



CHRISTIAN BLIND MISSION INTERNATIONAL
(New Zealand)

trading as

cbm New Zealand

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

FINANCIAL STATEMENTS
For the year ended 31 December 2021

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cbm New Zealand

Directory For the year ended 31 December 2021

Name	Christian Blind Mission International (New Zealand)		
Trading Name	cbm New Zealand		
Year of commencement	1992		
Address for service			
Postal Address	PO Box 303477 North Harbour Auckland 0751		
Street Address	Unit B, 112 Bush Road Rosedale Auckland 0632		
Nature of business	cbm New Zealand is an active member of an international Christian development organisation committed to improving the quality of life of persons with disabilities in the poorest countries of the world.		
Office holders			
	Andrew Smith	Board Chair	
	Tony McLean	Deputy Chair	Resigned 31 March 2022
	Murray Sheard	Chief Executive Officer	
	Very Reverend Raymond Coster	Trustee	
	Veronia Houghton	Trustee	
	Susan Willis-Hirst	Trustee	
	Geraldine Crudge	Trustee	
	Leslie Stephenson	Trustee	Resigned 17 June 2021
	John Bergin	Trustee	Resigned 28 Feb 2022
Registered charity number	CC26154		
Independent auditor	RSM Hayes Audit 1 Broadway Newmarket		
Bankers	ANZ Bank		
Solicitors	Gaze Burt		
Accreditations	cbm New Zealand is an accredited member of the Council for International Development (CID) and a signatory to the CID Code of Conduct. CID contact details; (04) 496 9615 or code@cid.org.nz.		

**Statement of Compliance and Responsibility for Financial Statements
For the year ended 31 December 2021**

Approval

The Board is pleased to present the Annual Financial Report of **cbm** New Zealand, including the Financial Statements contained therein for the year ended 31 December 2021.

Statement of Compliance

The Board of **cbm** New Zealand confirms that all the statutory requirements in relation to these Financial Statements, as outlined in the Charities Act 2005, have been met.

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 4 to 5.

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 delegated 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.

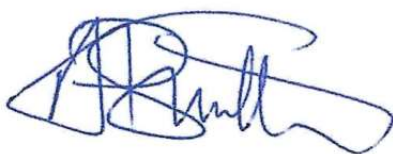
The Financial Statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that **cbm** New Zealand will not remain a going concern in the foreseeable future.

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 **cbm** New Zealand for the year ended 31 December 2021;
- The Statement of Financial Position is drawn up so as to present fairly, in all material respects, the state of affairs of **cbm** New Zealand as at 31 December 2021; and
- The Statement of Cash Flows is drawn up so as to present fairly, in all material respects, the cash flows of **cbm** New Zealand for the financial year ended 31 December 2021.
- There are reasonable grounds to believe that **cbm** New Zealand will be able to pay its debts as and when they fall due.

Signed for and on behalf of the Board of Trustees:

Chair of Board of Trustees



Date

1 - 6 - 22

Chair of Audit and Finance Committee



Date

1/6/2022

**Report from the Chair of the Board and CEO
For the year ended 31 December 2021**



Welcome to the **cbm** NZ Annual Report 2021, a year where we spent more time under lockdown than in 2020. Despite this, it has been an exceptionally good year in terms of both income growth and the maturity of our programmes.

*Covid-19 has again dominated much of our work this year, both in New Zealand and around the world. Despite the ongoing disruption, **cbm** NZ has continued to be blessed with generous donors and funding from MFAT, and has shown our highest revenue to date. We are grateful that the inspirational work of cbm continues to inspire donors to partner with us.*

Most importantly, we have been able to deliver more funding to programmes than ever before. We are proud of the diversity of our programmes, whether it be assisting those with mental health issues in Burkina Faso, inclusive education support in Papua New Guinea or transformative eye surgery in Rwanda. Our effective programmes are testament to a sound strategy, and a focussed team of committed people who give life to the cbm vision.

