



Annual Report 2020

Torona titaha

Ko te kaupapa whakahira o tēnei roopu

Ki te whakamana i ngā taiohi e

Ko te kaupapa o ēnei kai mahi ē

Ki te whakaoratia i ngā whanaunga e

Hi aue hi

Ko te pātai nui mā wai e mahi ana

Ko te pātai nui mā wai e mahi ana

Mātou e mahi ana, mātou e mahi ana

Mē pēhea rā

Ma okū pūkenga, tāonga, mātauranga

Me te whakapono ki tō tātou atua

Ko te ingoa runga ake ngā ingoa

Ko ihu karaiti hi!

The great purpose of this team

Is to empower youth

The mandate of these workers

Is to bring health and restoration to families

The burning question is,

Who will do it?

The burning question is,

Who will do it?

We will do it, we will do it!

How will we do it?

Through our skills, gifts, talents, knowledge and expertise

And our faith and our belief in our God

The name above all names

Jesus Christ

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About Genesis



Vision and purpose

Genesis Youth Trust exists to reduce the levels of youth offending in Auckland's most affected communities. We do this by offering a wraparound service, enabling at-risk youth to proudly transform their lives for themselves, their whānau and community. The heart behind everything we do is to offer hope and restoration for youth offenders and their families in the wider Auckland region.

This is reflected in our logo, which was gifted to us. Firstly, Ngākau Nui, Ngākau Ora - the symbol of the larger heart, representing Genesis, supporting and embracing the smaller heart in the middle - our youth. Secondly, Te Rere o Te Manu, meaning the full flight of the bird. This is symbolic of our youth in full flight, with strength and confidence to soar to their highest potential. Thirdly, Ngā Tai o te Moana-nui-a-kiwa - the waves (tides) of the Pacific.

The four strands on the right hand side represent the transformational journey our youth undergo which impacts on all four components of their hauora. Te Taha Wairua - their spiritual wellbeing, Te Taha Tinana - their physical wellbeing, Te Taha Hinengaro - their mental wellbeing, and Te Taha Whānau - their social wellbeing. The four strands converge together at the apex of the heart where the young person is soaring like a bird and riding the crest of a wave.

We recognise that each youth outworks their transformation in the context of their whānau and communities, and so our goals stretch there too. Through our services, we hope to see communities become more vibrant, optimistic and safe, and transformed youth become constructive participants

in the future of these communities. We hope to see the families of these young people become healthy and thriving, with intergenerational cycles of crime broken - giving our clients' children a better start in life.







What we do

Genesis Youth Trust offers a wraparound service for first time and serious repeat offenders, referred by New Zealand Police and Oranga Tamariki, the Ministry for Children. Our services include Social Work, Youth Mentoring, and Family and Counselling Services.

The services we provide to our young people and their families are based on our Genesis values. These include servanthood, trust, integrity, being action focused, unconditional love, teamwork, and excellence. Our organisational values underpin our mahi and commitment to providing best practice services for those we work with.

We deliver our services from four different sites in the wider Auckland region - Māngere (covering Counties Manukau West), Glen Innes (covering Auckland East), Papakura and Manurewa (covering Counties Manukau South). Each of our sites has an Operations Manager who manages a multi-disciplinary team of Social Workers, Mentors, and Counsellors, and a Clinical Lead who drives clinical excellence at their site. Having our different services available at each site helps us to work collaboratively and improves our relationships with our local stakeholders. It also ensures better access to our services for our young people and their families.

There are two main pathways to access Genesis services. Young people can be referred either on a Police Alternative Action Plan, or on an Oranga Tamariki Family Group Conference Plan.

New Zealand Police referrals

Social Bond intervention: A new targeted and enhanced way of working Young people referred by Police Youth Aid

onto the Social Bond receive an enhanced intervention that differs from what we have done previously. Each young person now goes through a thorough validated psychological assessment to assess their risks, protective factors and needs. This psychological assessment tool (which Genesis has pioneered the use of within Social Work in New Zealand) then generates the key priority areas that our team will work towards addressing through a multidisciplinary approach. Each young person referred under this service is assigned a Social Worker, Mentor and depending on their needs, a Counsellor. Through this multidisciplinary approach, our team now can work holistically with each young person and their family. This intervention is also unique in that it allows the young person to engage with our services for up to two years.

Oranga Tamariki referrals

Our young people referred to us by Oranga Tamariki Youth Justice are those who are more serious, recidivist offenders. These young people go through a restorative justice process which includes a Family Group Conference (FGC) plan, where Genesis is invited to present our different services. It is up to the young person and their family if they want to engage with us. We are often brought on to a young person's FGC plan to offer our Mentoring and Counselling services. These FGC plans can continue for up to 6-12 months. Additional components of the young person's FGC plan could include other services in the community - providing an opportunity for us to work in partnership with other agencies.



Who we work with

Genesis Youth Trust works with children and young people aged 10 to 17 years when referred and who have been apprehended by Police for offending. Offending severity can range from entry-level offences, such as shoplifting and wilful damage, through to more common youth offences such as burglary or unlawfully taking motor vehicles. At the more serious end, we may work with high risk young people who have committed serious assault or aggravated robbery. Once the offence is proven, the Police Youth Aid Officers and Youth Engagement Officers from various Counties Manukau and East Auckland Police stations refer the young people through to our teams for a comprehensive assessment, followed by a focused multidisciplinary team intervention.

As well as working with the young person who is referred, Genesis is also able to work with the wider whānau. This is crucial, given that many of our clients come from lower socioeconomic families with issues that can include generational dysfunction, generational offending, gang affiliations, alcohol and drug addictions, anger issues, low literacy and numeracy levels, truancy, broken families, unemployment and mental illness.

The introduction of the Social Bond Pilot in September 2017 saw a slight shift in the young people Genesis engages with and the way in which they are referred. To be referred to the Social Bond intervention, the young person is referred under a Police Alternative Action Plan and must have a medium or high YORST score (YORST is the Youth Offending Risk Screening Tool that Police use) and be referred on a specific offence they have committed. Most young people Genesis works with have been referred under the Social Bond intervention.

