove systemic barriers and pressures that disrupt whānau progression towards moemoeā. This is realised through Te Tihi leading Kaupapa Maori Innovation design of projects, programmes and product that are whānau centred and whānau led.

	2022	2021
# of Existing Projects	20	32
# of New Projects		5

The above data relates to the number of projects that are currently being developed through kaupapa innovation. This data relates to 'Master' projects and not those that sit inside the Master project.

PUKENGA RAWA

Building whanau economic security indirectly will assist iwi, hapū, and whanau ability to generate income for current and future genertions.

Te Tihi are a catalyst for change and breaking down barriers. We build strong relationships that increase whānau opportunity, ability and access to successfully explore wealth-creation.

	2022	2021
# of workshops/trainings	17	17
# of whanau/kaimahi attended	162	160

The workshops and trainings data above includes: Te Ara Whānau Ora 10 trainings and wananga, Whānau Ora 2 day training and Sorted Kainga Ora workshops.

In addition to the above outcome areas that have aligned measures, we have also provided the outcome areas below for your information.

HAUORANGA

Whānau are in prime positions to actively promote and foster healthy lifestyles that lead to optimal health and wellbeing.

Te Tihi illuminate health pathways and initiatives that are important to whānau with a focus on Iwi and Māori organisational aspirations.

TUAKIRITANGA

Whānau connections to Te Ao Maori are strengthened, and whānau are keen participants in any or all Te Ao Māori activities.

Te Tihi creates platforms (including data) for whānau to engage with and determine outcomes. Te Tihi is also committed to progressing Māori data sovereignty through the creation of Te Mana Whakahaere Raraunga – Māori data sovereignty eco-system.

Statement of Service Performance - Te Ranga Maro Charitable Trust

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust
For the year ended 30 June 2022

Description of Entity's Outcomes

Provide housing choices for whānau Māori and others in the community that are culturally sensitive and appropriate

Improve the health, wellbeing and status for Māori people and others in the community by providing an opportunity for home ownership in a culturally appropriate environment.

Empower whānau and the community at large through the provision and opportunity for home ownership, whānau ora and related services to improve their lives and build capacity to achieve their goals regardless of age and cultural background.

	2022	2021
Description and Quantification of the Entity's Outputs		
From year 3 on average 1 whare per annum is sold to whānau	2	-
30 whānau per annum complete financial capability workshops	-	27
On average 5 new whare are constructed per annum	-	5

Description and Quantification of the Entity's Outputs

In 2021 five whare were constructed as part of Te Ara Mauwhare and five whanau began renting these whare in June 2021. In 2022 two of the five whānau purchased their whare and were able to take advantage of the first home buyers grant. Another whare has been sold in the 2023 financial year.

In 2021, Sorted Kainga Ora workshops were held with 27 people attending, due to the COVID pandemic there were none held in the 2022 year.

The Trust has been unable to build more whare in 2022 due to the COVID pandemic and the shortage of construction resource. The Trust aim to begin construction of the next five whare in 2023.

Additional Output Measures

Te Ranga Maro Charitable Trust aims:

- over the next three years to broaden its service offering to include shared equity and other products that align with the strategy.

- to obtain $1M over two years through philanthropy opportunities to support the program.

These are both currently in progress.

Additional Information

Te Ranga Maro Charitable Trust facilitates the construction of whare and holds the assets. Te Ranga Maro Charitable Trust engages with Te Tihi o Ruahine o Tararua Charitable Trust to provide the whānau related services.

Consolidated Statement of Comprehensive Revenue and Expense

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust
For the year ended 30 June 2022

	NOTES	2022	2021
Revenue			
Revenue from Exchange Transactions			
Contract Revenue		18,319,186	11,134,533
Interest Received		16,616	11,672
Rental Income		92,627	11,694
Gain on sale of assets		20,169	440
Total Revenue from Exchange Transactions		**18,448,599**	**11,158,339**
Total Revenue		**18,448,599**	**11,158,339**
Expenses			
Operating expenses	4	15,625,770	8,884,771
Total Surplus/(Deficit) for the Year		**2,822,829**	**2,273,568**
Total Comprehensive Revenue and Expense for the Year		**2,822,829**	**2,273,568**

The accompanying notes and audit report form part of these financial statements.

