

Performance Report

Mosgiel Abilities Resource Centre Incorporated
For the year ended 30 June 2022

Prepared by JW Smeaton Limited

Contents

3	Independent Review Report
4	Entity Information
6	Approval of Performance Report
7	Statement of Service Performance
9	Statement of Financial Performance
10	Statement of Financial Position
11	Statement of Cash Flows
12	Statement of Accounting Policies
14	Notes to the Performance Report

Independent Assurance Practitioners' Review Report

to the members of the Mosgiel Abilities Resource Centre Incorporated

Report on the Performance report

We have reviewed the financial statements contained within the performance report of Mosgiel Abilities Resource Centre Incorporated which comprises the entity information, statement of service performance and statement of financial position as at 30 June 2022, the statement of financial performance and statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Performance report

The Board is responsible, on behalf of the Centre for:

- (a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises the entity information, the statement of financial performance, statement of financial position, statement of cash flows, and notes to the performance report that include the accounting policies and other explanatory information, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- (c) such internal controls as the Board determines are necessary to enable the preparation of performance report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioners' Responsibility

Our responsibility is to express a conclusion on the financial statements contained within the performance report. We conducted our review in accordance with the International Standard on Review Engagements (New Zealand) (ISRE (NZ))2400, *Review of Historical Performance report Performed by an Assurance Practitioner who is not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

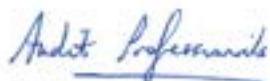
A review of financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity as appropriate, applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these financial statements.

Other than in our capacity as assurance practitioners conducting this review we have no relationship with, or interests in, Mosgiel Abilities Resource Centre Incorporated.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements contained within the performance report for the year ended 30 June 2022 do not present fairly, in all material respects, the financial position of Mosgiel Abilities Resource Centre Incorporated as at 30 June 2022 and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).



Chartered Accountants
8 November 2022

Dunedin

Entity Information

Mosgiel Abilities Resource Centre Incorporated **For the year ended 30 June 2022**

Legal Name of Entity

Mosgiel Abilities Resource Centre Incorporated

Entity Type and Legal Basis

Incorporated Society registered under the Incorporated Societies Act 1908

Registration Number

Charity Registration # CC39520

Entity's Purpose or Mission

Mosgiel Abilities Resource Centre's purpose is to provide vocational day programmes for people with disabilities in the local community.

Board Members

Malcom Hendry

Lyn Hocking

Peter Hocking (Chairperson)

Maureen Hore

Cindi Ewart

Brian Shanks

Pamela Adams

Incorporated Society Structure

The Board is made up of a Chairperson elected at the Annual General meeting and up to nine people elected for a two year term by members of MARC at the Annual General meeting for members. Board members are eligible for re-election.

Operational Structure

The role of the Board is to exercise oversight of the strategic direction, policy, systems, processes, financial management and internal controls of the organisation. Day to day management is delegated to the General Manager.

Main Sources of Entity's Cash and Resources

Service Contract:-

MARCs main source of income is from a service contract with the Ministry of Social Development, to deliver vocational services for people with disabilities.

Grants:-

A secondary source of income is derived from Grants. In the financial year concerned Grants were received from the following organisations:-

Community Organisation Grants Scheme

NZ Lottery Grants

Dunedin City Council (Rates Relief)

Other:

Income was also sourced from:-

Sundry rental income

Members of MARC - Membership Fees

Donations from the Public

Transport Contributions

Main Methods Used by Entity to Raise Funds

Service Contracts, Grants, Donations, Rent and Membership Fees.

Entity's Reliance on Volunteers and Donated Goods or Services

Whilst the current Board are entitled to an honorarium, they do not take one and so are considered Volunteers.

The entity receives some Donations but these are not relied upon for its continued operation.

Physical Address	Postal Address
16 Green Street	PO Box 372
Mosgiel 9024	Mosgiel 9053
Dunedin	Dunedin

Approval of Performance Report

Mosgiel Abilities Resource Centre Incorporated For the year ended 30 June 2022

The Board of Directors are pleased to present the approved performance report including the historical financial statements of Mosgiel Abilities Resource Centre for year ended 30 June 2022.

APPROVED



Chairperson

Date 6 November 2022



Board Member

Date 6 November 2022

Statement of Service Performance

Mosgiel Abilities Resource Centre

For the year ended 30 June 2022

MARC aims to empower people with disabilities, and their families, to maximise the opportunities that exist in the community, by fostering the development of skills, so that people can actively participate in their community in ways that are meaningful to them. This mission is consistent with the aim of Community Participation Services, which MARC is funded to deliver by the Ministry of Social Development (MSD), to contribute towards the outcome of disabled people having a good life, in everyday places, as others do at similar stages of life, by enabling them to participate in and make a positive contribution to their communities.