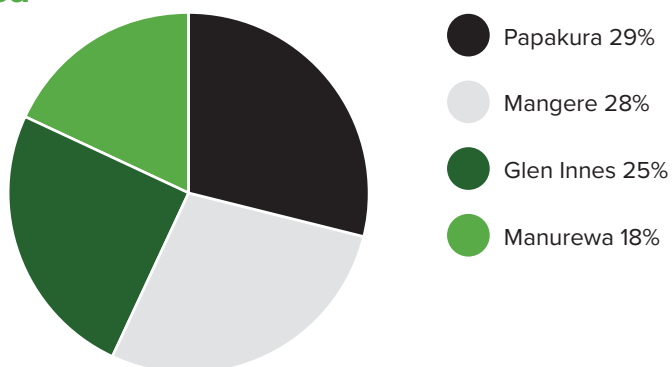


Reports

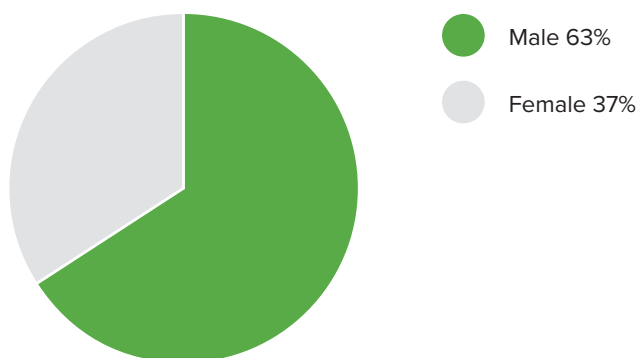




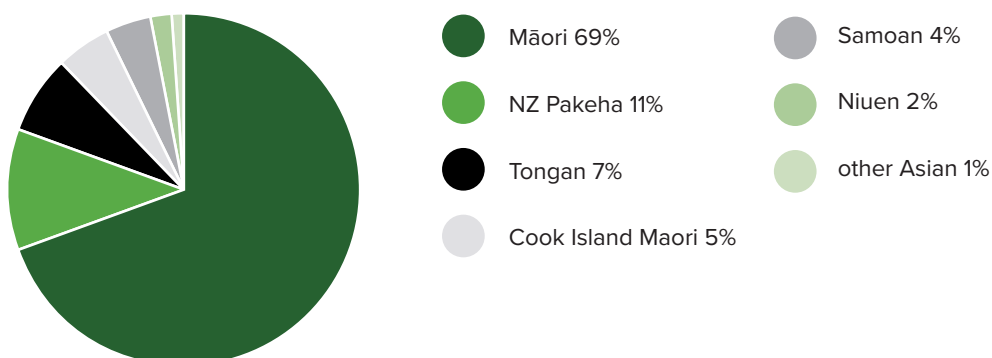
Residential area



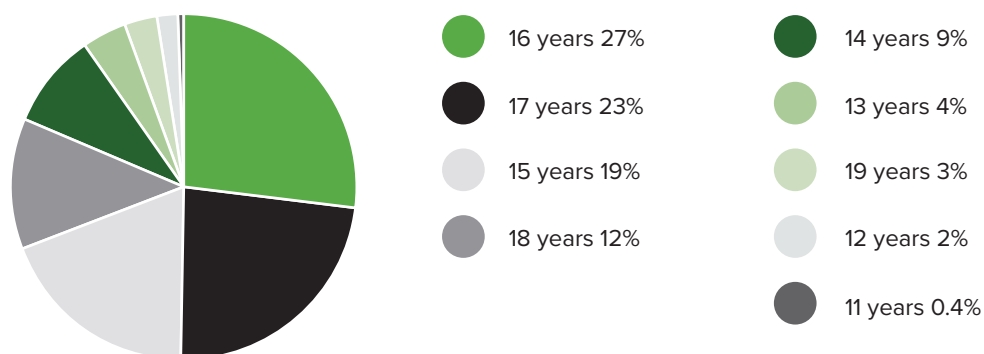
Gender



Ethnicity



Age





Report from the Chair of the Board and the Chief Executive

Our Genesis Youth Trust vision is:

Having a heart for youth that offers HOPE and RESTORATION for youth offenders and their families

Hope and Restoration have become key themes in this unprecedented year of Covid-19 as we acknowledge the challenges that have confronted individuals, whanau and communities. The global pandemic we have experienced has accentuated the difficulties faced by the rangatahi that we work with and their whanau.

Covid-19 has required that we work differently with our young people and show the flexibility and responsiveness that are characteristics of Genesis. During the lockdown period the Genesis team maintained their connections with over 85% of our rangatahi using a range of different methodologies and technologies.

In addition to Covid, 2019/20 has been a year of change

for Genesis. We have had some changes to our Board members and a change of Chair in October 2019; and midway through the year our Chief Executive left the organisation requiring the recruitment and appointment of a new Chief Executive.

We want to acknowledge the unique contribution made to Genesis by Stuart Crosbie as a Board member and Chair over many years. Stuart's vision and capability included leading Genesis through its journey to becoming New Zealand's only organisation operating under the funding benefit of a Social Impact Bond. Genesis owes a debt of gratitude to Stuart for creating a foundation for Genesis' future.

We also want to say thank you to Lisa Silipa who as Chief Executive of Genesis for 21 months over a period of change and growth, led the organisation with passion, energy and enthusiasm.

The Board sought new leadership from the beginning of 2020 and was fortunate to appoint Tuhi Leef as the new Chief Executive. Tuhi was about to start when New Zealand went into lockdown and his initial months of connection with the Genesis whanau were all done remotely.



Fortunately, after lockdown, things have returned to some degree of normality and Tuhi is now leading Genesis with skill, confidence and empathy.

Over this period of transition Genesis was wonderfully supported by Suzanne Teague as the acting Chief Executive and we are very grateful for the generosity of her wisdom and courage over a difficult time for the organisation.

Genesis operates in close partnership with the New Zealand Police and Oranga Tamariki and together we are making real inroads into the re-offending behaviour of the rangatahi and their whanau that we are working with.

The difference that is being made for rangatahi is reported elsewhere in this Annual Report and we remain confident that with the intensive engagement provided for within the Social Impact Bond funding mechanism we are able to change the lives of our rangatahi in a way that was never previously available. Our data collection and reporting are proving the value of the intervention and will more widely disseminated in the future.

Being half-way through the six-year experience of the

Social Impact Bond, we are now strategically planning the future operating platform for Genesis based on the experiences and learnings to date.

Genesis is well served by the expertise of the Board and the capability and contribution of the staff team and we want to acknowledge and thank you all for your efforts in this, the most important of endeavours.



Murray Edridge
Chair
Genesis Youth Trust Board



Tuhi Leef
Chief Executive
Genesis Youth Trust

G-Fund

G-Fund Limited serves as the bridge between G-Op Limited (G-Op) as the service provider and Oranga Tamariki and investors in relation to the social bond contract. It is a small operation, composed of two directors who receive administrative support from G-Op as required, where our role is to monitor the performance of G-Op, in respect of the to the social bond, providing it with the funding to continue delivering services. We also work with investors and Oranga Tamariki to discuss wider issues around the contract and its performance as well as managing funds and organising payment for the outcomes delivered.

The social bond is a particular type of contract designed to improve innovation in the delivery of social services-intended to deliver better and more cost-effective social impacts when compared with existing services. It has (as at 1 September) been operating for three years, passing the mid-way point for enrolling new clients. Another notable shift, at the two-year point, was towards greater emphasis on the success in reducing actual reoffending, where the performance benchmarks and payment regime shifted significantly.

While it is still too early to draw final and statistically reliable conclusions on the overall effectiveness of the social bond and G-Op's delivery, results so far are encouraging:

1. Using a social outcomes lens, while less young people have been enrolled in the bond than initially expected (388 as compared with an initially modelled 605 clients), their reoffending has dropped by more than was expected. This improvement is quite significant, so for instance in the six months to 31 August 2020 there were 171 less offences committed by clients than for the counterfactual (youth with similar risk profiles in the 5 years before the bond). This translates into real gains for the young people, their whanau, and the community. Of the 388 young people who have been enrolled, some 61% have not reoffended.
2. Using a financial lens, the social bond has delivered both for the Government and investors. For the Government/wider New Zealand the additional reduction in offences committed can be translated using Treasury's CBAX tool into an approximate societal gain worth \$2.7m just for that six month period to 31 August 2020, ignoring extra benefits from longer term reoffending changes. For investors, who invested to support improved social outcomes, it has also delivered financial returns that support interest payments at the initial target levels.
3. At the organisational level, delivering services under the bond that effectively and reliably achieve reductions in offending has involved both significant upscaling as

well as changes to skill mixes, the nature of the actual services offered, and shifts in culture and systems. This has been a bigger transition than was anticipated several years ago when the journey towards the bond began but has been supported by the length and certainty of the social bond contract and the early access it provided to funding for building new systems and capability.