Consolidated Statement of Changes in Net Assets

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust
For the year ended 30 June 2022

	2022	2021
Equity		
Equity at Start of Period	5,262,697	2,989,129
Retained earnings		
Profit (loss) for the year	2,822,829	2,273,568
Total Retained earnings	**2,822,829**	**2,273,568**
Equity at End of Period	**8,085,525**	**5,262,697**

The accompanying notes and audit report form part of these financial statements.

Statement of Financial Position

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust
As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and cash equivalents (excluding bank overdrafts)		4,694,190	2,844,234
Short Term Deposits		1,389,935	775,787
Receivables from Exchange Transactions	5	1,209,316	320,911
Total Current Assets		**7,293,441**	**3,940,931**
Non-Current Assets			
Property, Plant and equipment	7	3,291,555	2,532,561
Intangible Assets	6	-	14,731
Total Non-Current Assets		**3,291,555**	**2,547,292**
Total Assets		**10,584,996**	**6,488,223**
Liabilities			
Current Liabilities			
Trade and Other Creditors	8	1,734,422	250,380
Employee Entitlements	9	256,376	151,156
Revenue in Advance from Exchange Transactions	10	508,673	823,990
Total Current Liabilities		**2,499,471**	**1,225,526**
Total Liabilities		**2,499,471**	**1,225,526**
Net Assets		**8,085,525**	**5,262,697**
Net Assets			
Trust capital		100	100
Accumulated Comprehensive Revenue and Expense		8,085,425	5,262,597
Total Net Assets Attributable to Owners of the Controlling Entity		**8,085,525**	**5,262,697**

Signed for and on behalf of the Board or Trustees who authorise these financial statements for issue:

________________________ Date 21 December 2022

Chairperson

________________________ Date 22 December 2022

Trustee

The accompanying notes and audit report form part of these financial statements.

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Statement of Cash Flows

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust
For the year ended 30 June 2022

	NOTES	2022	2021
Cash flows			
Cash flows from operating activities			
Receipts			
Receipts from contracts		17,306,686	11,016,596
Rental		98,575	11,694
Interest received		17,074	13,256
GST movement		-	-
Total Receipts		**17,422,335**	**11,041,546**
Payments			
Cash paid to employees		(2,702,544)	(2,112,798)
Cash paid to suppliers		(11,297,834)	(6,673,672)
GST movement		(163,615)	(190,307)
Total Payments		**(14,163,993)**	**(8,976,777)**
Net cash inflow/(outflow) from (to) operating activities		**3,258,342**	**2,064,769**
Cash flows from investing activities			
Receipts			
Sales of property, plant & equipment		843,328	-
Total Receipts		**843,328**	**-**
Payments			
Acquisition of property, plant and equipment		(1,649,107)	(1,638,059)
Movement in credit cards		11,543	-
Total Payments		**(1,637,564)**	**(1,638,059)**
Net cash inflow/(outflow) from (to) investing activities		**(794,236)**	**(1,638,059)**

	NOTES	2022	2021
Cash and cash equivalents			
Net increase/(decrease) in cash and cash equivalents		2,464,104	438,625
Cash and cash equivalents at the beginning of the period		3,620,021	3,181,396
Cash and cash equivalents at the end of the period		**6,084,125**	**3,620,021**

	NOTES	2022	2021
Cash and cash equivalents made up of:			
Bank accounts and cash		4,694,190	2,844,235
Short term depositis		1,389,935	775,787
Cash and cash equivalents at the end of the period		**6,084,125**	**3,620,021**

The accompanying notes and audit report form part of these financial statements.

Notes to the Financial Statements

Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust
For the year ended 30 June 2022

1. Reporting Entity

The reporting entity is Te Tihi o Ruahine Whānau Ora Alliance Charitable Trust (“the Trust”). The Trust is domiciled in New Zealand and is a charitable organisation registered under the Charities Act 2005. The Trust became a separate legal entity and a Registered Charity on the 16 November 2016.

The financial statements comprising the Trust and its controlled entity, Te Ranga Maro Charitable Trust, together "the Group", are presented for the year ended 30 June 2022.

