

## Finance Report: Year ending December 2021

I would like to present the audited accounts of the Trust for the year ended December 2021 and note that they represent another year of well managed finances in trying times.

The Trust's accounts were audited by Community Capacity Accounting (CCA). CCA performs accounting work for the trust as well as auditing and I am confident in their independence from the Trust through their statements of compliance with International Auditing Standards (NZ) Professional and Ethical Standard 1 (Code of Ethics for Assurance Practitioners). We would like to acknowledge CCA and thank them for their ongoing service to the Trust. A copy of the audited accounts for the trust are available on the Charities Services website at <https://www.charities.govt.nz/>

I would also like to acknowledge the excellent work that our manager Dr Viviana Zanetti does in providing up to date financial information to the Trust.

In 2021 the following items were significant in terms of the finances of the Trust.

- The disestablishment of the Phillipstown OSCAR Programme had an impact on funding and expenditure.
- The roll out of the Xero accounting system was completed and has led to improved reporting.
- The Phillipstown Community Hub Leadership Group Governance Review resulted in the handing back governance powers to the board, as listed in 'The Hub Governance' document including financial delegations.
- The Trust committed to being a living wage employer
- The Trust acknowledged that a co-operative model is operating at the Hub and decided to reduce the level of subsidisation that is provided to resident groups.

## Funds received

Funds received were \$8,588 less than budgeted though increased by \$6,984 in 2020. Those figures do not include funding from the after school programme which closed in April 2021 or various payments from MSD for wage subsidies.

The main items to note with funding were: The use of the Hub generated \$111,879 of funding and \$158,730 of grants were used to run the hub and provide services.

I would like to thank all our funders including the Lotteries Grant Board, Rata Foundation, Christchurch City Council, Aotearoa Trust and MSD who provide invaluable financial support to allow us to keep doing all the great things we do in our community.

### **Funds Applied**

The hub continues to operate within its means and is using its funds well.

Again excluding school programme expenses and MSD subsidised wages, expenditure was \$12,060 less than budgeted and \$11,589 less than 2020.

The accounts included a one-off debt write off of \$6978. The overall result was \$7763 of net reserved funds applied.

The Trust has continued to balance funds used between programmes and service provision, capacity building and administration.

### **Statement of Reserves**

The PCCCT accumulated reserves were \$166186 being made up of \$293,823 total assets minus total liabilities of \$127,138. This represents a ratio of current assets to total liabilities of 2.1

In terms of operating ratio the total current assets minus total liabilities is \$142,839 which represents approximately 5 months expenditure for the hub excluding depreciation, one off write downs and after school programme expenses.

Thus the Trust has a suitable level of reserves in relation to running costs and is not holding excess funds from service delivery.

## Governance

The board meets on a monthly basis and is provided with up to date financial reports including comparisons to budget from which to base their decisions on. The transfer of records to Xero has improved financial reporting.

Christopher Chapman  
Treasurer  
Phillipstown Community Centre Charitable Trust  
August 2022