



# Annual Report 2023



**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**

# Contents

<b>About Genesis.....</b>	<b>1</b>
Vision and purpose.....	2
What we do.....	4
Who we work with.....	5
Outcomes and Performance .....	7
<b>Reports.....</b>	<b>15</b>
Youth Justice .....	17
Social Bonds.....	18
Kotahi te Whakaaro .....	19
Te Rere o Te Mana .....	20
Whakamana Rangitahi .....	21
Report from the CEO.....	23
G-Fund Report.....	24
What is a Social Bond and what it achieved .....	25
Enrolment by intervention.....	26
<b>Services.....</b>	<b>28</b>
Genesis Social Work Team .....	31
Genesis Mentoring Team .....	32
Genesis Counselling Team .....	35
The Genesis Youth Justice Intervention.....	36
Our Whakamana Rangatahi Team .....	39
<b>Our People.....</b>	<b>40</b>
Our Governance Teams.....	42
Our Investors, Sponsors and Supporters.....	43
<b>Financials.....</b>	<b>44</b>



# 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 rangatahi referred to us 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 whanau are based on our Genesis values:

- Manaaki tangata (servanthood)  
Serving others with humility, care, and compassion
- Aroha mutunga kore (Unconditional love)  
Unconditionally loving of all people
- Tika me te pono (trust and integrity)  
Building relationships based on trust and integrity.
- Wairuatanga  
Doing what it takes with a sense of calling and purpose.
- Whakamana Rangatahi  
Empowering our youth and families
- Whakakotahi (teamwork)  
Being a supportive, productive, and united team
- Kē eke ki te taumata  
Bringing a spirit of excellence to everything we do

Our organisational values underpin our mahi and commitment to providing best practice services for those we work with.

We deliver our services from three different sites across Tāmaki Makaurau, Auckland, covering referrals from Māngere (covering Counties Manukau West), Glen Innes (covering Auckland East), Papakura and Manurewa (covering Counties Manukau South). Each of our sites a Team Leader, who, along with two Programme Managers, manage a multi-disciplinary team of Social Workers, Mentors, and Counsellors. 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 rangatahi and their whanau.

## Who we work with

Genesis aims to offer hope, build resilience and walk alongside our rangatahi and whanau to challenge adversity and find sustained solutions to the difficulties they face.

### Social Impact Bond Pilot:

Referrals to the Social Impact Bond pilot Genesis has been involved with since 2017 ended on 31st August 2022. Those already enrolled continued to receive an enhanced intervention according to their assessed risk factors and a targeted case management plan.

Referrals to this intervention ranged from entry-level offences to more serious offences. Police Youth Aid Officers and Youth Engagement Officers from various Counties Manukau and East Auckland Police stations referred young people to Genesis for a comprehensive assessment, followed by a focused multidisciplinary team intervention.

The enrollees at this date have continued to receive an enhanced intervention according to their assessed risk factors and a targeted case management plan.

### Te Rere o Te Manu:

Referrals remaining at the end of the Social Bond pilot enrolment period were transferred to a Genesis initiated intervention. Te Rere o Te Manu, a targeted intervention based on learnings from the Social Bond pilot. Referrals to this intervention ranged from entry-level offences to more serious offences. Police Youth Aid Officers and Youth Engagement Officers from various Counties Manukau and East Auckland Police stations referred young people to Genesis for a comprehensive assessment, followed by a focused multidisciplinary team support for six months to a year.

### Whakamana Rangatahi:

In July 2021 Genesis were contracted by New Zealand Police for a pilot to work collaboratively on an early intervention programme, working with rangatahi who have come to Police's attention after being identified as a youth aggressor in a family harm episode. Whakamana Rangatahi, is delivered by team of social workers, mentors and a counsellor who focus on addressing the underlying causes of behaviour and reduce the incidents of involvement in family harm episodes by helping build resilience and enhancing mana and wellbeing.

### Oranga Tamariki Youth Justice

Our young people referred to us by Oranga Tamariki Youth Justice are those who 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.

### Kotahi te Whakaaro:

In December 2022, Genesis became part of the solution to a multi-agency response developed by Oranga Tamariki and Police to respond to persistent offending by tamariki aged 10 to 13. Working with referred tamariki as part of a rapid response "circuit breaker" intervention, and targeted case management plan, focusing on underlying issues and the needs of whanau to support both the young person's and their whanau's resilience.