We particularly acknowledge our CEO, Murray, who has led with distinction, mostly from his home office! We are also incredibly grateful to our talented Board and staff, our volunteers, and our many supporters and partners.

Thank you for partnering with us as we seek to serve the poorest of the poor.

*Susan Willis-Hirst and Andrew Smith
(Note: In November 2021, Susan Willis Hirst stepped down as Chair, handing over to Andrew Smith).*

Donations to cbm from supporters were higher than ever. We've increased our number of new donors, and grown our regular gift programme. We've piloted digital projects to give new ways to connect to New Zealanders, which expand the reach of our fundraising and cut costs. I'm humbled by the goodwill, pride, and dedication shown by our staff, and their obvious enjoyment of working together. This has held us together strongly and borne fruit over the lockdown period.

While I have not been able to travel, my heart has been warmed by stories of sight restored to grandmothers, children avoiding a life of blindness, and pupils with disabilities no longer missing out on school.

Much more of our time was spent helping international partners to make sure people with disabilities receive information to protect themselves from COVID-19, to enable our medical responses, and to adapt programmes to the changing context. Despite COVID-19 slowdowns, we remitted a record amount to field partners for the second year running. Thanks be to God. We submitted three proposals to MFAT, all successful for which we are grateful. One (livelihood support in Laos), will expand our work in South East Asia. Alongside this, we have assisted other charities to become disability inclusive in their overseas programmes, leveraging our work well beyond our own activities in the field.

Thanks be to God, to our generous donors, our Board, my senior leadership team, all staff and our incredible partners everywhere. Thanks for joining with us in the service of people with disabilities, so that they can feel included and can live a life they love.

Yours in Christ,

*Murray Sheard
Chief Executive Officer*

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

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www.rsmnz.co.nz

Independent Auditor's Report

To the Trustees of Christian Blind Mission International (New Zealand)

Opinion

We have audited the financial statements of Christian Blind Mission International (New Zealand), trading as and referred to below as cbm New Zealand, which comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in net assets/equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 6 to 18 present fairly, in all material respects, the financial position of cbm New Zealand as at 31 December 2021, 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 cbm New Zealand 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 cbm New Zealand.

Other information

The trustees are responsible for the other information. The other information comprises the Directory, Statement of Compliance and Responsibility for Financial Statements and Report from the Board Chair and CEO on pages 1 to 3 (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 cbm New Zealand, 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 cbm New Zealand, for assessing cbm New Zealand'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 trustees either intend to liquidate cbm New Zealand 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 economic 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://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

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 cbm New Zealand and the trustees as a body, for our work, for this report, or for the opinions we have formed.

A stylized, handwritten-style signature of 'RSM' in blue ink.

RSM Hayes Audit
Auckland

14 June 2022

Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Revenue			
Revenue from non-exchange transactions			
Donations		2,716,486	2,480,929
Bequests		117,048	405,430
Government Grant Income		1,236,000	1,169,803
		4,069,534	4,056,162
Revenue from exchange transactions			
Sale of Goods and Services Income	12	53,443	8,081
Net Finance Income	14	30,213	55,679
Total Revenue		4,153,190	4,119,922
Expenditure			
Programmes	15	2,675,287	2,426,586
Advocacy		96,909	113,461
Fundraising and Marketing		1,051,881	786,024
Management and Governance		52,590	42,861
Administration		240,438	231,429
Total expenses		4,117,105	3,600,361
Net surplus for the year		36,085	519,561
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		36,085	519,561

The Statement of Comprehensive Revenue and Expense should be read in conjunction with the notes to the financial statements and audit report.

**Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021**

	Accumulated comprehensive revenue and expense	Tagged Funds Reserve	Total Net Assets/Equity
			\$
Opening balance 1 January 2020	3,202,757		3,202,757
2020 Total comprehensive revenue and expense	519,561		519,561
Closing equity 31 December 2020	3,722,318	-	3,722,318
2021 Total comprehensive revenue and expense	36,085		36,085
Transfer to Tagged Funds Reserve	(680,931)	680,931	-
Closing equity 31 December 2021	3,077,472	680,931	3,758,403

The Statement of Changes in Net Assets / Equity should be read in conjunction with the notes to the financial statements and audit report.

Statement of Financial Position
As at 31 December 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	619,342	677,026
Short term investments	6	3,966,360	3,427,077
Receivables from exchange transactions	7	13,009	21,681
Receivables from non-exchange transactions	7	200,368	26,868
Prepayments		289,783	39,866
		<u>5,088,862</u>	<u>4,192,518</u>
Non-current assets			
Property plant and equipment	8	477,509	491,428
TOTAL ASSETS		<u>5,566,371</u>	<u>4,683,946</u>
LIABILITIES			
Current liabilities			
Payables from exchange transactions	9	62,703	131,924
Employee benefits	10	115,384	77,750
Loans and borrowings	11	2,514	1,786
Revenue received in advance		1,623,712	743,600
		<u>1,804,313</u>	<u>955,060</u>
Non-current liabilities			
Loans and borrowings	11	3,655	6,568
TOTAL LIABILITIES		<u>1,807,968</u>	<u>961,628</u>
TOTAL NET ASSETS		<u>3,758,403</u>	<u>3,722,318</u>
EQUITY			
Accumulated comprehensive revenue and expense		3,077,472	3,722,318
Tagged funds reserve		680,931	-
Total equity		<u>3,758,403</u>	<u>3,722,318</u>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements and audit report.

Statement of Cash Flows
For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from donations, bequests, grants and sales		3,949,477	4,566,251
Interest received		39,643	54,441
Cash paid to project partners, suppliers and employees		(3,488,597)	(3,514,034)
Interest paid		(567)	(695)
Net cash inflow from operating activities		499,956	1,105,963
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in short term investments		(539,283)	(732,764)
Purchase of property, plant and equipment		(16,172)	(46,368)
Net cash outflow from investing activities		(555,455)	(779,132)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans and borrowings		(2,185)	(102)
Cash movement for the year		(57,684)	326,729
Cash and cash equivalents at 1 January		677,026	350,297
Cash and cash equivalents at 31 December	5	619,342	677,026

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements and audit report.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021**

1 REPORTING ENTITY

The financial statements relate to Christian Blind Mission International (New Zealand), operating as **cbm** New Zealand (the "Trust"). The Trust is a registered charity in New Zealand, registered under the Charities Act 2005 (CC 26154).

These financial statements were authorised for issue by the Board of Trustees on the date indicated on page 2.

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 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. The Trust complies 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 Standards Reduced Disclosure Regime.

All reduced disclosure regime ("RDR") 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

The accounting policies adopted are consistent with those of the previous financial year.

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 judgement, which has the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition: the recognition of non-exchange revenue (conditions vs restrictions).

b) Assumptions and estimation uncertainties

There are no 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.

Changes in accounting estimates

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

GOING CONCERN

These financial statements have been prepared on a going concern basis. The continued use of the going concern assumption is dependent upon the Trust receiving ongoing support from its supporters, funding organisations and the continued success of fundraising activities. The governing body is confident of receiving this ongoing support.

4 SIGNIFICANT ACCOUNTING POLICIES

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.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021**

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) 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.

Grants, Donations and Bequests

The recognition of non-exchange revenue from government and private grants 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 government and private grants are recognised when it is probable that the associated future economic benefit or service potential will flow to the entity, the fair value is reliably measurable, and there is no associated liability in respect of the same inflow.

Revenue from donations and bequests are recognised when the donation or bequest is received.

Revenue from fundraising activities is recognised at the point where cash is received.

ii) Revenue from exchange transactions

Exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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 Comprehensive Revenue and Expense.

