

**Queenstown Lakes Community Housing Trust  
Consolidated Annual Reports  
For The Year Ended  
31 March 2024**

**Queenstown Lakes Community Housing Trust**  
**Contents of Consolidated Annual Report**  
**For The Year Ended 31 March 2024**

	PAGE
Directory	3
Statement of Service Performance	4
Statement of Comprehensive Income and Expenses	5
Statement of Changes in Equity	6
Statement of Financial Position	7
Statement of Cash Flows	9
Notes to the Financial Statements	10
Audit Report	17



# Queenstown Lakes Community Housing Trust

## Statement of Service Performance

### For The Year Ended 31 March 2024

Our Purpose	Provide affordable, community housing solutions.
Our Vision	Transform the lives of committed people in our district, by providing them an opportunity to secure an affordable place to call home.
Our Values	<ul style="list-style-type: none"> <li>- Get excited about helping people into a home to call their own.</li> <li>- Maintain consistency, professionalism and respect.</li> <li>- Break ground and climb mountains.</li> <li>- Seek out emerging development and funding opportunities.</li> </ul>
Key Strategic Goals	<ul style="list-style-type: none"> <li>- Provision of housing</li> <li>- Enhance stakeholder relationships</li> <li>- Self sufficiency</li> <li>- Leader in housing sector</li> </ul>

Our Impact	<b>Strategic Goals</b>	<b>Outcomes</b>	<b>Outcomes</b>
		<b>This Year</b>	<b>Last Year</b>
	<b><i>Provision of housing</i></b>		
	Total households assisted to date	281	244
	Total households currently housed	155	123
	Māori households assisted	14.20%	15.40%
	Pasifika households assisted	5.80%	3.30%
	<b><i>Enhance stakeholder relationships</i></b>		
	Memorandum of Understanding executed with Te Matapihi, peak body for Māori Housing, July 2023.		
		<b>This Year</b>	<b>Last Year</b>
	Community Trust South grant	\$ 5,000	\$ -
	Central Lakes Trust grant	\$ 5,000	\$ -
	New Zealand Sotheby's International Realty grant	\$ 6,930	\$ -
	<b><i>Self sufficiency</i></b>	<b>This Year</b>	<b>Last Year</b>
	Zero-interest loans	\$18,412,031	\$9,337,031
	All other loans	\$12,247,483	\$8,974,043
	<b><i>Leader in housing sector</i></b>		
	Management presentations and collaboration with external groups to share QLCHT models and learnings = 27.		

**Queenstown Lakes Community Housing Trust**  
**Statement of Comprehensive Income and Expense**  
**For The Year Ended 31 March 2024**

	Note	Group	
		This Year \$	Last Year \$
<b>Revenue From Exchange Transactions</b>			
Property Sales		8,634,700	-
Lease Rentals		2,313,845	1,861,762
Sundry Income		-	-
Property Management Fees Received		34,851	14,974
Realised & Unrealised Gains/(Losses) on Investments		83,716	(18,838)
Capital Gain on Disposal of Property, Plant and Equipment		132,715	50,335
<b>Total Revenue From Exchange Transactions</b>		<b>11,199,826</b>	<b>1,908,232</b>
<b>Revenue From Non-Exchange Transactions</b>			
Grants Received		189,930	50,000
QLDC Contributions Received	13	20,022,500	11,797,553
Stakeholders Contributions Received		-	-
<b>Total Revenue From Non-Exchange Transactions</b>	4	<b>20,212,430</b>	<b>11,847,553</b>
<b>Other Income</b>			
Interest & Dividends Received		56,640	48,019
Sundry Income		10	3,419
<b>Total Other Income</b>		<b>56,650</b>	<b>51,439</b>
<b>Total Income</b>		<b>31,468,905</b>	<b>13,807,223</b>
<b>Less Expenses</b>			
<b>Administration Expenses</b>			
Administration Expenses		143,809	115,543
<b>Cost of Goods Sold</b>			
Cost of Goods Sold		8,556,153	-
<b>Operating Expenses</b>			
Operating Expenses		632,731	445,761
<b>Other Expenses</b>			
Audit Fees	5	20,487	19,430
Depreciation	6	506,830	478,060
Interest		780,207	369,092
Loss on Sale of Fixed Assets		-	30,659
Trustee Fees		111,549	108,809
Wages		428,380	300,546
<b>Total Other Expenses</b>		<b>1,847,452</b>	<b>1,306,596</b>
<b>Total Expenses</b>		<b>11,180,145</b>	<b>1,867,899</b>
Imputation Credits Attached to Dividends Received		1,855	-
<b>Surplus for the Year and Total Comprehensive Revenue and Expense</b>		<b>20,286,906</b>	<b>11,939,325</b>