# Outcomes and Performance

## 1. Reduce the level of youth offending in Auckland's most affected communities.

*Every young person and their whanau have the potential to change.*

Services:	Performance Measure	2023	2022
<b>Social Impact Bond Pilot (SBP)</b> See graphs on page: 18	<b>Outcome:</b> A reduction in frequency and severity of reoffending of enrolled young people  *In total 607 young people enrolled in the SBP during the enrolment phase between 1 September 2017 and 31 August 2022.  <b>Measures:</b> <ul style="list-style-type: none"> <li>- Total enrolments</li> <li>- Number enrolled not reoffended.</li> <li>- Number of enrolled reoffended.</li> <li>- Number of enrolled reoffended at reduced severity.</li> </ul>	20 12 (60%) 8 (40%) 3 (38%)	101 64 (63%) 37 (37%) 9 (24%)
<b>Te Rere o Te Manu</b> See graphs on page: 20	<b>Outcome:</b> A reduction in reoffending of enrolled young people  * TRoTM program started from 1 September 2022.  <b>Measures:</b> <ul style="list-style-type: none"> <li>- Total enrolments</li> <li>- Number of enrolled not reoffended.</li> <li>- Number of enrolled reoffended.</li> </ul>	68 44 (65%) 24 (35%)	Not applicable
<b>Whakamana Rangatahi</b> See graphs on page: 21	<b>Outcome:</b> A reduction in the incidence of Family Harm for enrolled young people  <b>Measures:</b> <ul style="list-style-type: none"> <li>- Total enrolments</li> <li>- Number of enrolled not reoffended.</li> <li>- Number of enrolled reoffended.</li> </ul>	77 67 (87%) 10 (13%)	30 26 (87%) 4 (13%)
<b>Oranga Tamariki Youth Justice</b> See graphs on page: 17	<b>Outcome:</b> A reduction in reoffending of enrolled young people  <b>Measures:</b> <ul style="list-style-type: none"> <li>- Total enrolments</li> <li>- Number of enrolled not reoffended.</li> <li>- Number of enrolled reoffended.</li> </ul>	40 33 (82%) 7 (18%)	31 26 (84%) 5 (16%)
<b>Kotahi te Whakaaro</b> See graphs on page: 19	<b>Outcome:</b> A reduction in reoffending of enrolled young people  *Kotahi te Whakaaro program started from 1 December 2022.  <b>Measures:</b> <ul style="list-style-type: none"> <li>- Total enrolments</li> <li>- Number of enrolled not reoffended.</li> <li>- Number of enrolled reoffended.</li> </ul>	20 16 (80%) 4 (20%)	Not applicable

# Outcomes and Performance



2. Genesis Youth Trust offer a wraparound service. <i>Enabling at risk youth to proudly transform themselves, their whanau and community.</i>			
Services:	Performance Measure	2023	2022
<b>Social Impact Bond Pilot</b>	<p><b>Outcome:</b> Each enrolled young person was assessed at enrolment and based on this assessment, and the length of their enrolment or level of engagement, an intervention plan may include assigning a social worker, mentor, and counsellor.</p> <p>* In total 607 young people enrolled in the Social Bond Pilot between 1 September 2017 and 31 August 2022.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Total enrolments</li> </ul> <p>Number of enrolled allocated a:</p> <ul style="list-style-type: none"> <li>- Social Worker</li> <li>- Youth Mentor</li> <li>- Counsellor</li> </ul>	20	101
		20 (100%)	101 (100%)
		18 (90%)	95 (94%)
		8 (40%)	48 (48%)
<b>Te Rere o Te Manu</b>	<p><b>Outcome:</b> Each enrolled young person was assessed at enrolment and based on this assessment, and the length of their enrolment or level of engagement, an intervention plan may include assigning a social worker, mentor, and counsellor.</p> <p>* TRoTM program started from 1 September 2022.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Total enrolments</li> </ul> <p>Number of enrolled allocated a:</p> <ul style="list-style-type: none"> <li>- Social Worker</li> <li>- Youth Mentor</li> <li>- Counsellor</li> </ul>	68	Not applicable
		65 (96%)	
		56 (82%)	
		26 (38%)	
<b>Whakamana Rangatahi</b>	<p><b>Outcome:</b> Each enrolled young person was assessed at enrolment and based on this assessment, and the length of their enrolment or level of engagement, an intervention plan may include assigning a social worker, mentor, and counsellor.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Total enrolments</li> </ul> <p>Number of enrolled allocated a:</p> <ul style="list-style-type: none"> <li>- Social Worker</li> <li>- Youth Mentor</li> <li>- Counsellor</li> </ul>	77	30
		76 (99%)	30 (100%)
		67 (87%)	20 (67%)
		35 (45%)	3 (10%)

Services:	Performance Measure	2023	2022
<b>Oranga Tamariki Youth Justice</b>	<p><b>Outcome:</b> Each young person enrolled was assigned a mentor and or a counsellor depending on their Family Group Conference plan. A social worker employed by Oranga Tamariki was assigned to each young person.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Total enrolments</li> </ul> <p>Number of enrolled allocated a:</p> <ul style="list-style-type: none"> <li>- Youth Mentor</li> <li>- Counsellor</li> </ul>	40	31
		40 (100%)	31 (100%)
		4 (10%)	4 (13%)
<b>Kotahi te Whakaaro</b>	<p><b>Outcome:</b> Each young person enrolled were assigned a social worker, mentor and or counsellor depending on their needs and the length of their intervention.</p> <p>*Kotahi te Whakaaro program started from 1 December 2022.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Total enrolments</li> </ul> <p>Number of enrolled allocated a:</p> <ul style="list-style-type: none"> <li>- Social Worker</li> <li>- Youth Mentor</li> <li>- Counsellor</li> </ul>	20	Not applicable
		18 (90%)	
		19 (95%)	
		4 (20%)	



## Outcomes and Performance

### 3. The heart behind everything we do is to offer hope and restoration to youth offenders and their families.

*We recognise that each youth outworks their transformation in the context of their whanau and communities.*

