

**Volunteer Service Abroad: Te Tūao
Tāwāhi Incorporated**

For the year ended

30 June 2022

Contents

Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated	1
Directory	3
Audit Report	4
Statement of Comprehensive Revenue and Expenses	6
Statement of Changes in Equity	7
Statement of Financial Position	8
Cash flow Statement	9
Notes to the Financial Statements	10-20

Directory

Council

Dr Simon Mark (President)
Hone McGregor (Chair)
Kirikaiahi Mahutariki (Deputy Chair)
Peter Elmsly
Dana MacDiarmid
Simon Trotter
Deidre Brookes

Registered office

77 Thorndon Quay
Wellington 6144

Nature of business

A development agency which finds, selects and places people who volunteer to share their skills with people in developing countries to help them build a better future for themselves and their children.

Charities Commission Registration number:

CC36739



Independent Auditor's Report to the Council of Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated

Opinion

We have audited the financial statements of Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated ("VSA") and its subsidiary (together "the group") on pages 6 to 20, which comprise the statement of financial position of VSA and the group as at 30 June 2022, and the statement of comprehensive revenue and expenses, statement of changes in equity and cash flow statement for the year then ended of VSA and the group, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements on pages 6 to 20 present fairly, in all material respects, the financial position of VSA and the group as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

This report is made solely to the Council of VSA. Our audit has been undertaken so that we might state to the Council 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 VSA and the Council members, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). 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 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 interest in, the group. Partners and employees of our firm may deal with the group on normal terms within the ordinary course of trading activities of the business of the group.

Information other than the financial statements and auditor's report

The members of Council are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information 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.



Council's responsibilities for the financial statements

The members of Council are responsible, on behalf of VSA, 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 members of Council 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, members of Council are responsible for assessing on behalf of VSA 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 members of council either intend to liquidate the group or 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 International Standards on Auditing (New Zealand) 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 our responsibilities for the audit of the financial statements is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7>. This description forms part of our auditor's report.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script.

Chartered Accountants
Wellington
10 October 2022

Statement of Comprehensive Revenue and Expenses

Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
For the year ended 30 June 2022

	Notes	Parent 30 June 2022	Parent 30 June 2021	Group 30 June 2022	Group 30 June 2021
INCOME		\$	\$	\$	\$
Revenue from non-exchange transactions					
Government grants		5,336,620	4,840,603	5,336,620	4,840,603
Fundraising		336,994	315,819	336,994	315,819
Other income		66,807	26,360	66,807	26,360
Grant from VSA Foundation		-	90,599	-	-
		<u>5,740,421</u>	<u>5,273,381</u>	<u>5,740,421</u>	<u>5,182,782</u>
Revenue from exchange transactions					
Investment income		18,574	16,015	24,330	390,797
Membership subscriptions		3,548	5,105	3,548	5,105
Other income		<u>61,920</u>	<u>21,492</u>	<u>61,920</u>	<u>21,492</u>
		84,042	42,612	89,798	417,394
TOTAL REVENUE		<u>5,824,463</u>	<u>5,315,993</u>	<u>5,830,219</u>	<u>5,600,176</u>
EXPENDITURE					
Volunteer Programme expenses		4,264,500	3,753,650	4,264,500	3,753,650
Communications and Fundraising		815,237	853,912	815,237	853,912
Head Office		292,604	363,727	292,604	363,727
Governance		6,197	34,867	6,197	34,867
Revenue Growth		7,310	59,059	7,310	59,059
Dunlop Fund		49,211	-	49,211	-
VSA Foundation administration expense		-	-	20,783	19,085
Unrealised loss on investments		-	-	302,083	-
		<u>5,435,059</u>	<u>5,065,215</u>	<u>5,757,925</u>	<u>5,084,300</u>
TOTAL EXPENDITURE		<u>5,435,059</u>	<u>5,065,215</u>	<u>5,757,925</u>	<u>5,084,300</u>
NET SURPLUS FOR THE YEAR	6	<u>389,404</u>	<u>250,778</u>	<u>72,294</u>	<u>515,876</u>
OTHER COMPREHENSIVE REVENUE AND EXPENSE					
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		<u>389,404</u>	<u>250,778</u>	<u>72,294</u>	<u>515,876</u>