**Queenstown Lakes Community Housing Trust**  
**Statement of Changes in Equity**  
**For The Year Ended 31 March 2024**

	Group	
	This Year	Last Year
	\$	\$
Equity As At Start Of Year	45,733,376	33,794,052
Comprehensive Revenue and Expense	20,286,906	11,939,325
Equity As At 31 March 2024	66,020,282	45,733,376

**Queenstown Lakes Community Housing Trust**  
**Statement of Financial Position**  
**As at 31 March 2024**

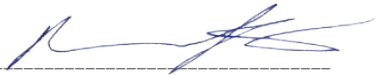
	Note	Group	
		This Year \$	Last Year \$
<b>Equity</b>			
Trustees' Accumulated Income Account		66,020,282	45,733,376
<b>Total Equity</b>		<u>66,020,282</u>	<u>45,733,376</u>
<b>Represented by:</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	6	76,135,424	53,997,283
Term Deposits		2,500,000	-
<b>Total Non Current Assets</b>		<u>78,635,424</u>	<u>53,997,283</u>
<b>Current Assets</b>			
<b>Bank Accounts</b>			
ASB Bank Accounts		1,252,583	90,187
SBS Bank Accounts		56,976	81,956
Westpac Bank Accounts		5,945	73,297
Craigs Investment Partners		1,179,761	1,008,488
		<u>2,495,265</u>	<u>1,253,928</u>
Accounts Receivable		97,158	42,180
WIP - Pin Oaks Office Fitout		10,163	-
Development Work in Progress	7	15,518,047	10,532,419
GST Receivable		-	5,524
Prepayments		66,078	46,163
Property Purchase Option	14	1,044,118	-
Tax Receivable		9,430	14,824
<b>Total Current Assets</b>		<u>19,240,258</u>	<u>11,895,039</u>
<b>Total Assets</b>		<u>97,875,682</u>	<u>65,892,323</u>
<b>Less Liabilities</b>			
<b>Non Current Liabilities</b>			
Bank Loans	8	9,893,717	4,776,739
Central Lakes Trust Advance	8	3,945,945	3,932,824
Ministry of Housing & Urban Development	8	16,687,031	9,337,031
<b>Total Non Current Liabilities</b>		<u>30,526,694</u>	<u>18,046,594</u>
<b>Current Liabilities</b>			
Current Portion Bank Loans	8	43,874	74,567
Current Portion Central Lakes Trust Advance	8	88,947	189,913
Accounts Payable		1,111,820	1,786,617
Accruals		75,809	61,254
GST Payable		8,259	-
<b>Total Current Liabilities</b>		<u>1,328,707</u>	<u>2,112,351</u>
<b>Total Liabilities</b>		<u>31,855,401</u>	<u>20,158,946</u>
<b>Net Assets As Per Total Equity</b>		<u>66,020,282</u>	<u>45,733,376</u>

