

**Queenstown Lakes Community Housing Trust
Consolidated Annual Reports
For The Year Ended
31 March 2025**

Queenstown Lakes Community Housing Trust
Contents of Consolidated Annual Report
For The Year Ended 31 March 2025

	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
Directory of Consolidated Annual Report
For The Year Ended 31 March 2025

Settlor	Graham Morris Todd
Date Settled	15 January 2007
Date of Incorporation	12 July 2007
Trustees	R J Key (retired 19 January 2025) J E Macdonald B G McLeay K L Skeggs P A J Smith R B Thomas
Accountants	McCulloch + Partners Chartered Accountants P O Box 64 Queenstown 9348
Solicitors	RVG Law P O Box 1513 Queenstown 9348
Auditors	Deloitte Limited P O Box 1245 Dunedin 9054
IRD Number	097-121-805

Queenstown Lakes Community Housing Trust

Statement of Service Performance

For The Year Ended 31 March 2025

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	<p>Kaitiakitanga – we are guardians of land and homes for our community.</p> <p>Manaakitanga – we show respect, support and kindness to those we serve.</p> <p>Whakauka – we strive to increase sustainability throughout our operations.</p> <p>Hautūtanga – we embrace a leadership role as an innovative community housing provider.</p>
Key Strategic Goals	<p>Provision of housing.</p> <p>Enhance stakeholder relationships.</p> <p>Self sufficiency.</p> <p>Leader in housing sector.</p>

Our Impact	Strategic Goals	Outcomes	Outcomes
		This Year	Last Year
	<i>Provision of housing</i>		
	Total households assisted to date	334	281
	Total households currently housed	196	155
	QLCHT-leased properties	13%	3%
	QLCHT-owned properties	87%	97%
	Assisted ownership properties	51%	58%
	Rental properties	49%	42%
	Accessible and accessible-ready homes	9%	5%
	Homes under construction	67	84
	Māori households in QLCHT homes	14.8%	14.2%
	Pasifika households in QLCHT homes	5.6%	5.8%

Enhance stakeholder relationships

Heads of Agreement executed with Mana Tāhuna, September 2024.
Formal relationships in place with a local social services agency & school.

Self sufficiency

	This Year	Last Year
Zero-interest loans	\$19,909,101	\$18,412,031
All other loans	\$15,688,620	\$12,247,483
Non-Government grants	\$150,000	\$56,930
Government grants	\$2,884,397	\$133,000
Organisational growth	20.6%	21.4%

Leader in housing sector

Management presentations and collaboration with external groups to share QLCHT models and learnings = 23.
New Inclusionary Housing Agreements executed = 3.
Policy submissions = 6.

Queenstown Lakes Community Housing Trust
Statement of Comprehensive Income and Expense
For The Year Ended 31 March 2025

	Note	Group	
		This Year \$	Last Year \$
Revenue From Exchange Transactions			
Property Sales		4,753,000	8,634,700
Lease Rentals (<i>excluding PH IRRS below</i>)		1,829,051	1,167,000
Property Management Fees Received		89,981	34,851
Realised & Unrealised Gains/(Losses) on Investments		24,214	83,716
Capital Gain on Disposal of Property, Plant and Equipment		561,067	132,715
Total Revenue From Exchange Transactions		7,257,313	10,052,980
Revenue From Non-Exchange Transactions			
Grants Received	14	3,034,397	189,930
Public Housing Income Related Rent Subsidy and Operating Supplement	15	2,811,233	1,146,845
Community Housing Contributions Received	16	4,561,196	20,022,500
Total Revenue From Non-Exchange Transactions		10,406,826	21,359,275
Other Income			
Investment Income		149,953	56,640
Sundry Income		-	10
Total Other Income		149,953	56,650
Total Income		17,814,092	31,468,905
Less Expenses			
Administration Expenses			
		175,046	143,809
Cost of Goods Sold			
		4,653,765	8,556,153
Operating Expenses			
		1,128,002	632,731
Other Expenses			
Audit Fees	5	22,000	20,487
Depreciation	6	630,837	506,830
Interest		801,729	780,207
Loss on Sale of Fixed Assets		173,704	-
Trustee Fees		108,952	111,549
Wages		518,502	428,380
Total Other Expenses		2,255,724	1,847,452
Total Expenses		8,212,537	11,180,145
Imputation Credits Attached to Dividends Received		2,028	1,855
Surplus for the Year and Total Comprehensive Revenue and Expense		9,599,527	20,286,906