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 within 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.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021**

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 have 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 trade 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.

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.

**Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021**

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

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

The current rates of depreciation applied are:

<u>Asset Class</u>	<u>Rate</u>	<u>Estimated Life</u>
Building	3%	33½ years
Property improvements	10%	10 years
Computer equipment and software	33.3%	3 years
Office furniture and equipment	12.5%	8 years
Motor vehicle	33.3%	3 years

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 cash generating asset or non-cash generating asset 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.

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.

Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Equity

Equity is 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.

Tagged funds reserve

The Tagged funds reserve includes those bequests where donors have provided stipulations about their use or where the Board has tagged funds for future investment and capacity building separate from ongoing operations of the Trust.

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.

Operating 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) Volunteer Services

The Trust gratefully acknowledges all the volunteers who donate their time to support the organisation. In addition to the Board of Trustees, the Trust is assisted by additional volunteers who complement other areas of the organisations activities. As there is no identifiable fair and objective means of valuing their time, the efforts of the volunteers are not reflected in the Financial Statements.

Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021

	2021	2020
	\$	\$
5 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents include the following components:		
Cash at bank	619,342	677,026

6 SHORT TERM INVESTMENTS**December 2021**

Current	Interest rate	Original maturity	2021
			\$
Term deposits			
Dawnian Trust	0.85% - 0.90%	12 months	180,931
Government Funds received in Advance	0.50% - 1.40%	3-12 months	1,160,000
Bequest Fund	1.40%	6 months	875,000
Restricted Term Deposit	0.85%	12 months	50,000
General Term Deposits	0.80% - 1.7%	6-9 months	1,700,429
			3,966,360

December 2020

Current	Interest rate	Original maturity	2020
			\$
Term deposits			
Dawnian Trust	1.75% - 2.35%	12 months	176,648
Government Funds received in Advance	0.45% - 2.20%	3-12 months	650,000
Bequest Fund	1.65%	9 months	1,000,000
General Term Deposits	0.80% - 1.90%	6-9 months	1,600,429
			3,427,077

Dawnian Trust funds are placed on Term Deposit separately and at the request of the original fund donors, 60% of the interest is allocated to funding sight related programmes and the remaining 40% of the interest is reinvested.

Government Funds received in Advance are invested in Term Deposits with maturity dates corresponding with the expected expenditure dates. The interest is transferred to the Government Funds received in Advance for use in accordance with the MFAT rules.

The Bequest Fund holds funds that were received from a single bequest in 2016. These unrestricted funds have been annually adjusted for inflation, partially used to fund new programmes and are currently invested at 1.40% for a term of 6 months.

7 RECEIVABLES

Receivables from exchange transactions	2021	2020
	\$	\$
Interest receivable	13,009	21,681
Receivables from non-exchange transactions	2021	2020
	\$	\$
GST	14,216	26,826
Sundry debtors	14,127	42
Government grant income receivable	172,025	-
	200,368	26,868

Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021
8 PROPERTY, PLANT AND EQUIPMENT
Reconciliation of property, plant and equipment
December 2021

	Cost as at 1/1/21	Additions	Disposals	Depreciation for year	Accumulated Depreciation	Book Value at year end
Land	243,242	-	-	-	-	243,242
Buildings	289,258	-	-	8,678	119,561	169,697
Office improvements	49,280	-	-	3,184	24,243	25,037
Furniture and equipment	47,079	-	-	2,827	37,648	9,431
Computer equipment	168,135	16,172	(6,395)	13,520	147,973	29,939
Motor vehicle	5,652	-	-	1,882	5,489	163
	802,646	16,172	(6,395)	30,091	334,914	477,509

December 2020

	Cost as at 1/1/20	Additions	Disposals	Depreciation for year	Accumulated Depreciation	Book Value at year end
Land	243,242	-	-	-	-	243,242
Buildings	289,258	-	-	8,678	110,883	178,375
Office improvements	29,620	19,660	-	2,965	21,059	28,221
Furniture and equipment	49,351	6,356	(8,628)	2,524	34,821	12,258
Computer equipment	157,596	20,352	(9,813)	8,286	140,848	27,287
Motor vehicle	5,652	-	-	1,882	3,607	2,045
	774,719	46,368	(18,441)	24,335	311,218	491,428

Furniture and equipment with a book value of \$5,596 (2020 - \$8,020) is held as security for the finance leases referred to in note 11.