**Queenstown Lakes Community Housing Trust**  
Statement of Financial Position  
As at 31 March 2024

Signed 

Trustee

Date 19/07/24

Signed 

Trustee

Date 19/07/24





**Queenstown Lakes Community Housing Trust**  
**Statement of Cash Flows**  
**For The Year Ended 31 March 2024**

	Note	This Year \$	Group Last Year \$
<b>Cashflows from Operating Activities</b>			
<b>Cash Was Provided From</b>			
Receipts from Customers		10,928,428	2,269,498
Grants Received		189,930	50,000
Interest Received		140,356	49,298
QLDC Contributions Received		20,022,500	11,797,553
<b>Cash Was Dispersed To</b>			
Payments to Suppliers and Employees		16,469,475	9,554,444
Trustees' Fees		111,549	108,809
Interest Paid		779,811	366,345
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	10	<u>13,920,380</u>	<u>4,136,750</u>
<b>Cashflows from Investing Activities</b>			
<b>Cash Was Provided From</b>			
Sale of Property, Plant and Equipment		2,023,497	523,269
Term Deposits Matured		-	2,000,000
<b>Cash Was Dispersed To</b>			
Payments for Capital Work in Progress and Purchase of Property,		24,540,816	13,291,571
Term Deposits Invested		2,510,163	-
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<u>(25,027,482)</u>	<u>(10,768,302)</u>
<b>Cashflows from Financing Activities</b>			
<b>Cash Was Dispersed To</b>			
Repayment of Borrowings		12,348,439	10,693
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		<u>12,348,439</u>	<u>10,693</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		1,241,337	(6,620,859)
Cash and Cash Equivalents at the Beginning of the Year		1,253,928	7,874,787
<b>Cash and Cash Equivalents at the End of the Year</b>		<u><u>2,495,265</u></u>	<u><u>1,253,928</u></u>
<b>Represented by:</b>			
ASB Bank Accounts		1,252,583	90,187
SBS Bank Accounts		56,976	81,956
Westpac Bank Accounts		5,945	73,297
Craigs Investment Partners		1,179,761	1,008,488
		<u><u>2,495,265</u></u>	<u><u>1,253,928</u></u>

# Queenstown Lakes Community Housing Trust

## Notes to the Financial Statements

### For The Year Ended 31 March 2024

#### Statement of Accounting Policies

##### Reporting Entity

Queenstown Lakes Community Housing Trust operated in accordance with its Trust Deed and is governed by the requirements of the Trustee Act 1956.

The Financial Statements of the entity have been prepared in accordance with generally accepted accounting practice in New Zealand for general purpose financial reports. They comply with Public Benefit Entity Standards Reduced Disclosure Regime, as appropriate for Tier 2 not-for-profit public benefit entities.

##### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed in the preparation of these accounts.

##### Specific Accounting Policies

The following specific accounting policies have a material effect on the measurement of results and financial position:

##### Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group 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.

##### Revenue from non-exchange transactions:

###### *Government grants and funding*

Revenues from non-exchange transactions with the Government and government agencies is recognised when the Group obtains control of the transferred asset (cash, goods, services, or property), and:

- ▶ it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- ▶ the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to the Group at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Group has satisfied these conditions.

###### *Stakeholder contributions*

Stakeholder contributions are recognised as revenue when the Trust renders the services for which the contribution was levied. Stakeholder contributions that are received before the Trust is able to provide the service for which they are levied are recognised as liabilities until the Trust provides the services.

##### Revenue from exchange transactions:

###### *Interest revenue*

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded 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 comprehensive revenue and expenses.

#### *Rental revenue*

Rental revenue arising from operating leases on properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of financial performance due to its operating nature.

#### *Property Revenue*

Revenue from the sale of Development Property is recognised when the significant risks and rewards of ownership have been transferred to the home owner and revenue can be reliably measured.

#### *Disposal 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.

#### **Depreciation**

Depreciation has been charged on buildings at a rate of 3% DV per annum. No depreciation is charged on land.

#### **Taxation**

The Trust is exempt from paying tax under the Income Tax Act 2007.

#### **Property Plant and Equipment**

Buildings are stated at cost less accumulated depreciation, and land is stated at cost, less any impairment. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially recognised at fair value.