Queenstown Lakes Community Housing Trust
Statement of Changes in Equity
For The Year Ended 31 March 2025

	Group	
	This Year	Last Year
	\$	\$
Equity As At Start Of Year	66,020,282	45,733,376
Comprehensive Revenue and Expense	9,599,527	20,286,906
Equity As At 31 March 2025	75,619,809	66,020,282

Queenstown Lakes Community Housing Trust
Statement of Financial Position
As at 31 March 2025

	Note	Group	
		This Year \$	Last Year \$
Equity			
Trustees' Accumulated Income Account		75,619,809	66,020,282
Total Equity		<u>75,619,809</u>	<u>66,020,282</u>
Represented by:			
Non Current Assets			
Property, Plant and Equipment	6	87,041,734	76,135,424
Term Deposits		-	2,500,000
Total Non Current Assets		<u>87,041,734</u>	<u>78,635,424</u>
Current Assets			
Bank Accounts			
ASB Bank Accounts		962,831	1,252,583
SBS Bank Accounts		-	56,976
Westpac Bank Accounts		14,481	5,945
Craigs Investment Partners		<u>1,648,166</u>	<u>1,179,761</u>
		2,625,478	2,495,265
Accounts Receivable		38,705	97,158
GST Receivable		5,591	-
Prepayments		84,583	66,078
Property Purchase Option	13	1,742,570	1,044,118
Tax Receivable		12,149	9,430
Work in Progress - Development	7	21,194,354	15,518,047
Work in Progress - Pin Oaks Office Fitout		<u>34,933</u>	<u>10,163</u>
Total Current Assets		<u>25,738,363</u>	<u>19,240,258</u>
Total Assets		<u>112,780,097</u>	<u>97,875,682</u>
Less Liabilities			
Non Current Liabilities			
Bank Loans	8	11,719,613	9,893,717
Central Lakes Trust Advance	8	3,840,244	3,945,945
Ministry of Housing & Urban Development	8	<u>19,909,101</u>	<u>16,687,031</u>
Total Non Current Liabilities		<u>35,468,958</u>	<u>30,526,694</u>
Current Liabilities			
Current Portion Bank Loans	8	27,578	43,874
Current Portion Central Lakes Trust Advance	8	101,184	88,947
Accounts Payable		1,422,918	1,111,820
Accruals		92,903	75,809
Bonds Received		46,748	-
GST Payable		-	8,259
Total Current Liabilities		<u>1,691,331</u>	<u>1,328,707</u>
Total Liabilities		<u>37,160,289</u>	<u>31,855,401</u>
Net Assets As Per Total Equity		<u>75,619,809</u>	<u>66,020,282</u>

Queenstown Lakes Community Housing Trust
Statement of Financial Position
As at 31 March 2025

Signed *[Signature]* Trustee Date 16/07/25

Signed *[Signature]* Trustee Date 16/07/25



Queenstown Lakes Community Housing Trust
Statement of Cash Flows
For The Year Ended 31 March 2025

