
OTARA HEALTH CHARITABLE TRUST

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

OTARA HEALTH CHARITABLE TRUST

FINANCIAL STATEMENTS
For the year ended 30 June 2017

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OTARA HEALTH CHARITABLE TRUST

Directory
For the year ended 30 June 2017

Registered charity number	CC45280
Registration Date	9/09/2010
Registered office	Shop 3 Fair Mall Otara Auckland
Nature of business	Health promotion, community development and health education services
Board of Trustees	Nita Ropata-riki Harold Rea (resigned on 27-2-2017) Efeso Collins Tamara Taka Jones Joseph Liava'a Manu Pihama (resigned on 29-6-2016) Mihi Tibble John Moore Fuimaono Tuiasau Chin MA (resigned on 26-9-2016)
Independent auditor	RSM Hayes Audit Level 1, 1 Broadway, Newmarket, Auckland 1023
Bankers	ASB Bank Ltd Otara
Accountants	Milne Maingay 2nd floor, 15b Vestey Drive Mt. Wellington
Solicitors	Ross France

OTARA HEALTH CHARITABLE TRUST

**Trustees' Report and Statement of Responsibility
For the year ended 30 June 2017**

Trustees' Report

The Trustees of Otago Health Charitable Trust present this Annual Report, being the financial statements of the Trust for the financial year ended 30 June 2017, and the independent auditor's report thereon.

Statement of Responsibility

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The independent external auditors, RSM Hayes Audit have audited the financial statements and their report appears on pages 3 to 4.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

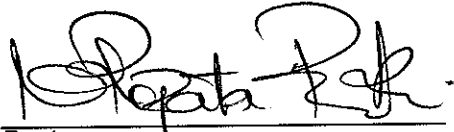
Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Trust will not remain a going concern in the foreseeable future.

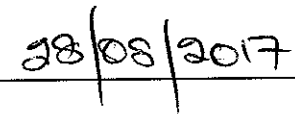
In the opinion of the Board:

- The Statement of Comprehensive Revenue and Expense is drawn up so as to present fairly in all material respects, the financial result of the Trust for the financial year ended 30 June 2017;
- The statement of financial position is drawn up so as to present fairly in all material respects the state of affairs of the Trust as at 30 June 2017;
- Other than as disclosed in note 20, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

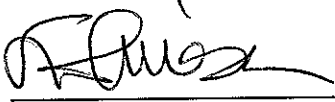
For and on behalf of the Board:



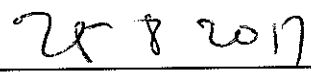
Trustee



Date



Trustee



Date

Independent Auditor's Report

To the Members of Otara Health Charitable Trust
For the year ended 30 June 2017

Opinion

We have audited the financial statements of Otara Health Charitable Trust which comprise:

- the statement of financial position as at 30 June 2017;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in net assets/equity;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 5 to 16 present fairly, in all material respects, the financial position of Otara Health Charitable Trust as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Otara Health Charitable Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have formatted the financial statements of Otara Health Charitable Trust to which our audit opinion relates, based on the trial balance and other records of Otara Health Charitable Trust. We were not involved in the compilation of those records or the entries they contain. The provision of this service has not impaired our independence as auditor of Otara Health Charitable Trust. Except in this regard, and other than in our capacity as auditor, the firm has no other relationship with, or interests in, Otara Health Charitable Trust.

Other information

The trustees are responsible for the other information. The other information comprises the Chairperson report, General Managers' report and statement of responsibility (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Responsibilities of the Trustees for the financial statements

The Trustees are responsible, on behalf of the Otago Health Charitable Trust, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the trustees are responsible, on behalf of Otago Health Charitable Trust, for assessing Otago Health Charitable Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate Otago Health Charitable Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the Trustees, as a body. Our audit has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Otago Health Charitable Trust and the Trustees as a body, for our work, for this report, or for the opinions we have formed.

OTARA HEALTH CHARITABLE TRUST

Statement of Comprehensive Revenue and Expense For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Revenue from non-exchange transactions	13	1,033,683	990,188
		<u>1,033,683</u>	<u>990,188</u>
Dividend income		740	-
Expenses			
Operating and Administration expenses		223,454	186,745
Audit Fee		7,000	7,000
Salaries and wages		772,726	801,711
Depreciation	9	12,762	19,204
Loss on sale of fixed assets		-	-
Total expenses		<u>1,015,942</u>	<u>1,014,660</u>
Finance income	12	16,022	26,077
Finance costs	12	-	-
Net finance costs		<u>16,022</u>	<u>26,077</u>
Net surplus / (deficit) for the year		<u><u>34,503</u></u>	<u><u>1,605</u></u>
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		<u><u>34,503</u></u>	<u><u>1,605</u></u>

These financial statements should be read in conjunction with the notes to the financial statements.