#### **Work in Progress**

Capital Work in Progress and Development Work in Progress are measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

#### **Accounts Receivable and Mortgages Issued**

Accounts receivable and mortgages issued are stated at amortised cost using the effective interest method, less impairment.

#### **Goods and Services Tax**

The accounts have been prepared on a GST exclusive basis with the exception of Accounts Payable and Accounts Receivable which are stated GST inclusive.

#### **Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term.

#### **Employee benefits**

##### *Wages, salaries and annual leave*

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are recognised in surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

#### **Borrowing costs**

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **Basis of consolidation**

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being Queenstown Lakes Community Housing Trust (the parent entity) and its subsidiaries over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

The Group financial statements include the information and results of each subsidiary from the date on which the Trust obtains control and until such time as the Trust ceases to control such entity.

In preparing the Groups financial statements, all intragroup balance and transactions, and unrealised profits arising within the Group are eliminated in full.

## **Impairment of assets**

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## **Changes in Accounting Policies**

There have been no changes in Accounting Policies. All policies have been applied on a basis consistent with those used in the last year.

## **Notes**

### **1 Capital Commitments**

The Trust is currently building 28 homes in the Longview subdivision in Lake Hāwea .

The total build cost is budgeted to cost \$14,710,844 (excluding land). As at 31 March 2024 \$12,690,504 had been spent (2023: \$1,858,477).

This project is being funded by construction financing through Westpac New Zealand, property sales and support from the New Zealand Government.

The project is due for completion in July 2024.

The Trust is currently building 68 homes at the Tewa Banks site in Arrowtown.

The total build cost is budgeted to cost \$53,629,118 (excluding land and finance). As at 31 March 2024 \$8,273,751.05 had been spent (2023: \$2,902,631).

This project is being funded by construction financing through ASB Bank, property sales and support from the New Zealand Government.

The project is due for completion in July 2026.

### **2 Contingent Liabilities**

As at 31 March 2024 the Trust has no contingent liabilities (2023: \$Nil).

### **3 Related Parties**

2024 no disclosure is required (2023: \$nil).

4 Revenue From Non-Exchange Transactions	Note	Group	
		This Year \$	Last Year \$
Grants Received - Cash Contributions		189,930	50,000
QLDC Contributions Received	13	20,022,500	11,797,553
Stakeholders Contributions Received		-	-
<b>Total as at 31 March 2024</b>		<b>20,212,430</b>	<b>11,847,553</b>

5 Fees Paid To Auditors	Group	
	This Year \$	Last Year \$
Audit Services	20,487	19,430
<b>Total as at 31 March 2024</b>	<b>20,487</b>	<b>19,430</b>

6 Property, Plant and Equipment	Group Cost	Purchases	Transfer from WIP	Sales or Disposals	Depn Charge	Accum Depn	Net Book Value
<b>2024</b>							
Land	38,156,080	21,472,500	-	1,232,797	-	-	58,395,783
Buildings	21,548,551	237,841	2,830,475	669,032	504,064	6,211,653	17,736,182
Plant & Equipment	30,739	-	-	-	2,765	27,280	3,460
<b>Total as at 31 March</b>	<b>59,735,369</b>	<b>21,710,341</b>	<b>2,830,475</b>	<b>1,901,829</b>	<b>506,830</b>	<b>6,238,932</b>	<b>76,135,424</b>
<b>2023</b>							
Land	25,490,349	12,687,727	-	21,997	-	-	38,156,080
Buildings	16,193,315	603,844	-	481,596	476,666	2,645,063	15,838,897
Plant & Equipment	3,701	-	-	-	1,394	13,661	2,307
<b>Total as at 31 March</b>	<b>41,687,365</b>	<b>13,291,571</b>	<b>-</b>	<b>503,593</b>	<b>478,060</b>	<b>2,658,723</b>	<b>53,997,283</b>