During the year, MARC continued to facilitate, and support clients to participate in, programmes of vocational activities in support of these aims. Many activities were provided at MARC's own premises in Green Street but a very significant component was provided in the community. These activities directly relate to the outcome of enabling good lives for our clients. Programmes included:

- horse and carts
- computing
- swimming
- sports
- young women's group
- indoors bowls
- independence group
- women's camp
- woodwork
- crafts
- gardening
- jewellery making
- music
- snooker/pool
- walking groups
- men's camp
- cooking
- walking with wheels
- pottery
- young men's group
- gym
- outdoor recreation/sports
- shopping

Three groups continued to assist with 'Meals on Wheels' for St Barnabas Rest Home, gaining great satisfaction from being able to give back to their community. Both the men's group and women's group camps were held at Lakeland Park Christian Camp in Queenstown.

At 30 June 2022, 69 clients were participating in programmes provided by MARC. Average attendance per day remained at around 25 to 30 clients. Demand for MARC's services continued to be strong, with eight students transitioning from school to MARC at the beginning of 2022.

	2022	2021
Ministry of Social Development bulk contract clients	59	57
Ministry of Social Development Very High Needs (VHN) clients	6	5
Ministry of Social Development Resettlement clients	3	2
Private client	1	1
TOTAL CLIENTS	69	65

The majority of clients are funded by MSD under a bulk contract to deliver Community Participation Services. The year ended 30 June 2022 was the third year of a five year agreement, which runs to 30 June 2024.

The board and management are pleased to report that MARC's financial position is strong. MARC does not exist to make a profit, and the surplus reported in the year will be invested back into the organisation, whilst mindful that its strong reserves provide MARC and its clients with security and the ability to respond to change in the future. Whilst living within our means, we have continued to invest back into our facilities and the services provided. During the year, four new heat pumps were installed.

In addition to MSD funding, we note the importance of grants from charitable organisations as part of our funding mix – we are grateful for these valuable contributions but it is important to note that future grant income is inherently uncertain.

In May 2022, the board invested \$350,000 in a diversified portfolio of investments, mostly comprising equities and bonds, that are in well-regulated, independent and transparent secondary markets with reliable valuation processes. The board identified the following investment goals:

1. To grow the real value of the investments after inflation;
2. To compound returns by the investments through reinvestment; and
3. To achieve a nominal annual return of 6% after all investment-related costs and tax over rolling 10-year periods.

In investment matters, the board receives professional advice from Polson Higgs Wealth Management and has followed a thorough process to identify the most appropriate investment policy and risk profile for MARC. The board has also taken steps to ensure that adequate funds are retained in cash to meet operational requirements and address any reasonably foreseeable cash flow variations. The investment portfolio is a long-term undertaking and any short-term gains or losses in market value should be understood in this context, mindful of MARC's long-term investment goals.

The board acknowledges the ongoing dedication of our very experienced team facilitating programmes and running the organisation, which comprises three full-time, three part-time and two casual employees. All permanent members of staff are NZQA qualified to at least Level 3. We are grateful for the contributions of a volunteer as well as Occupational Therapy students placed with MARC.

The COVID-19 pandemic continued to present challenges during the year and since. The board acknowledges the efforts of staff, families and partner organisations to sensibly and pragmatically apply the guidance provided by authorities in order to keep our people safe and to ensure that the special sense of community that MARC provides has been able to continue strongly through the various alert levels.

Statement of Financial Performance

Mosgiel Abilities Resource Centre Incorporated For the year ended 30 June 2022

	NOTES	2022 (\$)	2021 (\$)
Revenue			
Grants, Donations and Other Similar Revenue	6	33,678	29,667
Fees, subscriptions and other revenue from members		143	135
Revenue from providing Goods or Services	7	411,911	381,330
Interest, dividends and other investment revenue	8	4,189	5,624
Other revenue		-	5,475
Total Revenue		449,921	422,231
Expenses			
Volunteer and Employee Related Costs	9	302,192	277,490
Costs Related to providing Goods or Services	9	110,162	105,233
Total Expenses		412,354	382,722
Surplus for the Year		37,567	39,509

Statement of Financial Position

Mosgiel Abilities Resource Centre Incorporated As at 30 June 2022

	NOTES	30 JUN 2022 (\$)	30 JUN 2021 (\$)
Assets			
Current Assets			
Bank accounts and cash	10	219,196	223,090
Debtors and prepayments	11	21,175	17,208
Income Tax Receivable		46	-
Total Current Assets		240,417	240,297
Non-Current Assets			
Property, Plant & Equipment	1	383,561	388,548
Investments	15	297,791	250,000
Total Non-Current Assets		681,352	638,548
Total Assets		921,769	878,845
Liabilities			
Current Liabilities			
Creditors and accrued expenditure	12	18,837	17,241
Employee Costs Payable	13	47,750	43,990
Total Liabilities		66,587	61,230
Total Assets less Total Liabilities (Net Assets)		855,182	817,615
Accumulated Funds			
Accumulated surpluses	2	786,182	748,615
Reserves	3	69,000	69,000
Total Accumulated Funds		855,182	817,615