4. The services provided by G-Op have been continuously adapting over the last three years, utilising the richer information on client needs that is available to design better targeted help for clients. This process will continue as evidence accumulates on what is effective and how that can best be delivered. The bond has both spurred and supported this innovation through its very clear specification of performance targets which in turn are linked tightly to financial results.

While the last six months has been an unusually challenging time due to lockdown impacts of client contact and enrolment, further challenges remain. In particular, enrolments have been lower than expected, reducing the potential delivery of reduced reoffending to the community.

I'd also like to note my appreciation for my fellow board member, Craig Weston, and the support provided by G-Op. I've valued both the insights and expertise offered and the willingness to do whatever was needed.



Carl Bakker
Chairman, G-Fund

What is the Social Bond?

In September 2017, Genesis was the first New Zealand registered charity to become the recipient of a Social Bond. This followed a four-and-a-half-year selection process, which began with 50 organisations applying for social investment funding, of which Genesis was one of the successful candidates. Genesis, as a Social Bond recipient, is now in a privileged position of being resourced at a much higher level than previously and therefore able to be innovative in our approach and grow both our reach and our effectiveness.

With the Social Bond contract commencing, Genesis set up two wholly owned subsidiary companies to govern and manage the Social Bond, which is subject to high levels of scrutiny. G-Op Ltd is charged with all performance management aspects of the Social Bond, while G-Fund Ltd is a Special Purpose Vehicle (SPV) overseeing the funding aspects from the Crown and Investor perspective. This is in line with the standard method of managing bond-sourced funds.

One of the key things the Social Bond has allowed Genesis to do is to become more targeted in the way we conduct assessments and create interventions. In August 2017 Genesis introduced the YLS-CMI assessment tool (Youth Level of Service/Case Management Inventory) which measures eight different areas of a young person's criminogenic needs. The YLS-CMI is used as an initial assessment tool to measure risk factors once a young person is enrolled on the Social Bond, and then again used at regular intervals to measure the reduction in these recidivism risk factors.

In the first two years of the Bond we have achieved significant results in this area and both performance and payments were measured by the reduction in YLS-CMI scoring indicating a reduction in the level of risk of reoffending. At the two-year anniversary of the Bond (September 2019) the emphasis shifted to success in reducing both the frequency and severity of reoffending. It is encouraging to note that fewer offences have been committed by young people enrolled in the Social Bond intervention than previously modelled, an indication of the effectiveness of the intervention and of the positive impact of the work we are doing has on the community as a whole.

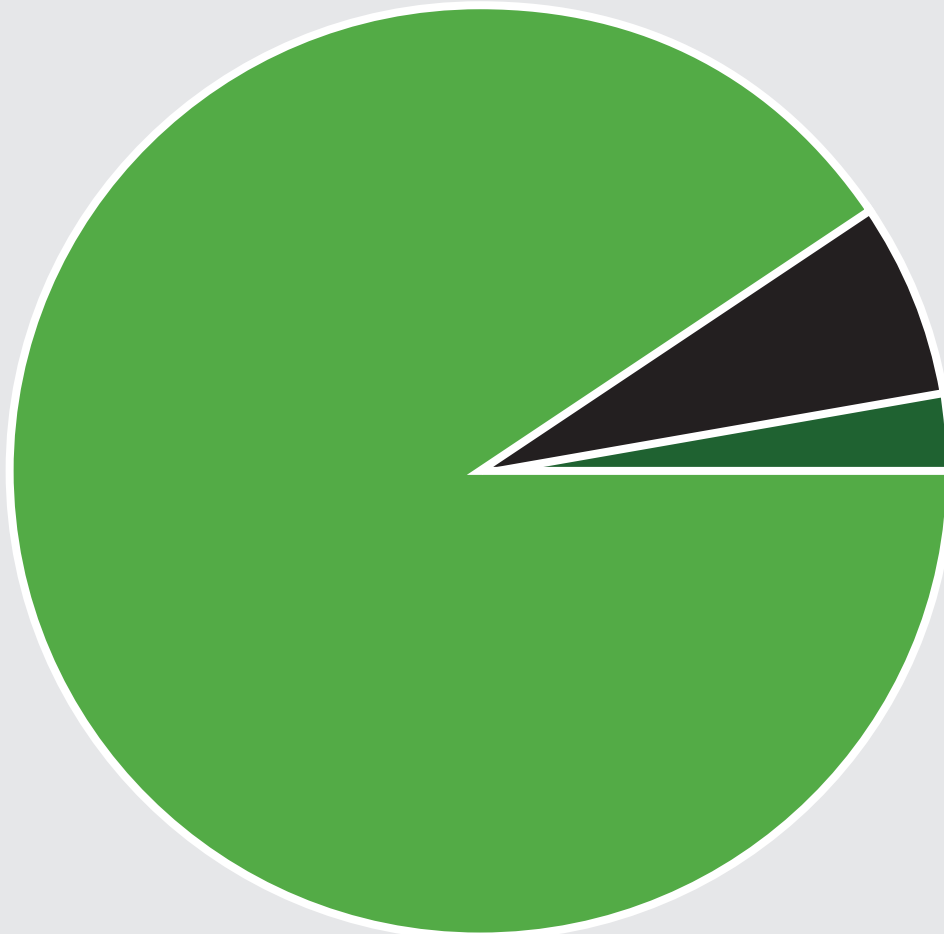
The YLS-CMI tool allows our staff to create customised, informed interventions for the young people we work with. Having a better understanding of each young person's criminogenic needs allows us to focus our areas of intervention on the areas of greatest risk, which vary across our clients. Importantly, the Bond funding allows us to provide a holistic intervention that includes Social Work, Counselling, Mentoring, and Whānau Programmes. This

wraparound service is delivered for up to two years for each young person.

Our overall number of enrolled clients remains behind target following a slow start and several operational changes required to ensure Genesis can deliver the most effective and efficient intervention possible. COVID-19 related lockdowns this year have also had a negative impact on enrolment numbers.

Following close to three years of innovation and many improvements as an organisation, Genesis is now in a good place to increase referral and enrolment numbers over upcoming Assessment Periods. The pressure of performance is also an opportunity to become a high-performing organisation with measurable outputs and outcomes. The Bond provides us with the opportunity to innovate, to partner with others in the community, to work towards achieving outcomes together, and to provide the best possible interventions for the young people we work with. In the future years of the Bond, we hope to see this reflected in continued reductions in recidivism risk factors, and ultimately, in significant reductions in reoffending levels.

Genesis Clients 2019-2020



Social Bond
Alternative Action
(Med-High YORST)
307 clients



Youth Justice F20
Mentoring Services
22 clients



Youth Justice
F20 Community
Counselling Services
9 clients





Services



 genesis
youth trust

 **genesis**
youth trust



Genesis Social Work Team

Our drivers of change

Our Social Work team is central to the delivery and coordination of our services. Genesis has four Social Work teams, one at each of our sites, under the supervision of our Operations Managers. Our Social Workers reflect the communities they serve and many of them live and work within the same communities. All our Social Workers are either qualified or working towards a Social Work qualification. Our Social Workers are the first people from Genesis to meet our young people and their families. They work on building rapport and help to introduce the young person and their family to our support services. They play a key role in gathering the relevant information to inform initial and ongoing validated assessments and targeted intervention plans. Our Social Workers have also played a significant role in driving our new psychological assessment tool, the Youth Level of Service/Case Management Inventory (YLS/CMI), which was introduced late in 2017 under the Social Bond.