Services:	Performance Measure	2023	2022
<b>Social Impact Bond Pilot</b>	<p><b>Outcome:</b> Whanau of young people enrolled in the intervention are informed and supported during their young person's enrolment.</p> <p>* A total 607 young people enrolled in the SBP between 1 September 2017 and 31 August 2022. *Interventions for enrolled young people continued until August 2023</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Total new enrolments to 31 August 2022</li> <li>- Consent gained prior to enrolment.</li> <li>- *Number of whanau supported with family therapy sessions.</li> <li>- *Food boxes delivered to whanau.</li> </ul> <p><b>Outcome:</b> Each young person is engaged in education and gaining life skills.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- *Young people supported to attend education or employment.</li> <li>- *Young people supported to gain a driver's license.</li> </ul>	<p>20</p> <p>20 (100%)</p> <p>21</p> <p>303</p> <p>86</p> <p>23</p>	<p>101</p> <p>101 (100%)</p> <p>7</p> <p>364</p> <p>78</p> <p>9</p>
<b>Te Rere o Te Manu</b>	<p><b>Outcome:</b> Whanau of young people enrolled in the intervention are informed and supported during their young person's enrolment.</p> <p>* TRoTM program started from 1 September 2022.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Total enrolments</li> <li>- Consent gained prior to enrolment.</li> <li>- Number of whanau supported with family therapy sessions.</li> <li>- Total number of Food boxes delivered to whanau.</li> </ul> <p><b>Outcome:</b> Each young person is engaged in education and gaining life skills.</p> <p><b>Measures:</b></p> <ul style="list-style-type: none"> <li>- Young people supported to attend education or employment.</li> <li>- Young people supported to gain a driver's license.</li> </ul>	<p>68</p> <p>68 (100%)</p> <p>4</p> <p>93</p> <p>11</p> <p>4</p>	<p>Not applicable</p>

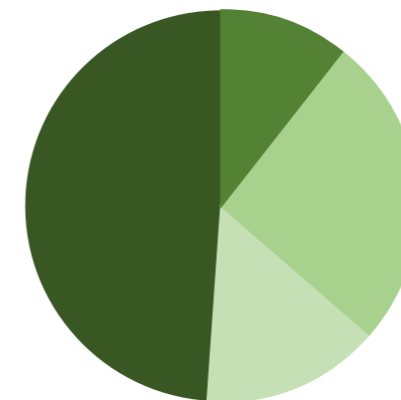
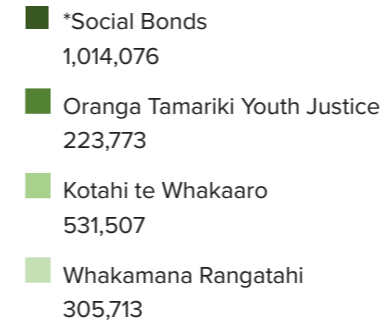


# Outcomes and Performance

Services:	Performance Measure	Results	
<b>Whakamana Rangatahi</b>	<b>Outcome:</b> Whanau of young people enrolled in the intervention are informed and supported during their young person's enrolment.		
	<b>Measures:</b> - Total enrolments - Consent gained prior to enrolment. - Number of whanau supported with family therapy sessions. - Total number of Food boxes delivered to whanau.	77 77 (100%) 9 17	30 30 (100%) 9 19
	<b>Outcome:</b> Each young person is engaged in education and gaining life skills.		
	<b>Measures:</b> - Young people supported to attend education or employment. - Young people supported to gain a driver's license.	45 4	28 2
<b>Oranga Tamariki Youth Justice</b>	<b>Outcome:</b> Whanau of young people enrolled in the intervention are informed and supported during their young person's enrolment.		
	<b>Measures:</b> - Total enrolments - Consent gained during family group conference. - Number of whanau supported with family therapy sessions. - Total number of Food boxes delivered to whanau.	40 40 (100%) 3 41	31 31 (100%) 4 18
	<b>Outcome:</b> Each young person is engaged in education and gaining life skills.		
	<b>Measures:</b> - Young people supported to attend education or employment. - Young people supported to gain a driver's license.	14 2	9 2

Services:	Performance Measure	Results	
<b>Kotahi te Whakaaro</b>	<b>Outcome:</b> Whanau of young people enrolled in the intervention are informed and supported during their young person's enrolment.		
	*Kotahi te Whakaaro program started from 1 December 2022.		
	<b>Measures:</b> - Total enrolments - Consent gained during family group conference. - Total number of Food boxes delivered to whanau.	20 20 (100%) 3	Not applicable
	<b>Outcome:</b> Each young person is engaged in education and gaining life skills.		
	<b>Measures:</b> - Young people supported to attend education or employment.	10	

## 4. Income by contract as shown in the consolidated financial statements



### Social Impact Bond Pilot:

\*From 1 July 2022 to 30 June 2023, \$1,014,076 was provided by G-Fund, via G-Op to Genesis Youth Trust, under the Social Bond Services Subcontract, to provide interventions for Social Bonds clients. As related party transactions, they have been eliminated in the consolidated financials. Most of this funding was spent on salary and wages.

### Te Rere o Te Manu:

From 1st September 2022 to 30 June 2023 Genesis Youth Trust received no income for the Te Rere o Te Manu intervention. Salary and wages were paid from Genesis Youth Trust's cash and cash equivalent.