These group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. The Group provides a comprehensive range of services and support to realise the aspirations of Whānau Ora throughout the Manawatū, Horowhenua and parts of the Tararua and Rangitikei districts. All entities within the Group are charitable organisations registered the Charitable Trusts Act 1957 and the Charities Act 2005.

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

2. Statement of Compliance

The group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity Accounting Standards Reduced Disclosure Regime (“PBE Accounting 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. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE Accounting Standards RDR on the basis that it does not have public accountability and it is not defined as large.

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

3. Summary of Accounting Policies

The significant accounting policies used in preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

Basis of Measurement

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

Functional and Presentation Currency

The consolidated financial statements are presented in New Zealand dollars ($), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar

Basis of Consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter-entity balances and transactions, and unrealised gains and losses arising within the consolidated entity, are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 30 June reporting date

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be present before revenue is recognised.

Revenue from Exchange Transactions

Grant Revenue (Healthcare Contracts)
Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Healthcare contracts are recognised by reference to stage of completion (using the percentage of service delivery basis) to record revenue as the relevant services are delivered.

Other Revenue
Other revenue is recognised on an accrual basis.

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

Income Tax

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

Financial Instruments

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

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

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

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as loans and receivables. The Group's financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and investments.

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

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Group's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of Financial Assets

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

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

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

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

Financial Liabilities

The Group's financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, loans and borrowings 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 cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Cash and cash equivalents

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

Construction Contracts

Te Ranga Maro Charitable Trust enters into construction contacts to build houses for whanau. The Trust accounts for the construction using PBE IPSAS 11 Construction Contracts. Contract costs that can be clearly identified and measured reliably are capitalised as work in progress (WIP) and transferred to Plant Property and Equipment once the construction is completed.

On completion of the house construction, the Trust set the GST inclusive purchase prices as well as the rents for whanau. The “rent to own” pathway for whanau expires at the earlier of the purchase by whanau, or at the tenth year anniversary of the program. The legal agreement sets a fixed purchase price for up to 8 years, then market valuations determine to inform the purchase prices in years 9 and 10. The legal agreement also locks in rents amounts for up to five years, thereafter to be determined by market rents.

At the time of purchase by whanau, the Trust retains an obligation to purchase the property for a period of three years if whanau decide to sell, using a prescribed calculation.

During the ‘rent to own’ period of the agreement, capital gains accrue to the whanau rather than to the Trust. Therefore the properties are recognised at cost in these financial statements.

Property Plant & Equipment

Items of property, plant and equipment are measured 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. For constructed assets, depreciation commences when construction is completed and where appropriate, the asset is available for use in the matter intended by management.

Depreciation

Depreciation is charged on a straight line basis. Land and buildings are not depreciated. In particular the Te Ara Ake properties based on the residual value (agreed sale price) being greater than the cost of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Leasehold Improvements	2% SL
Computer, Office and Medical Equipment	7-50% SL

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The Group does not hold any intangible assets that have an indefinite life.

The amortisation periods for the Group's intangible assets are as follows:

Software	30% SL

Employee Benefits

Wages, salaries, annual leave and sick leave

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

Good and Services Tax (GST)

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

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

Equity

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

Accumulated comprehensive revenue and expense

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

Significant accounting estimations, judgements and assumptions

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

Judgements

In the process of applying the Group's accounting policies, management has not made any significant judgements in preparing the financial statements.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful Lives and Residual Values

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

- The condition of the asset
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

The estimated useful lives of the asset classes held by the Group are listed in Property, Plant & Equipment policy above.

Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the direct method.

The following are definitions of the terms used in the Statement of Cash Flows:

1. Cash is considered to be cash on hand, current accounts in banks, and other highly liquid investments in which the Group invests as part of its day to day cash management. Cash includes borrowings from financial institutions such as bank overdrafts, where such borrowings are at call and are used as part of the day to day cash management.
2. Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments can include securities not falling within the definition of cash.
3. Financing activities are those activities which result in changes in the size and composition of the capital structure of the group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.
4. Operating activities includes all transactions and other events that are not financing or investing activities.

Change in accounting policies

Polices have been applied on a consistent basis with those of the previous reporting period. There have been some changes to the classification of accounts to those of the previous reporting period.