OTARA HEALTH CHARITABLE TRUST

**Statement of Changes in Net Assets/Equity
For the year ended 30 June 2017**

	Note			
		Trust Capital	Accumulated comprehensive revenue and expense	Total
		\$	\$	\$
Opening balance 1 July 2015			638,043	638,043
Total comprehensive revenue and expense			1,605	1,605
Closing equity 30 June 2016		-	639,648	639,648
Total comprehensive revenue and expense		-	34,503	34,503
Closing equity 30 June 2017		-	674,151	674,151

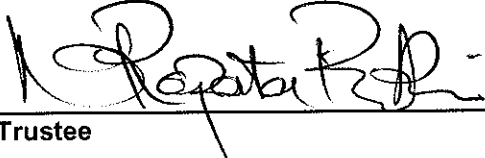
These financial statements should be read in conjunction with the notes to the financial statements.

OTARA HEALTH CHARITABLE TRUST

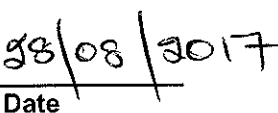
**Statement of Financial Position
As at 30 June 2017**

	Notes	2017	2016
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	244,800	179,081
Short Term Investments	6	488,837	473,309
Other Receivables	7	14,994	20,281
Receivables from non-exchange transactions	7	163,042	63,620
Inventory	18	1,340	1,340
Bank Account Otara Neighbourhood Support	8	5,287	4,064
Non-current assets			
Property plant and equipment	9	31,838	44,600
TOTAL ASSETS		950,138	786,295
LIABILITIES			
Current liabilities			
Payables (from exchange transactions)	11	38,011	20,608
Payables (from non- exchange transactions)	11	126,359	47,933
Funds in Otara Neighbourhood Support	8	5,287	4,064
Employee benefits	15	106,330	74,046
TOTAL LIABILITIES		275,987	146,651
TOTAL NET ASSETS		674,151	639,648
Accumulated comprehensive revenue and expense		674,151	639,648
Total net assets attribution		674,151	639,648


For and on behalf of the Board:



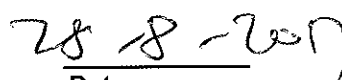
Trustee



Date



Trustee



Date

These financial statements should be read in conjunction with the notes to the financial statements.

OTARA HEALTH CHARITABLE TRUST

Statement of Cash Flows For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		940,288	990,146
Interest received		16,022	26,077
Cash paid to suppliers and employees		(875,064)	(1,013,221)
Net cash inflow/(outflow) from operating activities		81,246	3,002
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in short term investments		(15,527)	(17,865)
Purchase of property, plant and equipment	9	-	-
Net cash inflow/(outflow) from investing activities		(15,527)	(17,865)
Net increase/(decrease) in cash and cash equivalents		65,719	(14,863)
Cash and cash equivalents at 1 July		179,081	193,944
Cash and cash equivalents at 30 June	5	244,800	179,081

These financial statements should be read in conjunction with the notes to the financial statements.

OTARA HEALTH CHARITABLE TRUST

Notes to the financial statements For the year ended 30 June 2017

1. REPORTING ENTITY

Otara Health Charitable Trust (the "Trust") is a Trust incorporated in New Zealand, registered under the Charities Act 2005 and a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

These financial statements were authorised for issue by the Board on the date as indicated on page 7.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

The Trust is a registered charity in New Zealand. The Trust is a public benefit entity for the purpose of financial reporting as the underlying principle of any registered charity is the carrying out of a charitable purpose. They comply with Public Benefit Entity Standards. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. All reduced disclosure regime exemptions have been adopted.

b) Measurement basis

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

c) Functional and presentation currency

The financial statements are presented in New Zealand Dollars (\$), which is the functional and presentation currency, rounded to the nearest dollar.

There has been no change in the functional currency of the Trust during the year.

d) Changes in accounting policy

All accounting policies has been consistently applied.

3. SIGNIFICANT JUDGMENTS AND ESTIMATES

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

a) Judgements:

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition: the recognition of non-exchange revenue (conditions vs restrictions);
- Classification of non-financial assets as cash generating or non-cash generating assets for the purposes of assessing impairment indicators and impairment testing.