### Whakamana Rangatahi

From 1 July 2022 to 30 June 2023 Genesis Youth Trust received a total of \$305,703 from a combination of NZ Police funding and a Foundation North grant to provide the Whakamana Rangatahi intervention. Most of this funding was spent on salary and wages.

### Oranga Tamariki, Youth Justice

From 1 July 2022 to 30 June 2023 Genesis Youth Trust received a total \$223,773 from Oranga Tamariki to provide a Youth Justice Intervention. Most of this funding was spent on salary and wages.

### Kotahi te Whakaaro

From 1 July 2022 to 30 June 2023 Genesis Youth Trust received a total of \$531,507 from Oranga Tamariki to provide the Kotahi te Whakaaro intervention. Most of this funding was spent on salary and wages.



# Reports

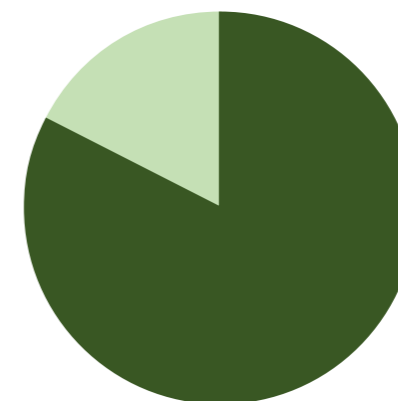


# Youth Justice

F23 statistics – 1 July 2022 to 30 June 2023

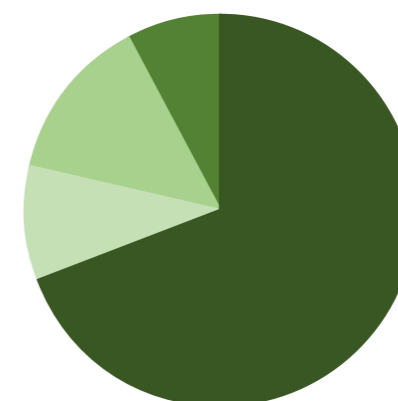
## Gender

- Male - 83%
- Female - 17%



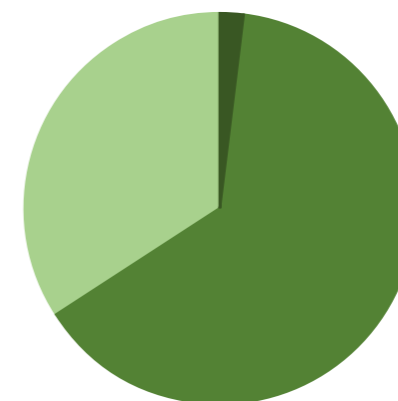
## Ethnicity

- Maori - 69%
- Maori / Pacific - 10%
- Pacific - 13%
- NZ European - 8%



## Age

- Under 12 - 2%
- 12-15 - 64%
- 16-18 - 34%

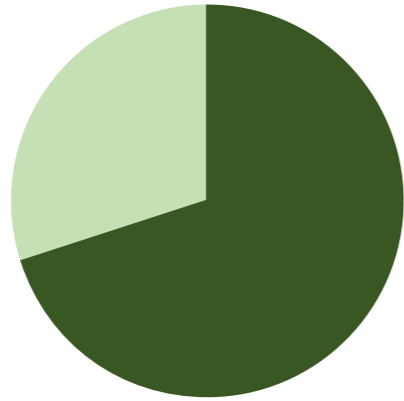


# Social Bonds

F23 statistics – 1 July 2022 to 30 June 2023

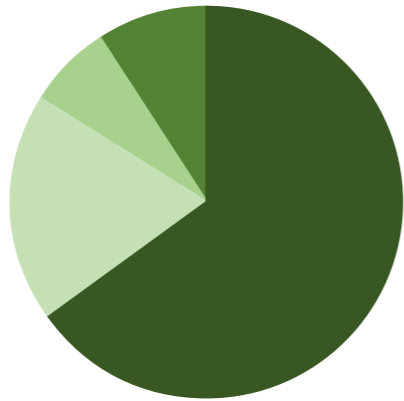
## Gender

- Male - 70%