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated

For the year ended 30 June 2022

Parent - 30 June 2022							
Accumulated Funds	Dunlop Fund	Garret Fund	Development Education Fund	Legacies Reserve	Programme Development Fund	Cyclone Gita Fund	Total
\$	\$	\$	\$	\$	\$	\$	\$
Opening balance 1 July 2021	2,870,043	125,087	1,639	27,448	263,525	6,017	3,294,820
2022 Surplus/(Deficit)	389,404	-	-	-	-	-	389,404
Transfer of Dunlop Fund Expenditure	23,131	(23,131)	-	-	-	-	-
Transfer of Bequests to Legacy Fund	(363,932)	-	-	-	363,932	-	-
Transfer of Legacies Expenditure-Pacific Partnerships	29,297	-	-	-	(29,297)	-	-
Transfer of Legacies Expenditure-Grace Memorial Fund	9,437	-	-	-	(9,437)	-	-
Transfer of Legacies Expenditure-Solomons Covid Response	24,879	-	-	-	(24,879)	-	-
Closing Special Funds 30 June 2022	2,982,259	101,956	1,639	27,448	563,844	6,017	3,684,274

Parent - 30 June 2021							
Accumulated Funds	Dunlop Fund	Garret Fund	Development Education Fund	Legacies Reserve	Programme Development Fund	Cyclone Gita Fund	Total
\$	\$	\$	\$	\$	\$	\$	\$
Opening balance 1 July 2020	2,619,265	125,087	1,639	27,448	263,525	6,017	3,044,092
2021 Surplus/(Deficit)	250,778	-	-	-	-	-	250,778
Closing Special Funds 30 June 2021	2,870,043	125,087	1,639	27,448	263,525	6,017	3,294,820

Group - 30 June 2022							
Accumulated Funds	Dunlop Fund	Garret Fund	Development Education Fund	Legacies Reserve	Programme Development Fund	Cyclone Gita Fund	Total
\$	\$	\$	\$	\$	\$	\$	\$
Opening balance 1 July 2022	5,893,316	125,087	1,639	27,448	263,525	6,017	6,318,143
2022 Surplus/(Deficit)	72,294	-	-	-	-	-	72,294
Transfer of Dunlop Fund Expenditure	23,131	(23,131)	-	-	-	-	-
Transfer of Bequests to Legacy Fund	(363,932)	-	-	-	363,932	-	-
Transfer of Legacies Expenditure-Pacific Partnerships	29,297	-	-	-	(29,297)	-	-
Transfer of Legacies Expenditure-Grace Memorial Fund	9,437	-	-	-	(9,437)	-	-
Transfer of Legacies Expenditure-Solomons Covid Response	24,879	-	-	-	(24,879)	-	-
Closing Special Funds 30 June 2022	5,689,422	101,956	1,639	27,448	563,844	6,017	6,390,437

Group - 30 June 2021							
Accumulated Funds	Dunlop Fund	Garret Fund	Development Education Fund	Legacies Reserve	Programme Development Fund	Cyclone Gita Fund	Total
\$	\$	\$	\$	\$	\$	\$	\$
Opening balance 1 July 2020	5,377,440	125,087	1,639	27,448	263,525	6,017	5,801,267
2021 Surplus/(Deficit)	515,876	-	-	-	-	-	515,876
Closing Special Funds 30 June 2021	5,893,316	125,087	1,639	27,448	263,525	6,017	6,318,143

Statement of Financial Position

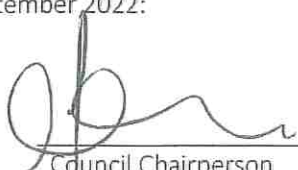
Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated As at 30 June 2022