Sam's story

Genesis Social Worker, Jerry, described Sam* as a "humble giant". Prior to being referred to Genesis Sam was insecure about his size; he was bullied at school which led to him unlawfully carry a weapon onto school grounds with the intent of defending himself. Consequently, he was expelled from school and was struggling with finding a job.

When Sam was referred to Genesis it was quickly apparent to Jerry and the Manurewa team that they needed to work on his self-esteem. A YLS-CMI assessment yielded a score of 27 which put Sam in the medium to high risk range of

reoffending. Sam's Social Worker, Jerry introduced him to Youth Mentor Wilz and Counsellor Tauva who together worked with Sam to build his self-belief and self-confidence and to encourage him to make positive choices.

Social Worker Jerry worked with Sam to change his attitude towards education and to build his self-confidence. Sam was expelled from both primary school and high school for violent behaviour and this negative experience affected his attitude towards education. Since Sam was enrolled in alternative education prior to being referred to Genesis, Jerry supported him in his studies and made sure he stayed on track. With the support of Jerry and the team, Sam decided to enrol in mainstream education and to give high school a second chance.

Jerry encouraged Sam to take part in a driver licensing course organised by the Genesis team. Like most of the young people participating in this programme, gaining a driver license was a huge accomplishment. For Sam, achieving his learner's driver's license helped him to believe that he could work for and achieve something significant. He was very grateful for the support he received and acknowledged the team for their hard work and encouragement:

"Jerry man, thanks to you and the rest of the Genesis team for helping me out with my license. Everything you do really means a lot, you guys have done really, really, good to help me and to help me work towards this programme. It will never go unnoticed, without your guys outreach and motivation, nothing would've happened..."

Youth Mentor Wilz worked with Sam on building his



confidence. Wilz challenged Sam's insecurities by encouraging him to participate in a rock-climbing activity as part of a group mentoring session. Initially Sam's insecurity about his size made him feel shy about taking part and incapable of completing the course. However, after much encouragement and support from Wilz and the team, Sam was able to complete the challenge, boosting his confidence, making him feel good about himself and his achievement.

When Wilz first started to work with Sam he noticed that he was a natural leader.

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a natural leader. To foster this trait Wilz facilitated a leadership focussed mentoring programme, exploring topics that aligned with Sam's criminogenic needs including, confidence and self-esteem, identity, and purpose and lastly, a focus on breaking the cycles around negative behaviour. Every week, Sam practiced the topics discussed and consistently put them into action. Drawn to Sam's leadership qualities, other boys taking part in the programme gravitated towards him and began to take his lead. Sam attended every session, and the team were encouraged to see that the programme had a positive influence on his behaviour and in turn, that he was able to influence the behaviour of other participants. Wilz noted that Sam went on to mentor his peers, sharing his experiences with them, showing encouraging signs of taking initiative and of an increasing level of self-confidence.

Wilz and Jerry worked together with Sam on his ambitions for his future. Sam believed that there could be no employment suited to him, so they introduced the idea of finding a job

where Sam's size was an asset. The team supported Sam by taking him to recruitment agencies and working with him to think about a job which would suit him best

Counsellor Tauva provided Sam with a safe space where he could talk and just be himself. During this time, Tauva worked with Sam on improving his relationship with his family and particularly with his siblings. Sometime later Sam's mother contacted Tauva and described how Sam had started helping around the house and engaging positively with his siblings and how the family dynamic had improved as a result.

Sam is now thriving, he has a more positive outlook on life, he holds a driver license, and is more confident in himself and in his future. He is trying to focus on his church, getting an education and finding a job. Quite a change from the young person who was initially referred to Genesis and a tribute to the focussed intervention of Jerry and the Manurewa based team.

**name changed for confidentiality*



Genesis Mentoring Team

Our relationship and youth engagement specialists, our Mentoring team are the experts in establishing and maintaining genuine relationships with our young people. A team of Mentors are based in each of our four sites under the leadership of their Operations Manager. They come from different types of backgrounds including youth work, psychology, podiatry, and sport. Each of our Mentors has a heart for reconnecting young people with positive role models and pro-social activities. Our Mentors run several mentoring programmes throughout the year, including one-on-one mentoring and group programmes that are strengths-based, gender specific, and gender mixed where appropriate. Our one-on-one mentoring programme is based on the young person's goals and key areas relating to reducing risks, addressing specific needs, and building protective factors. Our group mentoring programme is an opportunity to build a mentoring family, look at gender-specific issues, learn life skills, cultural identity and is also developed to help address identified needs.

Te Ana's story

Before arriving at Genesis, Te Ana* had been kicked out of home and had a troubled relationship with her mother. Te Ana felt insecure and tended to compare herself to others which detrimentally affected her outlook and her view of herself. Te Ana's lack of self-esteem was exhibited in disrespectful behaviour, a bad attitude, and bad manners. Te Ana's demeanour and feelings about herself contributed to her choice of friendships and the peers she surrounded herself with, she did not choose positive role models. Te Ana's offending history, when referred to Genesis, included unlawfully entering a motor

vehicle and assaulting a police officer.

Te Ana suffered emotional abuse and a negative environment home environment, consequently she tended to escape from home when things got tough and had thoughts of suicide.

When Te Ana completed her initial YLS-CMI assessment after being referred to Genesis, the resulting score of 32 indicated a high-risk of reoffending. The interdisciplinary team worked on individual goals with Te Ana with the aim of progressing towards a more positive lifestyle.

Mentor Meleane used different strategies to address Te Ana's criminogenic needs. The programs that proved most effective were a combination of one on one and group mentoring sessions. Meleane specifically worked on family and living circumstances, peer relations, leisure and recreation, attitudes and beliefs and personality, and behaviour.

Te Ana and Mentor Meleane had some common ground which provided a foundation for building rapport

Te Ana and Mentor Meleane had some common ground which provided

a foundation for building rapport, they had both completed the same Youth Line programme. Meleane found that by being open with Te Ana and sharing some her own life journey that in turn encouraged Te Ana to share her feelings and to express some of the emotion behind her childhood experiences. By sharing something of her own experience Meleane provided Te Ana a with a different perspective and a model of how a life can be turned around.

Meleane supported Te Ana to engage in leisure activities,



not only to gain new skills, but also to challenge herself both mentally and physically. Te Ana participated in a sport mentoring programme and trained to compete in a game of netball with the Genesis Papakura team, playing against Police Youth Aid Officers. This activity encouraged her to build relationships and work cooperatively with others in her team and it taught her the importance of sportsmanship. Te Ana was awarded the “Most improved player” boosting her self-confidence and providing her with a more positive view of Police Officers.

Te Ana loves to sing, and she is passionate about recording music. Meleane supported this and set up a music mentoring session where Te Ana was able to both sing and record music. Te Ana was able to navigate the software to enable her to record her own music which, not only allowed her to indulge a passion but increased her confidence and her communication skills as she worked with a new range of people to achieve her goal.

Counsellor Richard worked with Te Ana, targeting Te Ana’s family dynamics, depression, anger management and suicidal ideation. The work Richard focussed on further supported Meleane in her work with Te Ana. Te Ana’s time with Richard helped her release some of her emotional triggers and, as she became more confident with Richard, they started to work through some of the issues that had been weighing her down and holding her back.

Social Worker Nadya supported Te Ana to continue her education, beginning with improving her attendance. After some time, Te Ana, bolstered by an improved attitude, started to thrive in her school environment and to work hard in her course. A year 10 student in alternative education she

is now working towards NCEA credits and, according to her tutor, Te Ana is improving academically.