	Note	This Year \$	Group Last Year \$
Cashflows from Operating Activities			
Cash Was Provided From			
Rental & Property Revenue		6,777,232	10,928,428
Grants Received		3,034,397	189,930
Investment Income Received		174,167	140,356
Community Housing Contributions Received		-	20,022,500
Public Housing Income Received		7,372,429	-
Cash Was Dispersed To			
Payments to Suppliers and Employees		12,609,244	16,469,475
Trustees' Fees		108,952	111,549
Interest Paid		798,239	779,811
Net Cash Inflow/(Outflow) from Operating Activities	10	<u>3,841,790</u>	<u>13,920,380</u>
Cashflows from Investing Activities			
Cash Was Provided From			
Sale of Property, Plant and Equipment		2,779,567	2,023,497
Term Deposits Matured		2,500,000	-
Cash Was Dispersed To			
Payments for Capital Work in Progress and Purchase of Property, Plant and Equipment		13,929,352	24,540,816
Term Deposits Invested		-	2,510,163
Net Cash Inflow/(Outflow) from Investing Activities		<u>(8,649,785)</u>	<u>(25,027,482)</u>
Cashflows from Financing Activities			
Cash Was Dispersed To			
Repayment of Borrowings		4,938,207	12,348,439
Net Cash Inflow/(Outflow) from Financing Activities		<u>4,938,207</u>	<u>12,348,439</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		130,213	1,241,337
Cash and Cash Equivalents at the Beginning of the Year		<u>2,495,265</u>	<u>1,253,928</u>
Cash and Cash Equivalents at the End of the Year		<u><u>2,625,478</u></u>	<u><u>2,495,265</u></u>
Represented by:			
ASB Bank Accounts		962,831	1,252,583
SBS Bank Accounts		-	56,976
Westpac Bank Accounts		14,481	5,945
Craigs Investment Partners		<u>1,648,166</u>	<u>1,179,761</u>
		<u><u>2,625,478</u></u>	<u><u>2,495,265</u></u>

Queenstown Lakes Community Housing Trust

Notes to the Financial Statements

For The Year Ended 31 March 2025

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 2019.

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.

Community Housing

Community Housing contributions are recognised as revenue when the Trust renders the services for which the contribution was levied. Community Housing 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

Queenstown Lake Community Housing Trust, QLCHT Shotover Country Ltd, and QLCHT Developments Ltd are GST registered and all income and expenses received and incurred by those entities are recorded on a GST exclusive basis.

QLCHT Property Portfolio Ltd and Queenstown Housing Bonds Ltd are not registered for GST as they do not carry on a taxable activity for GST purposes. Accounts payable and accounts receivable are recorded on a GST inclusive basis, where applicable.

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 5 homes in the Longview subdivision in Lake Hāwea. The total build cost is budgeted to cost \$2,670,055 (excluding land). As at 31 March 2025 \$1,429,931 had been spent (2024: \$0). This project is being funded by construction financing through Bank of New Zealand, property sales and support from the New Zealand Government.

The Trust is currently building 68 homes at the Tewa Banks site in Arrowtown (8 of which are complete). The total build cost is budgeted to cost \$51,885,928 (excluding land and finance). As at 31 March 2025 \$21,491,695 had been spent (2024: \$8,273,751). 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 March 2027.

2 Contingent Liabilities

As at 31 March 2025 the Trust has no contingent liabilities (2024: \$Nil).

3 Related Parties

2025 no disclosure is required (2024: \$nil).

4 Revenue From Non-Exchange Transactions

	Note	Group	
		This Year \$	Last Year \$
Grants Received - Cash Contributions	14	3,034,397	189,930
Public Housing & Operating Supplement Income Received	15	2,811,233	-
Community Housing Contributions Received	16	4,561,196	20,022,500
Total as at 31 March 2025		10,406,826	20,212,430

5 Fees Paid To Auditors

	Group	
	This Year \$	Last Year \$
Audit Services	22,000	20,487
Total as at 31 March 2025	22,000	20,487

6 Property, Plant and Equipment

	Group Cost	Purchases	Transfer from WIP	Sales or Disposals	Depn Charge	Accum Depn	Net Book Value
31 March 2025							
Land	63,235,783	4,495,000	-	284,209	-	4,840,000	62,606,573
Buildings	30,293,241	1,840,681	7,593,671	2,107,995	491,481	13,186,693	24,432,906
Plant & Equipment	30,739	-	-	-	1,204	28,484	2,256
TOTAL	93,559,763	6,335,681	7,593,671	2,392,204	492,685	18,055,176	87,041,734

	Group Cost	Purchases	Transfer from WIP	Sales or Disposals	Depn Charge	Accum Depn	Net Book Value
31 March 2024							
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
TOTAL	59,735,369	21,710,341	2,830,475	1,901,829	506,830	6,238,932	76,135,424