VOLUNTEER SERVICES ABROAD INCORPORATED
STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 30 JUNE 2022

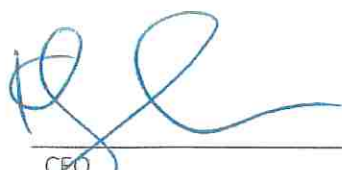
	Note	Parent 30 June 2022	Parent 30 June 2021	Group 30 June 2022	Group 30 June 2021
		\$	\$	\$	\$
TOTAL ACCUMULATED FUNDS		2,982,259	2,870,043	5,688,422	5,893,316
Dunlop Fund		101,956	125,087	101,956	125,087
Garrett Fund		1,639	1,639	1,639	1,639
Development Education Fund		27,448	27,448	27,448	27,448
Legacies Reserve		563,844	263,525	563,844	263,525
Programme Development Fund		6,017	6,017	6,017	6,017
Cyclone Gita Fund		1,111	1,111	1,111	1,111
TOTAL SPECIAL FUNDS		702,015	424,827	702,015	424,827
TOTAL FUNDS EMPLOYED		3,684,274	3,294,870	6,390,437	6,318,143
Represented By:					
CURRENT ASSETS					
Cash	7	4,950,752	2,623,283	4,958,371	2,645,625
Receivables from exchange transactions		72,063	77,877	72,063	77,877
GST Receivable		142,234	77,217	142,234	77,217
Accrued income		5,030	6,109	5,030	6,109
Funds held at Branches		5,862	6,348	5,862	6,348
WCCCT Funds Held		-	13,307	-	13,307
Prepayments and deposits		143,403	77,135	143,403	77,135
Investments		-	1,200,000	2,705,286	4,220,210
		5,319,344	4,081,276	8,032,249	7,123,828
CURRENT LIABILITIES					
Employee Entitlements		146,980	146,152	146,980	146,152
Provisions	14	77,014	87,712	77,014	87,712
Accounts payable		386,811	306,426	393,553	325,705
GST payable		-	-	-	-
Grants in advance	15	1,063,380	291,139	1,063,380	291,139
Income in advance		4,209	4,209	4,209	4,209
Funds held in Trust		78,517	91,823	78,517	91,823
Branch Funds held in Trust		5,862	6,348	5,862	6,348
		1,762,773	933,809	1,769,515	953,088
NET CURRENT ASSETS		3,556,571	3,147,467	6,262,734	6,170,740
NON CURRENT ASSETS					
Intangible assets (software)	8	2,128	7,291	2,128	7,291
Plant and Equipment	9	125,575	140,112	125,575	140,112
		127,703	147,403	127,703	147,403
TOTAL NET ASSETS		3,684,274	3,294,870	6,390,437	6,318,143

These financial statements should be read in conjunction with the notes to the financial statements.

Signed for and on behalf of the Council who authorised these financial statements for issue on 24 September 2022:



Council Chairperson



CEO

Cash flow Statement

Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
For the year ended 30 June 2022

	Parent 30 June 2022	Parent 30 June 2021	Group 30 June 2022	Group 30 June 2021
	\$	\$	\$	\$
Cash flows from Operating activities				
<i>Cash was provided from:</i>				
Receipts from Customers	6,540,101	5,504,914	6,540,100	5,412,327
Interest Received/(Paid)	18,574	21,992	24,330	398,764
	<u>6,558,675</u>	<u>5,526,906</u>	<u>6,564,430</u>	<u>5,811,091</u>
<i>Cash was applied to:</i>				
Payments to Suppliers	(5,327,426)	(4,804,569)	(5,662,826)	(4,811,938)
GST Paid/(received)	(65,017)	(225,126)	(65,017)	(225,126)
	<u>(5,392,443)</u>	<u>(5,029,695)</u>	<u>(5,727,843)</u>	<u>(5,037,064)</u>
Net cash Inflow (Outflow) from Operating Activities	<u>1,166,232</u>	<u>497,211</u>	<u>836,587</u>	<u>774,027</u>
 Cash flows from Investing activities				
<i>Cash was applied to:</i>				
Net Investments	1,213,309	599,995	1,528,231	343,147
Net Property, Plant and Equipment	(52,072)	(11,149)	(52,072)	(11,149)
Net cash Inflow (Outflow) from Investing activities	<u>1,161,237</u>	<u>588,846</u>	<u>1,476,159</u>	<u>331,999</u>
 Net Increase (Decrease) in Cash Held	<u>2,327,469</u>	<u>1,086,057</u>	<u>2,312,746</u>	<u>1,106,026</u>
Balance 1 July	2,623,283	1,537,226	2,645,625	1,539,600
Balance as at 30 June	<u>4,950,752</u>	<u>2,623,283</u>	<u>4,958,371</u>	<u>2,645,625</u>
Cash at 30 June	4,950,752	2,623,283	4,958,371	2,645,625