After 6 months, a YLS-CMI reassessment showed Te Ana’s score had dropped from 32 to 29 and, after a year of countless one on one sessions, group mentoring programmes, car rides and consistent encouragement, Te Ana’s score dropped to 11, less than half of her initial YLS-CMI score and indicating a significant reduction in Te Ana’s risk of re-offending.

Te Ana’s life at home has also improved, she has shared that she no longer runs away from home when she gets in trouble from her mother. Communication with her Mother has progressed, and Te Ana is more confident about sharing her thoughts and feelings. She also feels more confident in herself and shared:

“I love my skin colour it’s a very nice brown, I love my hair, I love my body and I just love me. I love the way I look.”

Meleane and the team are excited about the changes they have seen in Te Ana. They are confident she has a bright future ahead and they are looking forward to seeing what the future holds for Te Ana.

**Name changed for confidentiality*



Genesis Counselling Team

Our heart surgeons

Our team of Counsellors are our heart surgeons and focus on getting to the root cause of our young people's offending. They work with young people through one-on-one counselling sessions, and they also work with our families through our whānau programmes. Our Counselling and whanau programmes work on supporting our young people and their families to learn strategies for dealing with their emotions and experiences and building on their strengths as a family. In recent times Genesis has seen an increase in self-harming and suicidal ideation amongst the young people we work with and their peers, and our Counsellors work to address these issues. Our Counselling team has a strong focus on the holistic well-being of our young people, including addressing their mental and emotional needs.

Sione's story

When Sione* arrived at Genesis he had three active charges for offences he had committed, including theft of a motor vehicle. A troubled relationship with his whanau stemmed from an environment of domestic violence, emotional abuse, and substance abuse. At school, while Sione excelled in extracurricular activities such as kapa haka and drama, his troubled home life had a negative influence on his attendance at school and on his academic achievement. Issues at home meant Sione was forced to mature early and take responsibility for his siblings. A lack of stability contributed to bad decision making, getting involved with the

wrong crowd and coming to the attention of Police.

Sione's initial YLS-CMI score was 20, indicating a medium-high risk of re-offending. Counsellor Leah, with the support of the Mangere based Genesis team, focused on Sione's attitude and behaviour, his identity, and strategies to manage his anger and his peer relationships.

Leah was consistent in her intervention plan with Sione, recognising that consistency was the key to influencing change

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understand his place in his family and in his culture. Sione worked with Leah on a narrative therapy model called "Tree of life". This helped Sione to explore his roots, his lifestyle, his goals, and hopes and dreams. Sione was also able to work with Leah to prioritise three goals which helped him to reflect on his actions, motivating him to become more active in influencing his own future.

Simultaneously, Sione's mother attended sessions of the Building Awesome Whanau programme. This parenting programme facilitated by Genesis, focusses on conversations around whanau wellbeing, values within the home and relationships. Sione's mother shared her personal experiences and encouraged others attending to share their own journeys in life.

Leah also supported Sione to connect with positive role



models, during their one on one sessions, Sione felt comfortable to speak about the toxic relationship he had with his current group of friends. After encouragement from Leah, Sione found the courage to make the decision not associate with his old friends anymore and to cultivate a new group of friends.

Mentor Su'e kept Sione accountable with his education. Sione decided that mainstream schooling was not for him and decided, instead, to attend an alternative education course. Sione did well in his new environment, attending his course and engaging with his fellow students and with his tutors. He now has his sights on gaining a carpentry apprenticeship.

Social Worker Rad focused on Sione's engagement. Rad keep in touch with Sione to make sure that he is working actively with his mentoring and counselling colleagues and that he was maintaining his attendance at his course. Rad, along with the rest of the Mangere based team, facilitated food packages for Sione and his family. Over time, Sione developed a strong bond with his "Genesis family". He became more aware of his choices and surroundings and started to make the necessary changes to work towards a better future.

Sione's father shared with Mentor Su'e, the positive changes he has seen in Sione and he also spoke of how their family was rebuilding and sustaining closer relationships with each other.

Sione recently completed his two-year Social Bond intervention with Genesis and after years of one on

one mentoring sessions, mentoring programmes, and counselling sessions, Sione's YLS score has reduced dramatically and he has not reoffended.

Sione's mother recently invited Counsellor Leah to visit their new home, proud that the family had moved away from their old life and started afresh. Sione's mother acknowledged the Genesis team for their consistency with Sione and the support given to their family. Sione's family expressed gratitude for the role Leah played in supporting the family to make positive changes. With the help of Leah and the Mangere based team, Sione has a bright future ahead.

**name changed for confidentiality*



Genesis in lockdown

Our social work, mentoring and counselling teams are highly skilled at building rapport and maintaining relationships with the young people they work with. The majority of Interactions with young people, their whanau, and with our stakeholders, take place in person as the Genesis team conduct home visits, take young people out for mentoring sessions, complete assessments, conduct counselling sessions and liaise with our referrers.

The impact of COVID-19 restrictions in Late March to mid May 2020 and the resulting “lockdown” was unexpected and forced our staff to rethink the way in which we work. COVID-19 Level 4 and Level 3 restrictions meant our Genesis team were working from home rather than based in one of our four offices and were unable to meet our young people face to face.

Like other organisations similarly affected, Genesis had to be innovative and adaptive, exploring new ways of communicating and working, new ways of supporting each other and supporting the young people we work with.

Social Workers, Mentors and Counsellors quickly adapted

and utilised social media, phone calls, online meeting software and various gaming platforms to connect with young people and their whanau. They successfully conducted online one on one mentoring sessions and even hosted fitness, and dance sessions. Counselling and family therapy took place online and by phone. Our staff-maintained contact with, not only our young people but also with their whanau and, where there was a need, they connected whanau to outside agencies and services able to provide food and support. As Lockdown progressed our Operations Managers reported that their staff had successfully connected with approximately 80% of the young people and families they work with and had completed enrolments and YLS-CMI assessments. The Genesis team-also maintained contact with our referrers, Oranga Tamariki and New Zealand Police, alerting them to any issues and receiving a limited number of referrals as Police were diverted to other duties.

Balancing work and home life proved challenging for many during lockdown and the Genesis team were no exception with many of our staff working in an environment where



children and family members shared a workspace. Genesis Operations Managers supported their team checking on their wellbeing, setting collective goals and providing the platform to share both successes and challenges. Clinical Manager, Nathan, provided interactive online training sessions, focussing on enhancing and consolidating work practices and providing opportunities for our staff to upskill.

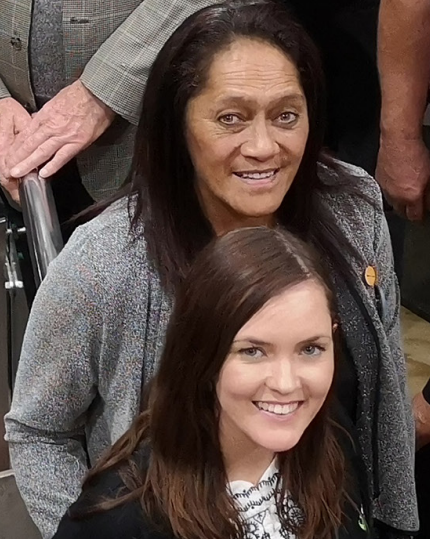
Our Genesis team are relationship experts and, following a reduction in COVID-19 alert levels, they were pleased to resume meeting young people in person and resume a form of “business as usual”. However, they have embraced the learnings from the lockdown experience gaining alternate strategies for connecting with young people and building rapport.