- Female - 30%



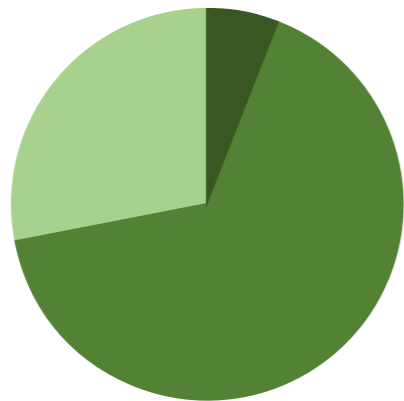
## Ethnicity

- Maori - 65%
- Pacific - 19%
- NZ European - 7%
- Other Unknown- 9%



## Age

- Under 12 - 6%
- 12-15 - 66%
- 16-18 - 28%

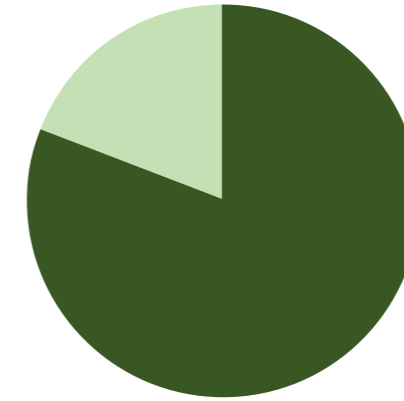


# Kotahi te Whakaaro

F23 statistics – 1 July 2022 to 30 June 2023

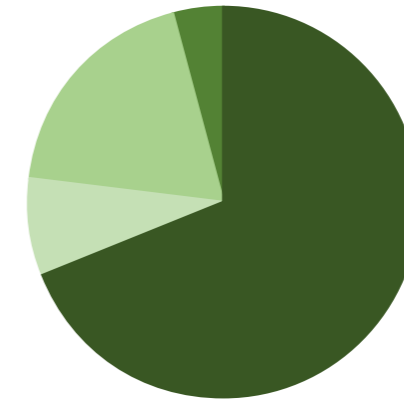
## Gender

- Male - 81%
- Female - 19%



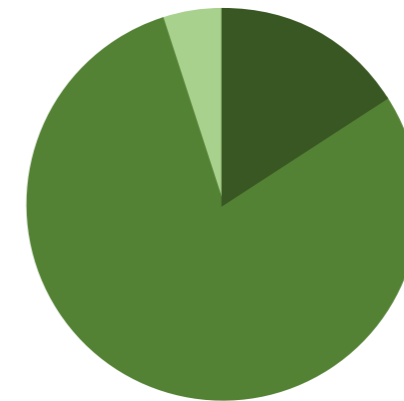
## Ethnicity

- Maori - 69%
- South African - 8%
- NZ European - 19%
- Other Unknown- 4%



## Age

- Under 12 - 16%
- 12-15 - 79%
- 16-18 - 5%

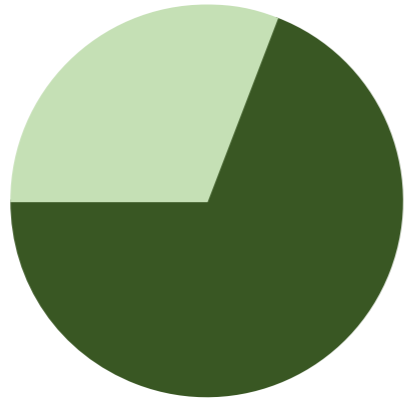


# Te Rere o Te Manu

F23 statistics – 1 July 2022 to 30 June 2023

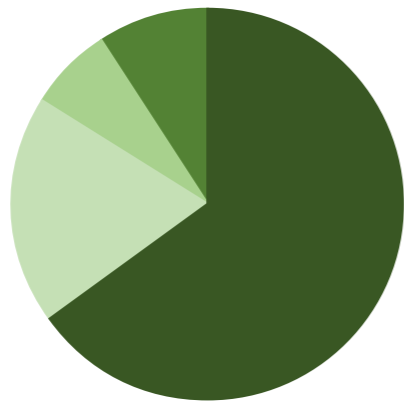
## Gender

- Male - 69%
- Female - 31%



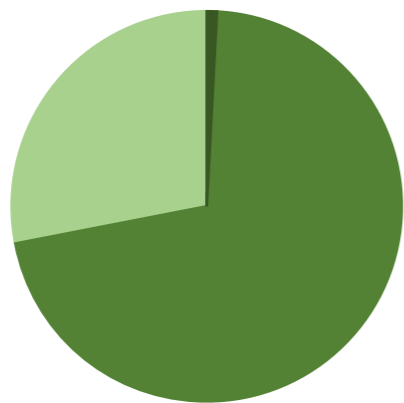
## Ethnicity

- Maori - 65%
- Pacific - 19%
- NZ European - 7%
- Other Unknown - 9%



## Age

- Under 12 - 1%
- 12-15 - 71%
- 16-18 - 28%

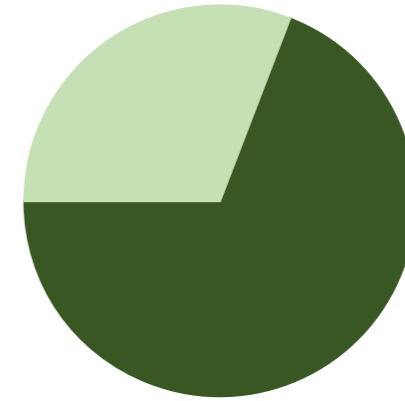


# Whakamana Rangatahi

F23 statistics – 1 July 2022 to 30 June 2023

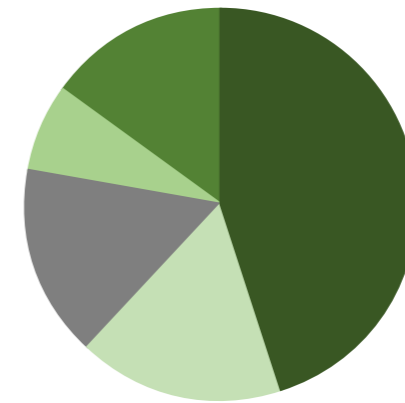
## Gender

- Male - 69%
- Female - 31%



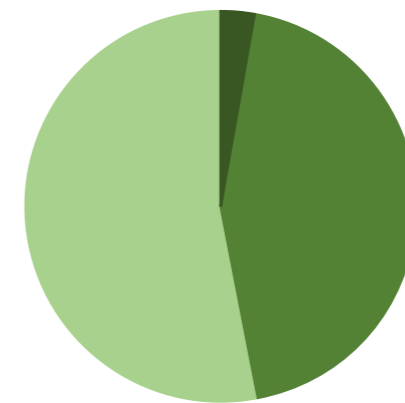
## Ethnicity

- Maori - 45%
- Pacific - 17%
- NZ European - 16%
- Indian - 7%
- Other Unknown - 15%