7 Development Work in Progress	Group	
	This Year \$	Last Year \$
Opening Balance	10,532,419	534,993
Plus Additions	17,415,166	9,997,426
Less Transfer to Property, Plant and Equipment	2,830,475	-
Less Transfer to Cost of Goods Sold	8,554,946	-
Less Transfer to Property Purchase Option	1,044,118	-
<b>Total as at 31 March 2024</b>	<b>15,518,047</b>	<b>10,532,419</b>

8 Borrowings	Group	
	This Year \$	Last Year \$
<b>ASB Loans</b>		
Opening Balance	4,851,306	1,392,941
Plus Drawdowns	1,500,000	3,500,000
Less Repayments	(42,631)	(41,635)
<b>Total as at 31 March 2024</b>	<b>6,308,675</b>	<b>4,851,306</b>

ASB Loans	Group	
	This Year \$	Last Year \$
Current Portion	43,874	74,567
Non-Current Portion	6,264,801	4,776,739
<b>Total as at 31 March 2024</b>	<b>6,308,675</b>	<b>4,851,306</b>

The ASB loans 910003 and 910012 have interest charged at a rate of 2.65%p.a. and are due to be repaid by 27 May 2024 & 31 May 2046 respectively.

These loans are secured over the property at 11-21 Suffolk Street, Arrowtown.

The ASB loan 910013 has interest charged at a rate of 7.15%p.a. and is due to be repaid by 4 June 2025. This loan is secured over the 16 Toru Apartments.

	Group	
	This Year \$	Last Year \$
<b>Westpac Loans</b>		
Opening Balance	-	3,590,000
Plus Drawdowns	7,178,773	-
Less Repayments	(3,549,857)	(3,590,000)
<b>Total as at 31 March 2024</b>	<b>3,628,916</b>	<b>-</b>

	Group	
	This Year \$	Last Year \$
<b>Westpac Loans</b>		
Current Portion	-	-
Non-Current Portion	3,628,916	-
<b>Total as at 31 March 2024</b>	<b>3,628,916</b>	<b>-</b>

The Westpac construction financing loan has interest charged at a rate of 8.2%p.a. and is due to be repaid by 31 July 2024 before it will turn into a fixed-term loan. This loan is secured over various properties under construction at Longview, Lake Hawea.

	Group	
	This Year \$	Last Year \$
<b>Central Lakes Trust Advance</b>		
Opening Balance	4,122,737	4,219,875
Plus Drawdowns	-	-
Less Repayments	(87,846)	(97,138)
<b>Total as at 31 March 2024</b>	<b>4,034,891</b>	<b>4,122,737</b>

	Group	
	This Year \$	Last Year \$
<b>Central Lakes Trust Advance</b>		
Current Portion	88,947	189,913
Non-Current Portion	3,945,945	3,932,824
<b>Total as at 31 March 2024</b>	<b>4,034,892</b>	<b>4,122,737</b>

The \$3,505,289 loan has interest is charged at a rate of 5.75%p.a. and is due to be repaid by 21 November 2026. The loan is secured over 11 properties at Shotover Country.

The \$617,449 loan has interest charged at a rate of 6.27%p.a. and is due to be repaid by 12 April 2026. The loan is secured over 2 properties at Hikuwai.

	Group	
	This Year \$	Last Year \$
<b>Housing New Zealand Corporation</b>		
Opening Balance	-	300,534
Less Repayments	-	(300,534)
<b>Total as at 31 March 2024</b>	<b>-</b>	<b>-</b>

	Group	
	This Year \$	Last Year \$
<b>Housing New Zealand Corporation</b>		
Current Portion	-	-
Non-Current Portion	-	-
<b>Total as at 31 March 2024</b>	<b>-</b>	<b>-</b>

	Group	
	This Year \$	Last Year \$
<b>Ministry of Housing &amp; Urban Development</b>		
Opening Balance	9,337,031	8,024,426
Plus Drawdowns	7,350,000	1,312,605
Less Repayments	-	-
<b>Total as at 31 March 2024</b>	<b>16,687,031</b>	<b>9,337,031</b>