This has certainly been a challenging year for our young people and their whanau and for the Genesis team. It is gratifying to see our staff rise to the challenge of an unforeseen change in circumstances and continue to do their very best to support the young people they work with. In doing so they embodied the Genesis values which underpin our practice.

Highlights

- July 2019** ● Process of formulating a Performance Management Framework commences with the assistance of The Learning Wave.
- Aug 2019** ● Evan Jensen , CFO for Downer, appointed to Genesis Youth Trust / G-Op Board.
- Sept 2019** ● Second anniversary of Social Bond milestone celebrated.
- Oct 2019** ● Genesis Youth Trust and G-Op Chair, Stuart Crosbie farewelled.*
- Oct 2019** ● Meetings with NZ Police District Commanders to promote Genesis's services.
- Nov 2019** ● Two year evaluation of the Genesis Social Bond commences.
- Dec 2019** ● Annual Christmas Boxes donated by Life Church, distributed to the whanau Geneis works with.
- Jan 2020** ● Lease signed for premises in Manurewa to accommodate our Clendon based team.
- Jan 2020** ● Appointment of Nathan Chong-Nee to the role of Clinical Manager.
- Feb 2020** ● Powhiri farewell to CEO Lisa Silipa.
- March 2020** ● COVID-19 Level 4 - Genesis Team working from home.
- March 2020** ● Tuhi Leef appointed to role of CEO of Genesis Youth Trust.
- May 2020** ● Following a move to COVID-19 Level 2, The Genesis Team returns to the workplace.
- May 2020** ● Manurewa team moves into new premises.
- Jun 2020** ● Powhiri to welcome Tuhi Leef as CEO.

** Photo provided*





Our People



 **genesis**
youth trust

 **genesis**
youth trust

 **genesis**
youth trust

Our Governance Teams

Genesis Youth Trust board and G-Op Directors



Murray Edridge
(Chair)



Louise Darroch



Martyn McKessar



Valerie Teraitua



Evan Jensen

G-Fund Directors



Carl Bakker
(Chair)



Craig Weston

Our Management Team



Tuhi Leef
CEO



Suzanne Teague
General Manager
Business



Rob Woodley
General Manager
Police and Community



Vivienne Kapua
Operations Manager
Mangere



Nathan Chong-Nee
Clinical Manager



Turei Marshall
Operations Manager
Papakura



Richard Takapautolo
Operations Manager
Glen Innes



Emil Huch
Operations Manager
Manurewa

Our Investors, Sponsors and Supporters

Genesis is fortunate to receive support from our key stakeholders, Oranga Tamariki – Ministry for Children and NZ Police.



A huge thank you to our key stakeholders, sponsors and investors whose generous support allows us to make positive changes in the lives of our clients and their whānau.

Investors

New Zealand Superannuation Fund

Mint Asset Management Limited

Caleb No.2 Trust (from 26.04.18)

Hosanna Charitable Trust (from 26.04.18)

Wilberforce Foundation

Sponsors



Genesis also wishes to thank the following partners for their ongoing support in delivering the Social Bond.



Independent Auditor's Report

To the trustees of Genesis Youth Trust

Opinion

We have audited the consolidated financial statements of Genesis Youth Trust and its subsidiaries (the group), which comprise:

- The consolidated statement of financial position as at 30 June 2020;
- The consolidated statement of comprehensive revenue and expense for the year then ended;
- Consolidated statement of changes in net assets/equity for the year then ended;
- Consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, which include significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 5 to 17 present fairly, in all material respects, the financial position of the group and Genesis Youth Trust as at 30 June 2020, 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 consolidated financial statements* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners 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.

Our firm has formatted the consolidated financial statements of the group to which our audit opinion relates, working from completed records of the group, which we have audited. We have had no involvement in the compilation of those records or the entries they contain. The provision of this service has not impaired our independence as auditor. Except in this regard, and other than in our capacity as auditor, we have no relationship with, or interests in, the group.

Other information

The trustees are responsible for the other information. The other information comprises the Directory, Trustee Report and Statement of Responsibility for Consolidated Financial Statements on pages 1 to 2 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated 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 consolidated 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 consolidated 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 trustees for the consolidated financial statements

The trustees are responsible, on behalf of the group, for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible, on behalf of Genesis Youth Trust and group, for assessing the Genesis Youth Trust's and 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 those charged with governance either intend to liquidate the Genesis Youth Trust and group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole is 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 decisions of users taken on the basis of this consolidated financial statements. A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the XRB's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

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 the trust, and the trustees' members as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'RSM'.

RSM Hayes Audit
Auckland

4 November 2020

Genesis Youth Trust**Consolidated Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
Revenue			
Revenue from non-exchange transactions	15	10,624,747	4,791,850
Gain on disposal of fixed assets		552	-
		<u>10,625,299</u>	<u>4,791,850</u>
Expenses			
Annual return		34,964	14,900
Audit		23,004	23,004
Bank charges		2,161	1,688
Building rent		33,142	19,969
Catering		18,547	12,622
Computer support		27,347	33,692
Depreciation	10	72,344	62,853
Insurance		25,217	24,977
Loss on disposal of assets		-	330
Rent expense		104,605	103,332
Office supplies		45,588	69,358
Professional development & training		80,148	34,882
Programme and activities		38,277	74,979
Promotional costs		-	2,380
Social bonds related cost		53,370	268,291
Staff recruitment cost		19,903	1,770
Staff related cost		2,512,979	2,367,429
Supervision costs		8,161	9,726
Telecommunications		37,770	31,833
Travel		4,216	4,257
Board remuneration		103,776	91,481
Motor Vehicle		34,120	34,435
Others		3,585	2,329
Total expenses		<u>3,283,222</u>	<u>3,290,517</u>
Finance income	16	141,441	141,412
Finance costs	16	(557,284)	(577,447)
Net finance costs		<u>(415,843)</u>	<u>(436,035)</u>
Net surplus for the year		<u>6,926,234</u>	<u>1,065,298</u>
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		<u><u>6,926,234</u></u>	<u><u>1,065,298</u></u>

The above financial statement should be read in conjunction with the accompanying notes.

Genesis Youth Trust**Consolidated Statement of Changes in Net Assets / Equity
For the year ended 30 June 2020**

	Accumulated comprehensive revenue and expense	Total
Opening equity 1 July 2018	(881,963)	(881,963)
Surplus/(deficit) for the year	1,065,298	1,065,298
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	<u>1,065,298</u>	<u>1,065,298</u>
Closing equity 30 June 2019	183,336	183,336
Surplus/(deficit) for the year	6,926,234	6,926,234
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	<u>6,926,234</u>	<u>6,926,234</u>
Closing equity 30 June 2020	<u><u>7,109,570</u></u>	<u><u>7,109,570</u></u>

The financial statement should be read in conjunction with the accompanying notes.

Genesis Youth Trust**Consolidated Statement of Financial Position
As at 30 June 2020**

	Notes	2020	2019
Assets			
Current assets			
Cash and cash equivalents	6	1,923,041	1,452,812
Short term investments	7	7,027,924	4,260,000
Receivables from exchange transactions	8	111,597	81,231
Receivables from non-exchange transactions	8	4,338,715	1,105,541
Total current assets		<u>13,401,277</u>	<u>6,899,584</u>
Non-current assets			
Property, plant and equipment	10	201,215	168,614
Total Assets		<u>13,602,492</u>	<u>7,068,198</u>
Liabilities			
Current liabilities			
Payables from exchange transactions	12	355,394	429,584
Payables from non-exchange transactions	12	78,751	82,238
Employee benefits	13	201,107	154,962
Income in advance		-	36,576
Interest-bearing borrowings	14	600,000	300,000
Total current liabilities		<u>1,235,252</u>	<u>1,003,360</u>
Non-current liabilities			
Interest-bearing borrowings	14	5,257,670	5,881,502
Total liabilities		<u>6,492,922</u>	<u>6,884,862</u>
Total net assets		<u>7,109,570</u>	<u>183,336</u>
Equity			
Accumulated comprehensive revenue and expense		<u>7,109,570</u>	<u>183,336</u>

For and on behalf of the Board:

Chairperson_____
Date_____
Trustee_____
Date

The financial statement should be read in conjunction with the accompanying notes.