## Age

- Under 12 - 3%
- 12-15 - 45%
- 16-18 - 53%



# Report from the CEO

This past year has been a transformative period for our organisation, marked by notable achievements, operational adjustments, and a renewed commitment to our mission.

## Social Bond Success

In the sixth year of our social bond pilot, we continued to witness remarkable progress in our efforts to reduce reoffending among rangatahi. Our dedicated staff members have worked tirelessly to meet the contractual demands, requiring meticulous administration on a weekly basis. Our collective efforts have resulted in a reduction of reoffending rates by over 50%, reaffirming the effectiveness of our approach.

## Expanding Our Reach

Recognising the constraints of the social bond pilot while appreciating the value of a multi-disciplinary approach, we introduced "Te Rere o Te Manu" (the full flight of the bird). This new service mirrors the social bond intervention while offering a streamlined assessment process and reduced reporting requirements. Research conducted by our founder, Rob Woodley, highlighted the need to address the issues faced by young aggressors who engage in physical violence against their whanau. As a response, the New Zealand Police provided funding for "Whakamana Rangatahi" with further support from Foundation North.

## Collaborative Models

In December, we received a contract from Oranga Tamariki to participate in a new model working collaboratively with other agencies. This new approach has been recognised with an external award, and we are proud to have played a part in its success.

## Organisational Restructure

Late in 2022, the Board initiated a comprehensive restructure to ensure an agile and responsive and cohesive team capable of working on all existing and future Genesis contracts.

## Staff and Leadership Transitions

Staff transitions are always a challenge. The resignation of Tuhi Leef, as CEO, after a three-year tenure, characterised by his warm and down-to-earth leadership style. Another significant departure was General Manager Business, Suzanne Teague, whose unparalleled knowledge of contract systems and processes played a critical role in our achievements.

In October, our founder, Rob Woodley, stepped down after dedicating 23 years to Genesis. We are grateful to still have Rob involved as a strategic advisor, given his extensive knowledge and valuable contacts.