	Group	
	This Year \$	Last Year \$
<b>Ministry of Housing &amp; Urban Development</b>		
Current Portion	-	-
Non-Current Portion	16,687,031	9,337,031
<b>Total as at 31 March 2024</b>	<b>16,687,031</b>	<b>9,337,031</b>

The \$2,992,500 Alps View loan is interest free and is due to be repaid by 17/03/2037. The loan is secured over 9 Alps View properties.  
The \$1,725,00 Longview loan is interest free and is due to be repaid by 21/12/2038. The loan is secured over 14 Longview properties.  
The \$2,205,000 Northlake loan is interest free and is due to be repaid by 05/04/2038. The loan is secured over 8 Northlake properties.  
The \$5,145,000 Tewa loan is interest free and is due to be repaid by 21/12/2038. The loan is secured over the property at Tewa Banks.  
The \$6,344,531 Toru loan is interest free and is due to be repaid by 06/05/2036. The loan is secured over 26 Toru units.  
The Ministry of Housing & Urban Development loans are stated at face value and not at amortised cost in accordance of PBE IPSAS29 Financial Instruments – Recognition and Measurement. Any adjustment would not be material to users of the financial statements.

#### 9 Subsidiaries

Name of Entity Subsidiary	Country of Incorporation		Balance Date	Ownership	Interest
QLCHT Shotover Country Limited	New Zealand	New Zealand	31 March	100%	100%
QLCHT Developments Limited	New Zealand	New Zealand	31 March	100%	100%
QLCHT Property Portfolio Limited	New Zealand	New Zealand	31 March	100%	100%
Queenstown Housing Bonds Limited	New Zealand	New Zealand	31 March	100%	100%

#### 10 Reconciliation of Operating Cash Flows to Net Surplus

	Group	
	This Year \$	Last Year \$
Net Surplus/(Deficit) for the Year	19,249,204	11,939,313
<u>Add/(Deduct):</u>		
Depreciation	506,830	478,060
Depreciation Recovered	(132,715)	(50,335)
Loss/(Gain) on Disposal of Property, Plant and Equipment	-	30,659
Provisions Made	2,685	(5,132)
<u>Adjustments for Movements In:</u>		
(Increase)/Decrease in Accounts Receivable	(54,978)	409,459
Increase/(Decrease) in Accruals	(655,620)	1,344,328
(Increase)/Decrease in Development Work in Progress	(4,986,981)	(9,997,427)
Increase/(Decrease) in Payables	(8,044)	(12,175)
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<b>13,920,380</b>	<b>4,136,750</b>

## 11 Operating Leases

	Group	
	This Year \$	Last Year \$
<b>Operating Lease as Lessee</b>		
Less than one year	24,377	15,450
Between one and five years	48,754	-
<b>Total Non-Cancellable Operating Lease Payments</b>	<u>73,131</u>	<u>15,450</u>

The Trust has entered into an operating lease for office premises. The term of the lease is 3 years commencing on 1 December 2023, there is a right of renewal for a further 3 years on that date, and the final expiry date is 30 November 2029.

### Operating Lease as Lessor

The future non-cancellable minimum lease payments of operating leases as lessor at reporting date are \$67,297 (2023: \$284,761).

Please Note: the Tenancy end dates are no longer applicable with the new RTA laws where fixed tenancies automatically become periodic at the end of their fixed terms.

## 12 Secure Home Properties

During the year QLCHT sold \$9,001,271 (2022: \$380,000) of property under Secure Home arrangements.

The Secure Home arrangements allow the purchaser to acquire the building assets under a 100-year lease arrangement while QLCHT retains legal ownership of the land and title to the property. Subsequent to acquiring the right to occupy the property based on the cost of the improvements, the purchaser pays rental income to QLCHT for the lease of the land. All other obligations related to the building assets are the responsibility of the purchaser for the duration of the lease. The Secure Home arrangements contain provisions for the purchaser to require QLCHT to re-purchase the building assets at a price based on the original purchase price, adjusted for capital improvements, maintenance, and inflation.