Genesis Youth Trust**Consolidated Statement of Cash Flows
For the year ended 30 June 2020**

	Notes	2020	2019
Cash flows from operating activities			
Receipts from grants and donations		7,937,740	3,973,284
Social bond recoveries		50,193	-
Interest received		141,441	143,758
Payments to suppliers and employees		(3,905,712)	(3,016,283)
Interest paid		<u>(557,284)</u>	<u>(577,447)</u>
Net cash inflow/(outflow) from operating activities		3,666,378	523,312
Cash flows from investing activities			
Sales of property, plant and equipment		4,696	2,939
Purchase of property, plant and equipment		(109,089)	(85,984)
Purchase of investments		(2,767,924)	(426,494)
Income received from investment		-	-
Net cash inflow/(outflow) from investing activities		(2,872,318)	(509,539)
Cash flows from financing activities			
Issue of bonds		<u>(323,832)</u>	170,564
Net cash inflow/(outflow) from financing activities		(323,832)	170,564
Net increase/(decrease) in cash and cash equivalents		470,228	184,337
Cash and cash equivalents at 1 July		<u>1,452,812</u>	<u>1,268,475</u>
Cash and cash equivalents at 30 June	6	<u>1,923,041</u>	<u>1,452,812</u>

The financial statements should be read in conjunction with the accompanying notes.

Genesis Youth Trust

Notes to the Consolidated Financial Statements For the year ended 30 June 2020

1. Reporting entity

Genesis Youth Trust is incorporated under the Charitable Trusts Act 1957 and is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

The consolidated financial statements for the year ended 30 June 2020 comprise the controlling entity and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'.

The consolidated financial statements for the year ended 30 June 2020 were authorised for issue by the Trustees on the date indicated on page 7.

2. Basis of preparation

a) Statement of compliance

The consolidated 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").

As the primary objective of the Group is to provide goods or services for community and social benefit, rather than for making a financial return, the Group is a public benefit entity for the purpose of complying with NZ GAAP.

The consolidated financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities. The Group qualifies as a Tier 2 reporting entity as it does not have public accountability and it is not defined as large. All reduced disclosure regime exemptions have been adopted.

b) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

The consolidated 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 Group during the year.

3. Significant judgments and estimates

The preparation of the consolidated 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 Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- Revenue recognition – non-exchange revenue (conditions vs. restrictions)
- Classification of non-financial assets as cash generating or non-cash generating assets for the purposes of assessing impairment indicators and impairment testing.
- Classification of the social bonds as interest-bearing financial liabilities

The majority of property, plant and equipment held by the Group is classified as non-cash generating assets.

b) Assumptions and estimation uncertainties

The 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, are described below. The Group based its assumptions and estimates on parameters available when the consolidated and separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Changes in accounting estimates

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

Genesis Youth Trust**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020****4. Significant accounting policies****a) Basis of consolidation**

Controlled entities are all these entities over which the Trust (the controlling entity) has the power to govern the financial and operating policies so as to obtain benefits from their activities. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements of the controlled entities are prepared for the same reporting period as the Trust, using consistent accounting policies.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates and jointly-controlled-entities are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

On the loss of control, the Group derecognises the assets and liabilities of the controlled entity, any minority interest, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit.

If the Group retains any interest in the previously controlled entity, then such interest is measured at fair value at the date that control is lost. Subsequently, the retained interest is either accounted for as an equity-accounted associated or an available-for-sale financial asset depending on the level of influence retained.

b) Revenue

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.

i) Revenue from exchange transactions

Interest revenue

For all financial instruments measured at amortised cost, 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 expense.

ii) Revenue from non-exchange transactions

Non-exchange transactions are those where the Group 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:

- 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.

Genesis Youth Trust**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020****4. Significant accounting policies (cont'd)****b) Revenue (cont'd)**

ii) Revenue from non-exchange transactions (cont'd)

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Grants and donations

The recognition of non-exchange revenue from grants and donations 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 Group 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 Group 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.

Outcome Payments

Recognition of non-exchange revenue from outcome payment revenue is depended on when the 'conditions' stipulated are satisfied. Where the 'conditions' have not been met, this will result in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'condition's are satisfied.

Notional grant revenue

This is a non-cash grant provided by the New Zealand Police towards operating expenses. The amount is based on the market value of goods and services provided.

c) Employee benefits

i) Short term employee benefits

Short-term employee benefit liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided with 12 months of reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

d) Financial instruments

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

The Group 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 Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Group also derecognises financial assets and financial liabilities when there has 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 Group 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 Group classifies financial assets as loans and receivables.

The Group 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.

Comprising cash and cash equivalents and receivables from exchange and non-exchange transactions.

Genesis Youth Trust

Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

4. Significant accounting policies (cont'd)

d) Financial instruments (cont'd)

i) Loans and receivables (continued)

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.

ii) Amortised cost financial liabilities

Financial liabilities classified as at amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as at amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as at amortised cost comprise payables and interest-bearing borrowings.

Interest-bearing borrowings comprise bonds which are initially recognised at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost using the effective interest rate method, where appropriate. Interest-bearing borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for more than 12 months after the reporting date. Interest expense is recognised using the effective interest rate method.

e) 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 Group on terms that the Group 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 Group 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.

In assessing collective impairment the Group 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.

f) 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 Group. Ongoing repairs and maintenance is expensed as incurred.

Genesis Youth Trust**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020****4. Significant accounting policies (cont'd)****f) Property, plant and equipment (continued)**

iii) Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value and for buildings is based on the revalued amount less its residual value.

Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

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

The estimated useful lives are:

Office Equipment	16% - 67%
Motor Vehicles	30%
Furniture & Fittings	16%

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

g) Impairment of non-financial assets

The carrying amounts of the Group'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 an asset or Cash Generating Unit (CGU) 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 or CGU.

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.

h) Equity

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

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 Group 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 Group operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Genesis Youth Trust**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020****5. Group information**

The controlled entity financial statements of the Group include the following controlled entities of the Trust:

Name of subsidiary	Principal activities	Country of incorporation	Carrying value of investment (at cost)	
			2020	2019
G-FUND LIMITED	Service Provider of the Social Bonds Pilot project	New Zealand	-	-
G-OP LIMITED	Subcontractor of the Social Bonds Pilot project	New Zealand	-	-

The reporting date of the Trust and all subsidiaries is 30 June.

6. Cash and cash equivalents

	2020	2019
	\$	\$
Cash and cash equivalents include the following components:		
Savings plus	656,911	449,003
Cheque	99,300	56,581
On call account	290,081	32,553
Eftpos account	2,974	416
Cash reserve account	116,349	316,466
Working capital account	217,620	213,744
ASB term deposit 10	300,000	-
Operational account	239,806	384,049
	<u>1,923,041</u>	<u>1,452,812</u>

The payments made from the Cash Reserve Account are restricted to specific purposes listed in schedule 3 of the Deed Poll relating to Social Bonds and only to the extent of available moneys in the Cash Reserve Account.