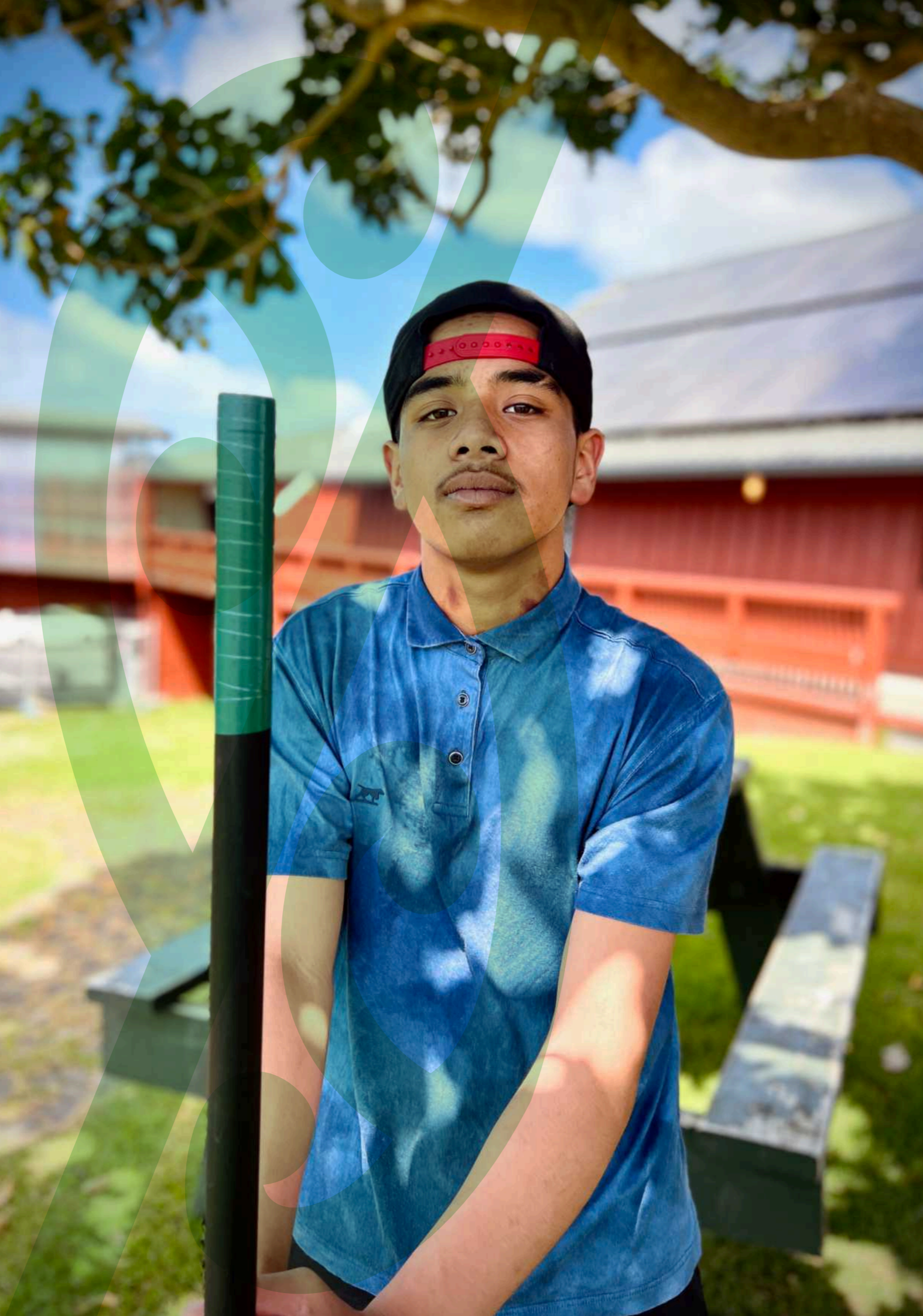
## Appreciation and Gratitude

I extend my gratitude to our dedicated staff for their commitment to our work with rangatahi. Their passion and dedication are the driving force behind Genesis' success.

I would also like to express gratitude to the members of our Board, Evan Jensen, Louise Darroch, Valerie Teraitua, Sunet Klopper, and Martyn McKessar, who have invested significant effort in shaping the changes needed for a sustainable and vibrant future for Genesis. Valerie resigned her role in February after 3 years of dedication and service and Louise resigned her role in May after completing 11 years of service on the Board, exemplifying Genesis values through her passionate and professional contribution.



Peter Browning  
Acting CEO





## G-Fund Report

G-Fund Limited serves as the bridge between 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 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.

While we are only part way through a fuller evaluation which will enable us to draw final and statistically reliable conclusions on the overall effectiveness of the social bond and G-Op's delivery, the results so far have been very encouraging.

The social bond has delivered reductions in reoffending, alongside and because of the innovations in service design that it encouraged. Under the social bond contract, we stopped enrolling new clients from 31 August 2022 while continuing to fund work with remaining clients to the end of the bond contract on 31 August 2023. One measure of success is financial; despite lower than planned enrolments, payments based solely on the improved reoffending outcomes hit a contractual cap in October 2022, well ahead of the end of the service period. But perhaps a more significant measure is the changed lives of the rangatahi we work with; at a recent evaluation interview, when asked what she liked about the programme, A said simply "without you [youth mentor] I'd be locked up now".

Reducing the numbers of young people who otherwise go to become life-course offenders is a massively valuable outcome for the young person, their whanau and the community. The social impact value is several millions of dollars. Further social value has been delivered by the large reductions in reoffending that have been achieved against the historic counterfactuals set for the bond.

The bond has also demonstrated the value of input and support from the private sector investors in the bond, and we are pleased to note that we are able to fully pay all capital and interest payments due.

Despite the success achieved with reoffending reductions G-Fund has been unable to recontract with Oranga Tamariki for any extension of the sort of services developed for the social bond. We remain hopeful however that as the evaluation is completed the evidence in support of what has been achieved will lead to new government funding.

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



Carl Bakker  
Chairman, G-Fund

## What is a Social Bond and what it achieved

In September 2017, Genesis Youth Trust was the first registered charity to be the recipient of a Social Impact Bond. The "Reduction in Youth Offending" Social Impact Bond Pilot was novel form of social service contracting that linked payments by the Government to actual measurable achievement of outcomes.

Six years later service delivery under the bond has been completed, with 607 young people (rangatahi) and their families (whānau) impacted directly by this contract.

Two recent evaluations of the bond have focused on both qualitative outcomes and quantitative aspects of what had been achieved.

While qualitative outcomes are diverse, they were summarised by the Oranga Tamariki report (Reducing Youth Reoffending in South Auckland Social Bond Pilot, Sept 2023) as:

**"Young people spoke about Genesis looking after them, supporting their sense of identity and self-worth. They felt that they were loved unconditionally by their Genesis team."**

The Final in-depth review of the New Zealand Social Impact Bond (Bakker 2023) examined reductions in reoffending, measuring these against a risk-matched contemporaneous counterfactual group of young people. For the Bond's key goal, a reduction in youth reoffending, cumulative offences were 30% lower for the Bond clients. This achievement is made even more significant as almost all the counterfactual group received another form of intervention. So, the Social Bond outcomes represent performance that is better, on average, than other reoffending reduction services operating in Auckland through 2017 to 2023.