The majority of property, plant and equipment held by the Trust is classified as non-cash generating assets.

b) Assumptions and estimation uncertainties

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 Trust 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 Trust. 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 inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Trust
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes

OTARA HEALTH CHARITABLE TRUST

Notes to the financial statements
For the year ended 30 June 2017

3. SIGNIFICANT JUDGMENTS AND ESTIMATES (CONT'D)

b) Assumptions and estimation uncertainties (Contd)

- 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

Changes in accounting estimates

There have been no changes in the accounting estimates for the current reporting period.

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Revenue from exchange transactions

Interest received

Interest income is recognised as it accrues using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of financial performance.

ii) Revenue from non-exchange transactions

Non-exchange transactions are those where the Trust receives an inflow of resources ((i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Trust's non-exchange transaction revenue streams must also be met before revenue is recognised.

Grants, Donations, Legacies and bequests

The recognition of non-exchange revenue from Grants, Donations, Legacies and bequests depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Stipulations that are 'restrictions' do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

Income from the base funding contract and project funding are recognised when it is probable that the associated future economic benefit or service potential will flow to the Trust, the fair value is reliably measurable, and there is no associated liability in respect of the same inflow.

OTARA HEALTH CHARITABLE TRUST

Notes to the financial statements For the year ended 30 June 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Employee benefits

i) Short term employee benefits

Short-term employee benefit liabilities are recognised when the Trust has a legal or constructive obligation to remunerate employees for services provided with 12 months of reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

c) Financial instruments

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

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

The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Trust also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

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

The Trust classifies financial assets as loans and receivables and cash and cash equivalents.

The Trust classifies financial liabilities as at amortised cost.

Financial instruments are initially measured at fair value, plus for those financial instruments not subsequently measured at fair value through surplus or deficit, directly attributable transaction costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below.

i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and receivables, excluding prepayments.

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise payables.

d) Impairment of non-derivative financial assets

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

Objective evidence that financial assets are impaired includes default or delinquency by a counterparty, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a counterparty or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

OTARA HEALTH CHARITABLE TRUST

Notes to the financial statements

For the year ended 30 June 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Impairment of non-derivative financial assets (cont'd)

i) Financial assets classified as loans and receivables

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

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Trust uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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

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

e) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are initially measured at cost, except those acquired through non exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Upon disposal of revalued items of property, plant and equipment, any associated gain or losses on revaluation to that item are transferred from the revaluation surplus to accumulated surplus.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. Ongoing repairs and maintenance is expensed as incurred.

iii) Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value and for buildings is based on the revalued amount less its residual value.

Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a diminishing value basis of each component of an item of property, plant and equipment.

OTARA HEALTH CHARITABLE TRUST

Notes to the financial statements For the year ended 30 June 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

iii) Depreciation (Cont'd)

Rates of depreciation as allowed by the inland Revenue Department have been used:

<u>Asset Category</u>	<u>Rate</u>
Motor Vehicles	30% DV
Plant and Equipment	48% DV
Furniture and fittings	11.4% - 36% DV
Office Equipment	10% - 60% DV
Leasehold Improvements	11% - 60% DV

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

f) Impairment of non-financial assets

The carrying amounts of the Trust's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the future remaining service potential (for non-cash-generating assets) is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in surplus or deficit. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Equity

Equity is the community's interest in the Trust 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 Trust's accumulated surplus or deficit since the formation of the Trust adjusted for transfers to/from specific reserves.

h) Income Tax

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

i) Goods and services tax

All amounts are shown exclusive of goods and services tax (GST), except for receivables and payables that are stated inclusive of GST.

j) Leases

i) Classification and treatment

Leases in terms of which the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

The Trust does not have finance leases.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Trust. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (excluding donations), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventories held for resale are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

OTARA HEALTH CHARITABLE TRUST

**Notes to the financial statements
For the year ended 30 June 2017**

5. CASH AND CASH EQUIVALENTS	2017 \$	2016 \$
Cash and cash equivalents include the following components:		
Petty Cash	50	50
Cheque Account	399	499
Business Saver	244,351	178,531
	244,800	179,081

There are no restrictions over cash and cash equivalents held.