7 Development Work in Progress

	Group	
	This Year \$	Last Year \$
Opening Balance	15,518,047	10,532,419
Plus Additions	18,622,194	17,415,166
Less Transfer to Property, Plant and Equipment	(7,593,671)	(2,830,475)
Less Transfer to Cost of Goods Sold	(4,653,765)	(8,554,946)
Less Transfer to Property Purchase Option	(698,452)	(1,044,118)
Total as at 31 March 2025	21,194,354	15,518,047

8 Borrowings

	Group	
	This Year \$	Last Year \$
ASB Loans		
Opening Balance	6,308,675	4,851,306
Plus Drawdowns	1,500,000	1,500,000
Less Repayments	(31,483)	(42,631)
Total as at 31 March 2025	7,777,192	6,308,675

	Group	
	This Year \$	Last Year \$
ASB Loans		
Current Portion	27,578	43,874
Non-Current Portion	7,749,613	6,264,801
Total as at 31 March 2025	7,777,192	6,308,675

The ASB loans 910003 and 910012 have interest charged at a rate of 6.89%p.a. and are due to be repaid by 30/05/2026 and 30/05/2046 respectively.

These loans are secured over the property at 11-21 Suffolk Street and 1a-3c Inverness Crescent, Arrowtown.

The ASB loan 910013 has interest charged at a rate of 7.15%p.a. and is due to be repaid by 30 November 2028. This loan is secured over the 16 Toru Apartments.

The ASB loan 910015 has interest charged at a rate of 5.0%p.a. and is due to be repaid by 30/08/2030. This loan is secured over the Tewa Banks development in Arrowtown.

	This Year \$	Last Year \$
Westpac Loans		
Opening Balance	1,903,916	-
Plus Drawdowns	3,945,507	5,453,773
Less Repayments	(1,879,422)	(3,549,857)
Total as at 31 March 2025	<u>3,970,000</u>	<u>1,903,916</u>

	Group	
	This Year \$	Last Year \$
Westpac Loans		
Current Portion	-	-
Non-Current Portion	3,970,000	3,628,916
Total as at 31 March 2025	<u>3,970,000</u>	<u>3,628,916</u>

The Westpac construction financing loan has interest charged at a rate of 5.49%p.a. and is due to be repaid by 31 October 2026. This loan is secured over various properties under construction at Longview, Lake Hāwea.

	Group	
	This Year \$	Last Year \$
Central Lakes Trust Advance		
Opening Balance	4,034,891	4,122,737
Plus Drawdowns	-	-
Less Repayments	(93,464)	(87,846)
Total as at 31 March 2025	<u>3,941,428</u>	<u>4,034,891</u>

	Group	
	This Year \$	Last Year \$
Central Lakes Trust Advance		
Current Portion	101,184	88,947
Non-Current Portion	3,840,244	3,945,945
Total as at 31 March 2025	<u>3,941,428</u>	<u>4,034,892</u>

The \$3,352,130 loan has interest is charged at a rate of 5.3%p.a. and is due to be repaid by 21 November 2026. The loan is secured over 11 properties at Shotover Country.

The \$589,297 loan has interest charged at a rate of 4.93%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 \$
Ministry of Housing & Urban Development		
Opening Balance	18,412,031	9,337,031
Plus Drawdowns	1,497,070	9,075,000
Less Repayments	-	-
Total as at 31 March 2025	<u>19,909,101</u>	<u>18,412,031</u>

	Group	
	This Year \$	Last Year \$
Ministry of Housing & Urban Development		
Current Portion	-	-
Non-Current Portion	19,909,101	16,687,031
Total as at 31 March 2025	<u>19,909,101</u>	<u>16,687,031</u>

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 11 Alps View properties.

The \$2,341,070 Longview loan is interest free and is due to be repaid by 22/03/2039. The loan is secured over 19 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 \$6,026,000 Tewa loan is interest free and is due to be repaid by 21/12/2038. The loan is secured over 48 properties at Tewa Banks.