Statement of Cash Flows

Mosgiel Abilities Resource Centre Incorporated For the year ended 30 June 2022

	2022 (\$)	2021 (\$)
Cash Flows from Operating Activities		
Donations, grants, fundraising and other similar receipts	33,678	29,667
Receipts from providing goods or services	409,077	383,441
Fees, subscriptions and other receipts from members	143	135
Interest, dividends and other investment receipts	4,280	5,966
Net GST Received / (Paid)	144	348
Payments to suppliers and employees	(391,445)	(364,607)
Total Cash Flows from Operating Activities	55,878	54,950
Cash Flows from Investing and Financing Activities		
Receipt from / (Investment in Term Deposit)	250,000	(50,000)
Receipts from sale of property, plant and equipment	-	6,087
Payments to acquire property, plant and equipment	(12,176)	(8,628)
Payments to purchase investments	(297,595)	-
Total Cash Flows (to) Investing and Financing Activities	(59,771)	(52,541)
Net (Decrease)/ Increase in Cash	(3,894)	2,409
Cash Balances		
Cash and cash equivalents at beginning of period	223,090	220,681
Cash and cash equivalents at end of period	219,196	223,090
Net change in cash for period	(3,894)	2,409

Statement of Accounting Policies

Mosgiel Abilities Resource Centre Incorporated For the year ended 30 June 2022

Basis of Preparation

These financial and other statements are for Mosgiel Abilities Resource Centre Incorporated. It is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

Mosgiel Abilities Resource Centre Incorporated has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) as established by the External Reporting Board for registered charities, on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000.

All transactions in the Performance Report are reported using the accrual basis of accounting. The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Specific Accounting Policies

In preparation of these financial statements, the specific accounting policies are as follows:

Property, Plant & Equipment

Land is recorded at government valuation dated 01 July 2004. Having considered the nature and location of the land and current economic conditions, the board members believe it would not be prudent to update its carrying value to reflect subsequent valuations. All other property, plant & equipment are stated at cost less depreciation. Land is not depreciated.

Depreciation has been calculated in accordance with rates associated with major classes of assets as follows:

Buildings	2% D.V. - 11.4% D.V.
Vehicles	36 % D.V.
Furniture & Equipment	9% - 36 % D.V.
Computers	50% D.V.

Investments

Investments are recorded at cost. If it appears that the carrying amount of an investment will not be recovered, it is written down to the current market value and the resulting impairment charge is recognised in the Statement of Financial Performance.

Goods and Services Tax (GST)

The Centre is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Mosgiel Abilities Resource Centre Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Revenue & Expenses

All income items are recorded in the Statement of Financial Performance in the year they are earned. All revenue and all expenses from all sources are recorded in the Statement of Financial Performance.

Grants and Community Donations are recognised as revenue at time of receipt, unless they have conditions attached in which case they are recognised as a liability until the conditions are fulfilled.

Going Concern

These financial statements have been prepared on the basis that the Centre is a going concern.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Accounts Receivable

Accounts receivable are stated at their estimated net realisable value.

Notes to the Performance Report

Mosgiel Abilities Resource Centre Incorporated For the year ended 30 June 2022

	2022 (\$)	2021 (\$)
1. Property, Plant and Equipment		
Land		
Land Revalued 2004	79,000	79,000
Total Land	79,000	79,000
Buildings		
Buildings at cost	403,768	403,768
Accumulated depreciation - buildings	(132,098)	(126,079)
Total Buildings	271,671	277,689
Motor Vehicles		
Vehicles owned at cost	52,418	52,418
Accumulated depreciation - vehicles owned	(41,151)	(35,942)
Total Motor Vehicles	11,267	16,475
Furniture and Fittings		
Furniture and Fittings owned at cost	87,915	75,740
Accumulated depreciation - furniture and fittings owned	(68,265)	(64,180)
Total Furniture and Fittings	19,650	11,560
Computer Equipment		
Computer Equipment at cost	25,749	25,749
Accumulated depreciation - Computer Equipment	(23,775)	(21,925)
Total Computer Equipment	1,974	3,824
Total Property, Plant and Equipment	383,561	388,548

The Land & Buildings are located at 16 Green Street, Mosgiel and the most recent rateable valuation for these, as at 1 July 2019, is \$660,000.

	2022 (\$)	2021 (\$)
2. Accumulated Funds		
Accumulated surpluses		
Opening Balance	748,615	709,106
Surplus for the year	37,567	39,509
Closing Balance	786,182	748,615
Reserves	69,000	69,000
Total Accumulated Funds	855,182	817,615

	2022 (\$)	2021 (\$)
3. Breakdown of Reserves		
Reserves		
Revaluation Reserve	69,000	69,000
Total Reserves	69,000	69,000

This is the land revaluation reserve.