4. Operating Expenses

	2022	2021
Audit fees	22,380	14,950
Depreciation	65,514	90,738
Loss on disposal of assets	16,172	-
Governance hui	1,123	1,888
Insurance	19,202	9,900
Interest & Bank charges	347	251
Contract Expenses Other	10,384,150	5,517,220
Contractors	373,686	218,801
Other expenses	682,087	627,424
Property Costs	142,533	118,825
Salaries & Wages	2,895,334	2,215,611
Staff Costs	42,040	49,408
Telecommunications	5,758	19,756
Te Whare Pukai	69,219	-
Cost of Motorhomes	906,225	-
Total Operating Expenses	**15,625,770**	**8,884,771**

5. Receivables from Exchange Transactions

	2022	2021
Trade Receivables	783,474	238,696
GST	417,811	72,529
Prepaid expenses	8,031	9,686
Total Receivables from Exchange Transactions	**1,209,316**	**320,911**

Receivables from exchange transactions are non-interest bearing and are generally on terms of 30 to 90 days.

6. Intangible Assets

	2022	2021
Computer Software		
Cost	-	154,377
Accumulated Amortisation	-	(139,646)
Net Carrying Amount	**-**	**14,731**
Total Intangible Assets	**-**	**14,731**

	2022	2021

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

	2022	2021
Computer Software		
Opening balance	14,731	55,480
Additions	-	-
Disposals	(14,731)	-
Amortisation	-	(40,749)
Closing Balance	**-**	**14,731**

7. Property, Plant & Equipment

	2022	2021
Tu Ara Ake - Botanical Road		
Land	156,966	284,011
Buildings	934,218	1,623,386
Net Book Value	**1,091,184**	**1,907,397**
Raleigh Street		
Land	364,617	364,617
Capital WIP	73,143	69,999
Net Book Value	**437,760**	**434,616**
PHO - Botanical Road		
Land	1,485,000	-
Capital WIP	3,000	-
Net Book Value	**1,488,000**	**-**
Leasehold Improvements		
Cost	137,860	137,860
Accumulated depreciation	(6,374)	(3,617)
Net Book Value	**131,486**	**134,244**
Computer, Office & Medical Equipment		
Cost	206,090	147,484
Accumulated Depreciation	(151,977)	(91,180)
Net Book Value	**54,113**	**56,304**
Te Whare Pukai		
Te Whare Pukai - Plant and Equipment Cost	90,970	-
Te Whare Pukai - Plant and Equipment Accumulated depreciation	(1,959)	-
Net Book Value	**89,012**	**-**
Total Property, Plant & Equipment	**3,291,555**	**2,532,561**

Capital Work-in-Progress relates to the construction of houses by Te Ranga Maro Charitable Trust. These constructed assets will only be subject to depreciation (if any) once construction has been completed and assets are ready to use.

Reconciliation of the net book value at the beginning and end of the period:

30 June 2021	**Tu Ara Ake - Botanical Road**	**PHO Raleigh Street**	**Leasehold Improvements**	**Computer, Office & Medical Equipment**	**TOTAL**
Balance at beginning of period	-		135,001	50,924	185,925
Transfers	388,221	384,739			772,960
Additions	1,519,176	49,877	2,000	52,611	1,623,664
Depreciation	-	-	(2,757)	(47,232)	(49,989)
Balance at end of period	**1,907,397**	**434,616**	**134,244**	**56,303**	**2,532,560**

30 June 2022	**Tu Ara Ake - Botanical Road**	**Leasehold Improvements**	**Computer, Office & Medical Equipment**	**PHO - Botanical**	**Raleigh Street**	**Te Whare Pukai**	**TOTAL**
Balance at beginning of period	1,907,397	134,244	56,304	-	434,616	-	2,532,560
Additions	6,945	-	58,607	1,488,000	3,145	90,970	1,647,667
Disposals	(843,300)	-	-	-	-		(843,300)
Profit/(Loss)	20,142	-	-	-	-		20,142
Depreciation	-	(2,758)	(60,798)	-	-	(1,959)	(65,515)
Balance at end of period	**1,091,184**	**131,486**	**54,113**	**1,488,000**	**437,761**	**89,012**	**3,291,555**

	2022	2021

8. Trade and other payables from Exchange Transactions

	2022	2021
Trade Payables	1,717,432	238,780
Other Payables		
Accruals	16,990	11,600
GST	-	-
Total Other Payables	**16,990**	**11,600**
Total Trade and Other Payables from Exchange Transactions	1,734,422	250,380

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 values.