6. SHORT TERM INVESTMENTS

Current	Interest rate	Original maturity	2017	2016
Term Investments 73 Account	3.2%	4/10/2017	254,754	246,671
Term Investments 72 Account	3.2%	9/07/2017	234,083	226,638
			488,837	473,309

7. RECEIVABLES

Other receivables				
Prepayments			9,521	5,964
Accrued Interest			5,473	5,527
Other			-	8,790
			14,994	20,281
Receivables from non-exchange transactions				
Auckland City Council			12,688	3,833
Counties Manukau District Health Board			116,519	39,751
Ministry of Health			20,035	20,036
Ministry of Education			13,800	-
			163,042	63,620

At 30 June, the ageing analysis of receivables from non-exchange transactions is as follows:

	Neither past due nor impaired	< 30 days	30-60 days	61-90 days	>90 days
2017	\$ 163,042	\$ 163,042	\$ -	\$ -	\$ -
2016	63,620	63,620			

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

There were no related party transactions.

Key management personnel compensation

The total board honorarium for the year was \$25,712 (2016: \$17,495)

Total compensation paid to key management personnel	\$100,001	\$95,001
Number of persons	1	1

9. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment - June 2017

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Motor Vehicles	\$ 29,576	-	-	8,873	20,703
Plant and Equipment	-	-	-	-	-
Furniture and Fittings	1,359	-	-	201	1,158
Office Equipment	9,291	-	-	3,177	6,114
Leasehold Improvements	4,374	-	-	511	3,863
	44,600	-	-	12,762	31,838
Net book value					
As at 30 June 2017	\$31,838				
As at 30 June 2016	\$44,600				

OTARA HEALTH CHARITABLE TRUST**Notes to the financial statements
For the year ended 30 June 2017****10. FINANCIAL INSTRUMENTS**

The table below shows the carrying amounts of the Trust's financial assets and financial liabilities.

i. Classification and fair values of financial instruments**30-Jun-17**

	Financial Assets	Financial liabilities
	Loans and receivables	Amortised cost
	\$	\$
Cash and cash equivalents	244,800	-
Term deposits	488,837	-
Receivables from non-exchange transactions	163,042	-
Payables (from exchange transactions)	-	38,011
Payables (from non- exchange transactions)	-	84,036

30-Jun-16

	Financial Assets	Financial liabilities
	Loans and receivables	Amortised cost
	\$	\$
Cash and cash equivalents	179,081	-
Term deposits	473,309	-
Receivables from non-exchange transactions	63,620	-
Payables (from exchange transactions)	-	20,608
Payables (from non- exchange transactions)	-	17,461

11. PAYABLES**Exchange transactions**

	2017	2016
	\$	\$
Sundry Creditors	29,160	18,052
Accounts Payable	8,851	2,556
	<u>38,011</u>	<u>20,608</u>

Non-Exchange transactions

Income received in advance	84,036	17,461
GST payable	42,323	30,472
	<u>126,359</u>	<u>47,933</u>

12. FINANCE INCOME

Interest received	16,022	26,077
	<u>16,022</u>	<u>26,077</u>

13. REVENUE

	2017	2016
	\$	\$
Revenue from non-exchange transactions		
Kaitohutohu	210,604	209,068
Co-ordinated care	236,748	233,186
Active families	202,924	181,608
Sore throat	-	-
HIPPY	134,879	125,418
Other	248,528	240,908
	<u>1,033,683</u>	<u>990,188</u>

OTARA HEALTH CHARITABLE TRUST

Notes to the financial statements For the year ended 30 June 2017

14. CAPITAL COMMITMENTS

There are no capital commitments at the reporting date. (2016: Nil).

15. EMPLOYEE BENEFITS

	2017	2016
	\$	\$
Payroll accrual	63,302	43,828
Holiday pay	43,028	30,218
	<u>106,330</u>	<u>74,046</u>

16. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2016: \$Nil).

17. EVENTS AFTER THE REPORTING DATE

The Board is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust (2016: \$Nil).

18. INVENTORY

	2017	2016
	\$	\$
Car Seat Stock	1,340	1,340
	<u>1,340</u>	<u>1,340</u>

19. OPERATING LEASE COMMITMENTS

Future minimum rentals payable for Office under non-cancellable operating leases are as follows:

Within one year	-	4,000
After one year but not more than five years	-	-
More than five years	-	-
	<u>-</u>	<u>4,000</u>

20. GOING CONCERN

These financial statements have been prepared on a going concern basis. The Trust is heavily reliant on funding from Government Ministries and Departments. The Board believes that the Trust will be able to meet its financial and regulatory obligations for the foreseeable future and that the going concern assumption adopted in the preparation of these financial statements is appropriate.

21. OTARA NEIGHBOURHOOD SUPPORT

The Trust administers Otago Neighbourhood Support through a dedicated bank account. The bank balance of \$5,287 (2016: \$4,064) is mirrored by a corresponding current liability of the same amount.