Notes to the Financial Statements

Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated For the year ended 30 June 2022

1 Reporting entity

The reporting entity is Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated (the "Society"). The Group is Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated and Volunteer Service Abroad Foundation. The Society is domiciled in New Zealand and is a charitable organisation registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

The financial statements are presented for the year ended 30 June 2022.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Society and Group. The Society provides volunteer services to find, select and place people who volunteer in developing countries.

The financial statements have been prepared on a going concern basis. Ministry of Foreign Affairs and Trade (MFAT) are the major funder for Volunteer Services Abroad (VSA) and have funded VSA for 60 years. The current funding agreement with MFAT has been in place since 2018 and is due to expire in 2023. Discussions around the term of the new funding agreement are currently underway with MFAT looking to commit for a further two years until 30 June 2025. The two parties continue to work together in strengthening international development for countries in the Pacific and with Covid border restrictions being lifted in both New Zealand and the Pacific, VSA is forecast to place up to 160 volunteers into these areas in the 2023 financial year.

These financial statements have been approved and were authorised for issue by the Council on 24 September 2022.

2 Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Society is a not-for-profit public benefit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Council has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

Notes to the Financial Statements
Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
For the year ended 30 June 2022

3 Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

3.1 Basis of measurement

These financial statements have been prepared on the basis of historical cost unless otherwise specified below in the accounting policies.

3.2 Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the Society's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

3.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Society and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Grant Revenue

Grant revenue includes grants given by government agencies, other charitable and philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, and repayment is required if such conditions are not fulfilled, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Fundraising

Fundraising revenue is recognised as funds and donations are received.

Volunteer Service Abroad Foundation

Volunteer Service Abroad Foundation income consists of grants extended to Volunteer Service Abroad for operational use.

Notes to the Financial Statements
Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
For the year ended 30 June 2022

Revenue from exchange transactions

Membership fees

Fees and subscriptions received in exchange for monthly access to members' facilities are initially recorded as revenue in advance and recognised in revenue evenly over the membership period.

Interest and dividend revenue

Interest revenue is recognised as it accrues, using the effective interest method.

3.4 *Financial instruments*

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the financial instrument.

The Society derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Society has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Society has transferred substantially all the risks and rewards of the asset; or
- the Society has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenditure.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Society's cash and cash equivalents, term deposits and receivables from exchange transactions fall into this category of financial instruments.

Notes to the Financial Statements
Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
For the year ended 30 June 2022

Fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The Foundation's investments in managed funds fall into this category of financial instruments.

Impairment of financial assets

The Society assesses at reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Society first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Society determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

Financial liabilities

The Society's financial liabilities include trade and other creditors (excluding GST and PAYE) and deferred revenue (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements
Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
For the year ended 30 June 2022

3.5 *Cash and cash equivalents*

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 *Short term investments (term deposits)*

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

3.7 *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset, except for land and buildings. Land and buildings are not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Furniture and equipment: 3 to 8 years straight line
- Motor vehicles 4 to 5 years straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

3.8 *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Notes to the Financial Statements
Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
For the year ended 30 June 2022

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The Society does not hold any intangible assets that have an indefinite life.

The amortisation periods for the Society's assets are as follows:

- Software 3 to 5 years straight line

3.9 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

3.10 Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

3.11 Income Tax

Due to its charitable status, the Society is exempt from income tax.