9. Employee Entitlements

	2022	2021
Accrued Salary & Annual leave	256,376	151,156
Total Employee Entitlements	**256,376**	**151,156**

10. Revenue in Advance from Exchange Transactions

	2022	2021
Revenue Received in Advance	508,673	823,990
Total Revenue in Advance from Exchange Transactions	**508,673**	**823,990**

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11. Related Party Transactions

Related Party	Interest	Type of transactions	Balance receivable/owing by Te Tihi
Danielle Harris (Chairperson)	Chief Executive of Taneuiarangi Manawatu Incorporated Roopu which includes Best Care (Whakapai Hauora) Charitable Trust.	Contract Revenue received - $20,914 Contract Expenditure - $1,396,775	$3,146 receivable $123,796 owing
	Member of THINK Hauora Finance and Audit & Risk Committee	Contract Revenue received - $953,164 Contract Expenditure - $43,940	$183,154 receivable $9,703 owing
Delwyn Te oka (Trustee)	Manager of Te Wakahuia Manawatu Trust	Contract Revenue received - $162,575 Contract Expenditure - $831,331	$113,983 owing $1,043 receivable
Dennis Emery (Trustee)	Chairperson, Nga Kaitiaki o Ngati Kauwhata Trustee/Treasurer	Contract Revenue received - $8,175 Contract Expenditure - $630,546	$795 receivable $135,466 owing
Kim Savage (Trustee)	Manager of He Puna Hauora	Contract Revenue received - $133,934 Contract Expenditure - $566,301	$44,255 owing $1,523 receivable
Oriana Paewai (Trustee)	Management Committee of Nga Kaitiaki o Ngati Kauwhata	as above	as above
Di Rump (Trustee)	Chief Executive of Muaupoko Tribal Authority	Contract Revenue received - $6,192 Contract Expenditure - $902,970	$311,926 owing $691 receivable
	Member of THINK Hauora Finance and Audit & Risk Committee	as above	as above
Ngareta Paewai (Trustee)	Chairperson, Kauwhata Maori Womens Walfare League	Contract Revenue received - $1,739 Contract Expenditure - $72,929	
Jordan Winiata-Haines (Trustee)	Manager, Raukawa District Maori Wardens Association	Contract Revenue received - $986 Contract Expenditure - $1,176,168	$321,521 owing $398 receivable
Hare Arapere (Trustee)	Board member, Te Roopu Hokowhitu	Contract Expenditure - $31,239*	$23,746 owing

Key Management Personnel

The key management personnel, as define by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is the Board of Trustees, CEO and Senior Leadership Team. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is provided below.

	2022 $	**2021 $**
Trustees		
Total Fees	-	-
Number of persons	9	10
Senior Leadership Team		
Total Remuneration	750,735	647,028
Number of persons	6	6.8

A total of $7,945 was paid to close family members (Prior year: nil).

Transactions with Other Related Parties

There were no transactions with other related parties during the reporting period (Prior year: nil).

12. Operating Leases

The group has entered into a commercial lease for certain office accommodation, storage, carparks, a managed service agreement and a lease for a warehouse. There are no restrictions placed upon the Group by entering into these leases.

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

	2022	2021
Non-Cancellable Operating Leases		
Not later than one year	182,539	145,616
Later than one year and no later than five years	592,320	538,280
Later than five years	151,355	246,055
Total Non-Cancellable Operating Leases	**926,214**	**929,951**

13. Categories of Financial Assets and Liabilities

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

	2022	2021
Financial Assets		
Loans and Receivables		
Cash and Cash Equivalents	6,084,125	3,620,020
Receivables from Exchange Transactions	1,209,316	310,536
Total Financial Assets	**7,293,441**	**3,930,556**

	2022	2021
Financial Liabilites		
At Amortised Cost		
Trade and Other Creditors	1,734,422	250,380
Employee Entitlements	256,376	151,156
Revenue in Advance from Exchange Transactions	508,673	823,990
Total Financial Liabilites	**2,499,471**	**1,225,526**

14. Financial Instrument Risk

Risk Management Objectives and Policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 14. The main types of risks are market risks, credit risk and liquidity risk.