4. Commitments

There are no commitments as at 30 June 2022 (Last year - nil).

5. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2022 (Last year - nil).

6. Grants, Donations and other Similar Revenue

Grants were received from the following organisations in the 2022 & 2021 years:

2022: Community Organisation Grants Scheme \$4,000, NZ Lottery Grant \$25,000, Dunedin City Council (Rates Relief) \$4,669.

2021: Community Organisation Grants Scheme \$4,000, The Lion Foundation \$1,500, NZ Lottery Grant \$20,000, Dunedin City Council (Rates Relief) \$4,354. The Board acknowledges its grateful financial support from these entities.

	2022 (\$)	2021 (\$)
7. Revenue from Providing Goods or Services		
Course Fees	5,776	4,366
Other Provider Income	13,708	13,332
Ministry of Social Development - providing goods & services	374,292	338,654
Rent Received	7,740	12,071
Transport Contribution	10,395	12,907
Total Revenue from Providing Goods or Services	411,911	381,330

	2022 (\$)	2021 (\$)
8. Interest, dividends and other investment revenue		
Dividends Received	184	-
Interest Income	4,005	5,624
Total Interest, dividends and other investment revenue	4,189	5,624

	2022 (\$)	2021 (\$)
9. Expenses		
Volunteer and Employee Related Costs		
ACC Levy	2,543	2,452
Subcontractors	8,706	615

	2022 (\$)	2021 (\$)
Wages	290,943	274,423
Total Volunteer and Employee Related Costs	302,192	277,490
Costs Relating to Providing Goods or Services		
Advertising & Marketing	103	328
Bank Fees	87	40
Building Expenses	5,755	7,650
Centre Supplies	3,886	2,512
Cleaning	1,402	-
Communication	1,633	1,683
Consulting, Legal, Accounting & Auditing	9,568	9,653
Depreciation	17,163	17,683
General Expenses	3,647	3,657
Insurance	13,510	12,394
IT Expenses	-	1,683
Light, Power, Heating	4,904	4,606
MSD Expenses VHN	13,714	15,036
Office Expenses	43	-
Photocopy, Postage, Printing & Stationery	1,332	1,312
Rates	8,514	7,186
Subscriptions	633	460
Tearoom Expenses	6,498	6,558
Telephone & Internet	136	-
Van Expenses	17,634	12,791
Total Costs Relating to Providing Goods or Services	110,162	105,233
Total Expenses	412,354	382,722
	2022 (\$)	2021 (\$)

10. Bank Accounts and Cash

BNZ Current Account	15,918	13,020
BNZ Call Account	52	52
BNZ Rapid Save Account	149,757	208,712
BNZ Petty Cash Account	997	1,004
Cash on Hand	67	302
Investments in Cash (Investment Management)	52,405	-
Total Bank Accounts and Cash	219,196	223,090
	2022 (\$)	2021 (\$)

11. Debtors and Prepayments

Accounts Receivable	13,840	11,055
Accrued Interest	16	393
GST Refund Due	976	112
Prepayments	6,343	5,648
Total Debtors and Prepayments	21,175	17,208

	2022 (\$)	2021 (\$)
12. Creditors and Accrued Expenses		
Accounts Payable	9,155	2,954
Accrued Expenditure	9,682	14,286
Total Creditors and Accrued Expenses	18,837	17,241

	2022 (\$)	2021 (\$)
13. Employee Costs Payable		
Holiday Pay Accrued	38,587	35,309
Wages Payable	9,163	8,681
Total Employee Costs Payable	47,750	43,990

14. Related Parties

There were no transactions involving related parties during the financial year (Last year - nil).

15. Investments

An 18-month \$250,000 term deposit matured on 1 January 2022, which earned interest at 1.95% interest per annum. This was not rolled for a further period.

On 23 May 2022, the Centre placed \$350,000 of funds into a diversified, socially responsible growth portfolio under investment management. 80% of the portfolio is allocated to growth asset, which include a mix of New Zealand, Australian and International shares. 20% of the portfolio is allocated to defensive assets, comprising New Zealand and International fixed interest securities and cash. At 30 June 2022, the portfolio comprised investments with a cost of \$297,791 and cash of \$52,405. Subsequent to balance date, further fixed interest securities with a cost of \$44,825 were acquired, completing the planned investment mix.

At 30 June 2022, the market value of investments was \$285,886, which was \$11,905 below cost. This reflected temporary market movements which reversed subsequent to balance date. Accordingly, the board considers that these investments were not impaired at that date.

16. Subsequent Events

There were no events since balance date that would have a material impact to the performance report.