3.12 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

Notes to the Financial Statements
 Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
 For the year ended 30 June 2022

3.13 Equity

Equity is the community's interest in the Society, 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 Society's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Special funds reserve

This is a restricted equity reserve created by the Society for the purpose of financing special projects, such capital replacement of certain significant assets. The use of these funds is restricted to the specific purpose of the projects.

4 Significant accounting judgements, estimates and assumptions

No significant accounting judgements, estimates or assumptions have been made in the preparation of the Society's financial statements.

5 Impacts of COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19, a pandemic. Two weeks later the New Zealand Government declared a State of National emergency and placed the country in Alert Level 4 which meant the closure of New Zealand borders and the repatriation of both staff and volunteers in the Pacific. New Zealand has continued to move between levels throughout the 2022 year and although some borders opened in the 2022 year, VSA has been unable to deploy as many volunteers and staff back to the Pacific as Covid-19 continues in countries and some borders remain closed. The introduction of e-volunteering has allowed some volunteers to work remotely over electronic means. The impact of Covid-19 on the Society's financial statements for the 2022 financial year is as follows:

- A reduction in funding received from the Ministry of Foreign Affairs and Trade.
- A reduction in in-country costs during the financial year;
- A reduction in partner contributions due to less volunteer time in-country.

6 Components of net surplus

Surplus before tax includes the following specific expenses:

	Parent		Group	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$		\$	\$
Surplus before tax includes the following specific expenses:				
Audit fees	36,694	30,130	39,140	32,960
Leasing and rental costs	291,016	285,388	291,016	285,388
Depreciation	103,386	222,490	103,386	222,490
Loss/(gain) on disposal assets	(24,840)	-	(24,840)	-
Foreign exchange (Gain) Loss	(53,647)	14,395	(53,647)	14,395
COVID-19 expenditure	4,626	9,797	4,626	9,797

Notes to the Financial Statements
 Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
 For the year ended 30 June 2022

7 Cash and cash equivalents

Cash and cash equivalents include the following components:

	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$
Cash and cash equivalents include the following components:				
Cash at bank	4,950,752	2,623,283	4,958,371	2,645,625
Total cash and cash equivalents	<u>4,950,752</u>	<u>2,623,283</u>	<u>4,958,371</u>	<u>2,645,625</u>

8 Intangible Assets

30 June 2022	Parent Software \$	Group Software \$
Cost	361,040	361,040
Accumulated depreciation	(358,912)	(358,912)
Net book value	<u>2,128</u>	<u>2,128</u>

30 June 2021	Parent Software \$	Group Software \$
Cost	361,040	361,040
Accumulated depreciation	(353,749)	(353,749)
Net book value	<u>7,291</u>	<u>7,291</u>

Reconciliation of the carrying amount at the beginning and end of the period:

30 June 2022	Parent Software \$	Group Software \$
Opening balance	7,291	7,291
Additions	-	-
Disposals	-	-
Amortisation	(5,163)	(5,163)
Closing balance	<u>2,128</u>	<u>2,128</u>

Notes to the Financial Statements
 Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
 For the year ended 30 June 2022

9 Property plant and equipment

30 June 2022	Parent			Group		
	Motor Vehicles	Furniture and equipment	Total	Motor Vehicles	Furniture and equipment	Total
Cost	\$ 320,897	\$ 834,585	\$ 1,155,482	\$ 320,897	\$ 834,585	\$ 1,155,482
Accumulated depreciation	(237,361)	(792,546)	(1,029,907)	(237,361)	(792,546)	(1,029,907)
Net book value	83,536	42,039	125,575	83,536	42,039	125,575

30 June 2021	Parent			Group		
	Motor Vehicles	Furniture and equipment	Total	Motor Vehicles	Furniture and equipment	Total
Cost	\$ 321,294	\$ 806,881	\$ 1,128,175	\$ 321,294	\$ 806,881	\$ 1,128,175
Accumulated depreciation	(247,846)	(740,217)	(988,063)	(247,846)	(740,217)	(988,063)
Net book value	73,448	66,664	140,112	73,448	66,664	140,112