The Group's risk management policy is to ensure that all entities that make up the Group can continue to adhere to their objectives in the long term in providing healthcare services to the Otaki, Tararua, Manawatu and Horowhenua regions.

The Group does not actively engage in trading of financial assets for speculative purposes.

There were no material changes in the Group's risk exposure and risk management objectives and policies during the reporting period.

Market Risk Analysis

The Group is not exposed to significant market risk as it holds no financial instruments which are subject to any market movements. Interest rate risk is not considered to be material as interest earned on bank accounts is not material.

Credit Risk Analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example, by extending credit to debtors. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date as follows:

	2022	2021
Classes of Financial Assets		
Carrying Amounts		
Cash and Cash Equivalents	6,084,125	3,620,020
Receivables from Exchange Transactions	1,209,316	310,536
Total	**7,293,441**	**3,930,556**

No receivables from exchange transactions are considered to be past due or impaired. The Board of Trustees has assessed that all of the above financial assets are not impaired or past due for each of the reporting dates under review and are of good credit quality. The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The carrying amounts disclosed above are the Group's maximum possible credit risk exposure in relation to these instruments.

The Group’s policy is to deal only with creditworthy counterparties. No collateral is held by the Group in respect of its exposure to credit risk.

Liquidity Risk Analysis

Liquidity risk is the risk that the Group might not be able to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day operations. The data used for analysing these cash flows is consistent with those used in the contractual maturity analysis below. Liquidity needs are monitored on a monthly basis projected for the next 2 years.

The Group’s objective is to maintain sufficient cash and marketable securities to meet its liquidity requirements for two months at a minimum. This objective was met for the reporting period.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources. The Group’s existing cash resources significantly exceeds the current cash flow requirements.

The Group’s non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	2022	2021
Liquidity Risk Analysis		
Current - within 6 months		
Trade and Other Payables	1,734,422	228,339
Employee Entitlements	128,188	75,578
Revenue in Advance from Exchange Transactions	254,336	829,584
Total Current - within 6 months	**2,116,946**	**1,133,501**
Current - within 6 to 12 months		
Trade and Other Payables	-	-
Employee Entitlements	128,188	75,578

	2022	2021
Revenue in Advance from Exchange Transactions	254,336	829,584
Total Current - within 6 to 12 months	**382,524**	**905,162**
Total Liquidity Risk Analysis	**2,499,470**	**2,038,663**

15. Capital Management

In determining its capital management policy, the main objective of the Board is to ensure that that the Group has sufficient funds to continue with its main purpose. This is largely achieved through managing revenues, expenses, assets, liabilities and general financial dealings. Capital for the Group consists of its accumulated surplus.

There are no externally imposed covenants on the Group (Prior year: nil).

16. Capital Commitment

As at the end of the reporting period, Te Tihi O Ruahine Whanau Ora Alliance Charitable Trust and Te Ranga Maro Charitable Trust had no capital commitments. Te Ranga Maro Trust (2021: 1,485,000).

17. Contingent Liabilities

The Trust sought IRD guidance of the treatment of GST in regards to the purchasing of land, costs of construction, rental income and future sales for Te Ranga Maro Charitable Trust. For GST purposes the Trust must apply the con-current use rules and at each adjustment period return an amount of GST claimed on the purchase of land and costs of construction. The remainder of the GST claimed must then be paid on the subsequent sale of the properties. The sale price of those properties are set for 8 years from May 2021.The total sale price of all of the properties is $2,320,000 therefore the Trust must pay $302,609 of GST in total. At 30 June 2022 the Trust has paid $132,595 of this GST.

Please refer to accounting policy "Construction Contracts" for the Trusts obligation to purchase properties in certian circumstances.

18. Events After the Reporting date

Te Ranga Maro Charitable Trust entered into a contract for the sale of 104 Botanical Road on 13 July 2022 for $450,000 including GST.