9 PAYABLES FROM EXCHANGE TRANSACTIONS

	2021 \$	2020 \$
Trade creditors	47,595	105,828
Accrued expenses	15,108	26,096
	62,703	131,924

10 EMPLOYEE BENEFITS

	2021 \$	2020 \$
Leave and other benefits	115,384	77,750

11 LOANS AND BORROWINGS

	2021 \$	2020 \$
Current liabilities		
Current portion of Finance leases	2,514	1,786
Non-current liabilities		
Finance leases	3,655	6,568

Leases repayable at effective interest rates of 1.8% and 9%, maturing 2023 and 2024. Secured over printer / copier and i-phone included in furniture and equipment referred to in note 8.

Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021

	2021	2020
	\$	\$
12 REVENUE		
Revenue from exchange transactions		
Sale of goods	1,556	1,812
Provision of services	51,887	6,269
	53,443	8,081

13 RELATED PARTY TRANSACTIONS AND BALANCES**Related party transactions**

During 2021, members of the Board of Trustees made monetary donations to the Trust to the value of \$9,970 (2020: \$5,770) and donated approximately 850 hours of time (2020: 990 hours).

Key management personnel compensation

The total remuneration to key management personnel for the year was as follows:

	2021	2020
Senior Management		
Number of Personnel (Full Time Equivalents)	3.75	3.75
Remuneration	\$412,812	\$393,755

14 NET FINANCE INCOME

	2021	2020
	\$	\$
Finance income		
Interest Income	30,971	57,419
Finance costs		
Interest Expense - finance lease	567	695
Currency Fluctuation	191	1,045
	758	1,740
Net Finance income	30,213	55,679

15 PROGRAMMES

Further details regarding the International Programmes work of the Trust can be found in the Trust's Impact Report which is available on the website www.cbmz.org.nz and filed with Charities Services (www.charities.govt.nz).

16 CAPITAL COMMITMENTS

Before year end, the Trust entered into a commitment for the development of a new donor database system at a budgeted cost of \$70,000. \$11,000 of this cost had been invoiced by year end (2020: Nil).

17 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2020: Nil).

Accounting Policies and Notes to the Financial Statements
For the year ended 31 December 2021

18 FINANCIAL INSTRUMENTS

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

Classification and fair values of financial instruments

December 2021

	Financial Assets Loans and receivables \$	Financial liabilities Amortised cost \$
Cash and cash equivalents	619,342	
Short term investments	3,966,360	
Receivables	213,377	
Payables		62,703
Finance lease liabilities		6,169
	4,799,079	68,872

December 2020

	Financial Assets Loans and receivables \$	Financial liabilities Amortised cost \$
Cash and cash equivalents	677,026	
Term deposits	3,427,077	
Receivables	48,549	
Payables		131,924
Finance lease liabilities		8,354
	4,152,652	140,278

19 EVENTS AFTER THE REPORTING DATE

Transition to CBM Global

The transition period (2020-2021 calendar years) is now complete. All Country Offices except one have been transferred, with the last expected mid 2022. Programme management and infrastructure have now been implemented and CBM-Global is now fully operational.

(2020 - The transition continues well, with CBM-Global now being operational in terms of staff, and program management system is in testing phase. New Country offices are being set up & all infrastructure is being implemented).

Other than the matter described above, the Board is not aware of any matters or circumstances that have occurred subsequent to balance date that have significantly or may significantly impact the operations of the Trust (2020: nil).