Reconciliation of the carrying amount at the beginning and end of the period:

30 June 2022	Parent			Group		
	Motor Vehicles	Furniture and equipment	Total	Motor Vehicles	Furniture and equipment	Total
Opening balance	\$ 73,448	\$ 66,664	\$ 140,112	\$ 73,448	\$ 66,664	\$ 140,112
Additions	54,493	31,802	86,295	54,493	31,802	86,295
Disposal & Write Back on Disposal	-	(2,608)	(2,608)	-	(2,608)	(2,608)
Current year depreciation	(44,405)	(53,819)	(98,224)	(44,405)	(53,819)	(98,224)
	83,536	42,039	125,575	83,536	42,039	125,575

10 Related party transactions

Related Party	Description of the transaction	2022	2021	2022	2021
		Value of transactions	Value of transactions	Amount outstanding	Amount outstanding
VSA Foundation	Grant income	-	90,599	-	-

11 Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Council members and members of the Executive Management Team, including the CEO and those that have specific responsibility for delegated authority, which constitutes the governing body of the Society. No remuneration is paid to members of the Council. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

Parent/Group	2022	2021
Total remuneration	699,504	787,022
Number of persons	4	4

Notes to the Financial Statements
 Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
 For the year ended 30 June 2022

12 Leases

As at the reporting date, the Society has the following non-cancellable operating lease commitments:

	Parent 2022 \$	Group 2022 \$	Parent 2021 \$	Group 2021 \$
Not later than one year	200,982	200,982	196,961	196,961
Later than one year and no later than five years	492,648	492,648	693,630	693,630
	<u>693,630</u>	<u>693,630</u>	<u>890,591</u>	<u>890,591</u>

13 Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	Parent		Group	
	30 June 2022 \$	30 June 2021 \$	30 June 2022 \$	30 June 2021 \$
Financial assets				
<i>Loans and receivables</i>				
Cash	4,950,752	2,623,283	4,958,371	2,645,625
Investments	-	1,200,000	-	1,200,000
Receivables from exchange transactions	72,063	77,877	72,063	77,877
	<u>5,022,815</u>	<u>3,901,160</u>	<u>5,030,434</u>	<u>3,923,502</u>
<i>Financial assets at fair value through surplus or deficit</i>				
Investments	-	-	2,705,286	3,020,210
	<u>5,022,815</u>	<u>3,901,160</u>	<u>7,735,720</u>	<u>6,943,712</u>
Financial liabilities				
<i>At amortised cost</i>				
Accounts payable	386,811	306,426	393,553	325,705
Grants in advance	1,063,380	291,139	1,063,380	291,139
	<u>1,450,191</u>	<u>597,565</u>	<u>1,456,933</u>	<u>616,844</u>

14 Provisions

Provisions include:

	Parent		Group	
	30 June 2022 \$	30 June 2021 \$	30 June 2022 \$	30 June 2021 \$
Provision for volunteer resettlement	14,375	6,740	14,375	6,740
Provision for lease incentive	62,639	80,972	62,639	80,972
Total provisions	<u>77,014</u>	<u>87,712</u>	<u>77,014</u>	<u>87,712</u>

Notes to the Financial Statements
 Volunteer Service Abroad: Te Tūao Tāwāhi Incorporated
 For the year ended 30 June 2022

15 Grants in advance

Grants in advance represents the funding from the Ministry of Foreign Affairs and Trade for the period 1 July 2021 to 30 June 2022. It includes any amount repayable to MFAT resulting from the current financial year underspend.

	Parent		Group	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$
Ministry of Foreign Affairs and Trade	1,063,380	291,139	1,063,380	291,139
Total grants in advance	<u>1,063,380</u>	<u>291,139</u>	<u>1,063,380</u>	<u>291,139</u>

16 Capital commitments

There were no capital commitments at the reporting date. (2021: \$Nil).

17 Contingent assets and liabilities

There are no contingent assets for liabilities at the reporting date. (2021: \$Nil).

18 Events after the reporting date

The Council and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Volunteer Service Abroad Incorporated (2021: \$Nil).