7. Short term investments

Current	Maturity date	Interest rate		
Investment #72	16/01/2022	2.50%	27,924	-
ANZ term deposit 01	18/08/2020	2.21%	600,000	-
ANZ term deposit 02	19/10/2020	2.19%	300,000	-
ANZ term deposit 03	19/10/2020	2.19%	1,700,000	240,000
ANZ term deposit 04	6/04/2021	2.17%	1,200,000	270,000
ANZ term deposit 05	18/09/2019	2.89%	-	450,000
ANZ term deposit 06	17/10/2019	3.24%	-	1,800,000
ANZ term deposit 07	18/10/2019	2.98%	-	1,500,000
ANZ term deposit 11	19/04/2021	1.47%	1,300,000	-
ANZ term deposit 12	18/12/2020	1.49%	1,900,000	-
			<u>7,027,924</u>	<u>4,260,000</u>

Term deposit Investment #72 is held for security for the lease premises.

8. Receivables**Receivables from exchange transactions**

Prepayments	42,384	25,391
Interest accrual	69,213	55,840
	<u>111,597</u>	<u>81,231</u>

Receivables from non-exchange transactions

Accounts receivables	4,263,892	1,031,279
GST receivables	71,921	71,360
Resident withholding tax	2,902	2,902
	<u>4,338,715</u>	<u>1,105,541</u>

9. Related parties**Related party transactions**

Remuneration paid to key management personnel:

Number of FTE's	3	3
Senior Management Remuneration	231,040	293,000

Total remuneration of \$88,584 was paid to the trustees and directors (2019: \$91,481).

There are no balances outstanding regarding transactions with related parties (2019: Nil).

Genesis Youth Trust**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020****10. Property, plant and equipment**

	30-Jun-20			30-Jun-19		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor Vehicles	308,735	144,895	163,840	245,612	126,809	118,803
Furniture and Fittings	20,426	16,408	4,018	20,426	15,624	4,802
Office Equipment	128,703	95,346	33,357	142,105	97,096	45,009
	<u>457,864</u>	<u>256,649</u>	<u>201,215</u>	<u>408,143</u>	<u>239,529</u>	<u>168,614</u>

Reconciliation of property, plant and equipment - June 2020

	Opening	Additions	Disposals	Depreciation	Closing balance
Motor Vehicles	118,803	99,971	2,639	52,295	163,840
Furniture and Fittings	4,802	-	-	784	4,018
Office Equipment	45,009	9,118	1,505	19,265	33,357
	<u>168,614</u>	<u>109,089</u>	<u>4,144</u>	<u>72,344</u>	<u>201,215</u>

Net book value

As at 30 June 2020	201,215
As at 30 June 2019	168,614

11. Financial instruments

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

i. Classification and fair values of financial instruments

	Financial assets		Financial liabilities	
	Loans and receivables		Amortised cost	
2020				
Cash and cash equivalents	1,923,041		-	
Term deposit	7,027,924		-	
Receivables	4,333,106		-	
Payables	-		76,965	
Interest-bearing borrowings	-		5,857,670	
	<u>13,284,071</u>		<u>5,934,636</u>	
2019				
Cash and cash equivalents	1,452,812		-	
Term deposit	4,260,000		-	
Receivables	1,087,119		-	
Payables	-		75,940	
Interest-bearing borrowings	-		6,181,502	
	<u>6,799,931</u>		<u>6,257,442</u>	

12. Payables

	2020	2019
	\$	\$
Payables from exchange transactions		
Accounts payables	76,965	75,940
Interest accrual	117,108	72,659
Other accruals	161,320	280,985
	<u>355,394</u>	<u>429,584</u>
Payables from non-exchange transactions		
GST payables	78,751	82,238
	<u>78,751</u>	<u>82,238</u>

13. Employee benefits

Annual leave	124,631	109,547
Wages accrual	76,476	45,415
	<u>201,107</u>	<u>154,962</u>

Genesis Youth Trust**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**

14. Interest-bearing borrowings	2020	2019
	\$	\$
Interest-bearing borrowings at amortised cost		
Current portion	600,000	300,000
Non-current portion	5,257,670	5,881,502
Total	5,857,670	6,181,502
Holdings		
	Class	Initial Principal
NZ Super Fund	Class A	3,700,000
Mint Asset Management Limited	Class A	500,000
Wilberforce Foundation	Class A	50,000
Hosanna Trust	Class A	500,000
Caleb No. 2 Trust	Class A	50,000
NZ Super Fund	Class B	1,200,000
Subtotal		6,000,000
Minus: Transaction cost		(120,000)
Initial fair value		5,880,000

On 1 September 2017, G-Fund Limited issued \$4,800,000 Class A bonds with an annual yield of 6.0% (increased to 9.6% from 1 September 2019) and \$1,200,000 Class B bonds with an annual yield of 10.0% (increased to 16.8% from 1 September 2019). These bonds were issued to finance the improvement of outcomes relative to specific social issues. Both classes of bonds have a final maturity date of 31 August 2023. Class A bonds are senior to Class B bonds as to principal and interest. Both classes are secured by a first-ranking security over all present and after-acquired property of G-Fund Limited granted in favor of a security Trustee for the benefit of the bondholders.

G-Fund Limited started repaying the principal, from April 2020. Repayments will be made every six months until October 2023.

15. Revenue	2020	2019
	\$	\$
Revenue from non-exchange transactions		
Ministry of Social Development	254,193	178,205
Other grants and donations	1,050	15,000
Notional grant revenue	522,146	503,393
Social Bonds Outcome revenue	9,847,359	4,095,252
	10,624,747	4,791,850

16. Finance income and costs		
Finance income		
- interest income on bank deposit	141,441	141,412
Finance cost		
- interest expense on social bonds	557,284	577,447

Genesis Youth Trust**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020****17. Commitments**

The lease payments are related to a photocopier lease.

	2020	2019
	\$	\$
Lease payments within one year	798	4,787
Lease payments between one year and five years	-	798
Lease payments more than five years	-	-
	<u>798</u>	<u>5,585</u>

18. Contingent assets and liabilities

G-Fund entered into an outcome agreement with Oranga Tamariki - Ministry for Children (previously known as The Ministry for Vulnerable Children, Oranga Tamariki). This agreement is a pilot for the social bonds project ("the project"). Oranga Tamariki - Ministry for Children provides incentive payments when G-Fund meets certain outcome thresholds.

The outcome agreement states that any surplus from the project at the end of the term (six years) will need to be repaid to the Oranga Tamariki - Ministry for Children. As this project will extend over six years, it is currently unknown if a surplus will be achieved from this project. Accordingly, no provision for any liability has been made in the consolidated financial statements.

There are no contingent assets or other contingent liabilities at the reporting date. (2019: Same as above).

19. Events after the reporting date

There are no significant post balance date events (2019: Nil).

20. Going concern

The Group has achieved a surplus of \$6,926,234 (2019: deficit of \$1,065,298) for the year ended 30 June 2020 and as of that date has net assets of \$7,109,570 (2019: net liabilities of \$183,336). In March 2020, New Zealand experienced a pandemic due to Covid 19 which impacted NZ businesses and the economy. The effects of this pandemic may have had a material impact on the businesses within the Genesis Youth Trust group, however the full extent of this impact can only be ascertained at the end of the next financial year. The trustees are confident that the Group will continue as a going concern. The financial statements have therefore been prepared on a going concern basis.