The \$6,344,531 Toru loan is interest free and is due to be repaid by 05/05/2036. 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	31 March 2025	100%	100%
QLCHT Developments Limited	New Zealand	31 March 2025	100%	100%
QLCHT Property Portfolio Limited	New Zealand	31 March 2025	100%	100%
Queenstown Housing Bonds Limited	New Zealand	31 March 2025	100%	100%

10 Reconciliation of Operating Cash Flows to Net Surplus

	Group	
	This Year \$	Last Year \$
Net Surplus/(Deficit) for the Year	9,599,526	20,291,968
<u>Add/(Deduct):</u>		
Depreciation	630,837	506,830
Depreciation Recovered	(561,067)	(132,715)
Loss/(Gain) on Disposal of Property, Plant and Equipment	173,704	-
Provisions Made	6,460	2,685
<u>Adjustments for Movements In:</u>		
(Increase)/Decrease in Accounts Receivable	105,200	(54,978)
Increase/(Decrease) in Accruals	(7,872)	(655,620)
(Increase)/Decrease in Development Work in Progress	(6,399,528)	(4,986,981)
Increase/(Decrease) in Payables	294,530	(8,044)
Net Cash (Outflow)/Inflow from Operating Activities	<u>3,841,790</u>	<u>14,963,144</u>

11 Operating Leases

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

The Trust has entered into an operating lease for office premises. The term of the lease is 3 years commenced 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 \$4,676,381 (2024: \$67,297).

Note: the Tenancy end dates are now applicable with the updated RTA laws where fixed tenancies become periodic at the end of their fixed terms, unless agreed otherwise.

12 Secure Home Properties

During the year QLCHT sold \$6,546,022 (2024: \$9,001,271) 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 2025 QLCHT had received no outstanding notices to re-purchase any building assets under the Secure Home arrangement but buy-backs have been made during this financial year.

13 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.

14 Grants Received

	Group	
	This Year	Last Year
Queenstown Lakes District Council	50,000	189,930
Elsie & Ray Armstrong Charitable Trust	100,000	-
Ministry of Housing & Urban Development AHF Grants Received	2,833,597	-
Ministry of Housing & Urban Development PHO Grants Received	50,800	-
	<u>3,034,397</u>	<u>189,930</u>

15 Public Housing Income Related Rent Subsidy and Operating Supplement

	Group	
	This Year	Last Year
Income Related Rent Subsidy	1,480,127	1,146,845
Operating Supplement	1,331,106	-
	<u>2,811,233</u>	<u>1,146,845</u>

16 Community Housing Contributions

	This Year
On 03/03/2023 the valuation received was amended for the Queenstown Lakes District Council (QLDC) contribution granted to Community Housing. This resulted in the contribution being overstated by \$345,000, in error, in the 31/03/2024 financial year.	(345,000)
On 10/10/2024 the Queenstown Lakes District Council (QLDC) granted a Community Housing contribution of \$20,326 received from a developer via QLDC.	20,326
On 08/10/2024 the Queenstown Lakes District Council (QLDC) granted QLCHT Longview subdivision titles x2, for the purposes of affordable housing. This has been recorded at fair value of \$900,000 as per the valuation dated 06/11/2024.	900,000
On 07/11/2024 the Queenstown Lakes District Council (QLDC) granted a Community Housing contribution of \$19,565.22 received from a developer via QLDC.	19,565
On 17/03/2025 the Queenstown Lakes District Council (QLDC) granted QLCHT Longview subdivision titles x10, for the purposes of affordable housing. This has been recorded at fair value of \$3,940,000 as per the valuation dated 02/04/2025.	3,940,000
On 26/03/2025 Queenstown Lakes District Council (QLDC) granted a Community Housing contribution of \$20,326 received from a developer via QLDC.	26,304
	<u>4,561,196</u>

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 2025, and the consolidated statement of financial performance, statement of comprehensive income and expense, statement of changes in 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 2025, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 March 2025 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 Report* 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 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 report 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 Board of Trustees, 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 Board of 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 the Board of Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Dunedin, New Zealand
16 July 2025