At 31 March 2024 QLCHT had received no notices to re-purchase any building assets under the Secure Home arrangement.

## 13 QLDC Contributions

	This Year
On 01/07/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 5 titles at "Longview" Cemetary Road, Lake Hawea, for the purposes of affordable housing. This has been recorded at fair value of \$1,830,000.	1,830,000
On 09/08/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 3.6831 hectares at Tewa Banks, for the purposes of affordable housing. This has been recorded at fair value of \$9,832,500.	9,832,500
On 17/10/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 14 titles at "Longview" Cemetary Road, Lake Hawea, for the purposes of affordable housing. This has been recorded at fair value of \$5,850,000.	5,850,000
On 17/11/2023 the Queenstown Lakes District Council (QLDC) granted QLCHT 4 titles at 5 & 7 Walsh Street and 9 & 11 Moonstone Street, Hikiwai, for the purposes of affordable housing. This has been recorded at fair value of \$1,760,000.	1,760,000
On 20/02/2024 the Queenstown Lakes District Council (QLDC) granted QLCHT Lots 325 & 326 - 44 & 46 Lee Avenue, Mt Cardrona Station, for the purposes of affordable housing. This has been recorded at fair value of \$750,000.	750,000
	<u>20,022,500</u>

During the year ended 31 March 2022 the Queenstown Lakes District Council (QLDC) granted QLCHT 3.6831 hectares of land at Tewa Banks Arrowtown for the purpose of affordable housing development by QLCHT. The land was transferred by QLDC for a nominal sum of \$1. QLCHT has a 999-year lease on the land at an annual rental charge of \$1 per annum. The title of the land is subject to an encumbrance that prevents QLCHT from selling or transferring the land to a third party, and in the event QLCHT was ever wound up the land would transfer back to QLDC for consideration of \$1. Following removal of encumbrances a valuation was obtained in the sum of \$9,832,500 and this has been recognised on 9 August 2023 as noted above.

## 14 Property Purchase Option

As part of the Secured Home model certain property is sold to the household at 80% of QLCHT's build cost, with QLCHT receiving 20% funding through the Governments Progressive Home Ownership (PHO) fund. QLCHT holds the legal right to re-acquire the property at a fixed value representing the equivalent value the household originally acquired the property. This purchase option is recognised as a non-financial asset in the financial statements reflecting QLCHT's legal right to re-acquire the property at a discounted value. This legal right does not have a termination date.



## Independent Auditor's Report

### To the Trustees of Queenstown Lakes Community Housing Trust

#### Opinion

We have audited the consolidated financial report of Queenstown Lakes Community Housing Trust (the 'trust') and its subsidiaries ('the group'), which comprise the consolidated financial statements on pages 5 to 16, and the consolidated statement of service performance/service performance information on page 4. The complete set of consolidated financial statements comprise the statement of financial position as at 31 March 2024, and the consolidated statement of financial performance, statement of comprehensive revenue and expense statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial report presents fairly, in all material respects:

- the consolidated financial position of the group as at 31 March 2024, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 March 2024 in accordance with the group's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

#### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

Other than in our capacity as auditor, we have no relationship with or interests in the entity.

#### Other information

The Board of Trustees is responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial report and the audit report.

Our opinion on the consolidated financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report and consider whether it is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

#### Board of Trustees' responsibilities for the consolidated financial report

The Board of Trustees are responsible on behalf of the group for:

- the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards/PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Board of Trustees determines is necessary to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the Board of Trustees are responsible on behalf of the group for assessing the group'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 Board of Trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance 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) and NZ AS 1 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 economic decisions of users taken on the basis of this consolidated financial report.

A further description of our responsibilities for the audit of the consolidated financial statements is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Members, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Members 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 the Members as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Dunedin, New Zealand  
19 July 2024