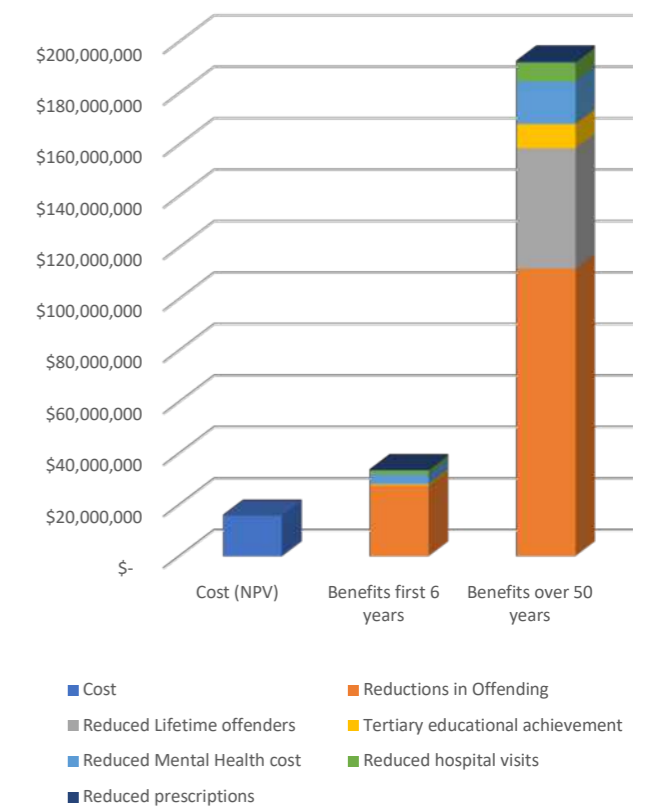
The Bond also achieved additional wellbeing gains in areas that were not specifically expected or set as targets. Clients achieved more tertiary education, more jobs with higher incomes, reduced healthcare costs/demands, and more driver's licences. All these represent a wider contribution to social value for clients, their families, and the NZ community.

As shown in the graph, total estimated social value from the Bond was calculated at around \$34m for this first six years, and \$193m over the clients' lifetimes.

The Bond fostered innovation and adaptation in service delivery and the supporting data and management systems- gains which can be spread and applied more widely, not all limited to youth reoffending.

The Bond demonstrated the positive and supportive contribution that financial markets can make to achieving better social outcomes. At a basic level, investors were able to provide the funding required to manage the risks associated with a pure outcome-contingent contract. But more significantly they were able to provide input through the Bond's life, assisting with risk management and making changes to support service adaptations that seemed likely to improve outcome delivery.

Social value created





# Enrolment by intervention

As at 30/06/23



● Social Bond Pilot  
**607 clients**

● Te Rere o Te Manu  
**68 clients**

● Whakamana Rangatahi  
**107 clients**

● Oranga Tamariki  
Youth Justice  
**40 clients**

● Kotahi te Whakaaro  
**20 clients**





**Services**

# Genesis Social Work Team

## Our drivers of change

Our Social Work team are central to the delivery and coordination of our services. Social workers play a key role in gathering the relevant information to inform initial and ongoing assessment and targeted intervention plans.

## Trent's Story

When the Genesis team met \*Trent, he was in the foster system. He found it hard to maintain healthy relationships as he felt the people, he trusted had left him. Trent had been referred to other agencies before his referral to Genesis and he had refused to engage with them.

Trent's relationship with education was detrimentally impacted by his inability to trust and connect with others. He frequently got into trouble at school and was referred to Genesis by NZ Police following being picked up for offending.

Trent's Genesis Social Worker, Pelve, met with Trent and took him through a YLS/CMI assessment to inform his intervention plan. She introduced Trent to Counsellor Abbi and Mentor, Wilz, who together put a plan in place to work with Trent on his education, his behaviour, and his relationships with his peers.

Pelve worked with Trent to get him back in education, working with him to find a provider which would bring out the best in him. With Pelve's support, Trent enrolled with an alternative education provider, Te Ara Poutama. A fresh start, the ability to learn at his own pace and exposure to a different style of learning suited Trent and his attitude changed, his attendance improved, and he began to enjoy his course.

### **Counsellor Abbi's work with Trent focused on his behaviour. During Abbi's counselling sessions with Trent, she discovered his passion for art.**

Abbi used this talent as a form of therapy to help Trent express his emotions and his anger while helping him build coping mechanisms to manage his emotions. After his initial reticence, Trent requested more sessions with Abbi as he enjoyed the space their time together provided to articulate his thoughts and feelings. He was also proud to share his growing art portfolio with Abbi.

Mentor Wilz worked with Trent on building positive relationships with his peers and fostering friendships. Trent participated in group box fit sessions with other Genesis rangatahi. During these sessions, Trent became more confident in relating to and forming friendships with other young people.

Trent now lives with his aunt, who was very supportive of Trent's involvement with Genesis and the Genesis team are encouraged to see that she provides a support system for Trent, providing the opportunity for him to start building healthy relationships with his family.

The Genesis team were pleased to see Trent grow in confidence and become more outgoing; he is exploring his passion for art and has even sketched his own interpretation of the Genesis heart logo. He is more open in his relationships with others and is happier in himself. Since his referral to Genesis, Trent has not re-offended.

Despite being unsuccessfully referred to other agencies in the past, Trent enjoyed his time with Genesis. The Social Impact Bond intervention Trent was enrolled in, meant the Genesis team could take the time they needed to establish rapport and to work effectively with Trent. Time and the dedication of a skilled social worker along with the support of a talented counsellor and mentor, resulted in a young man who felt supported to make changes, to set goals for his future and begin to form and maintain healthy relationships.

*\*Name changed to protect identity*



# Genesis Mentoring Team

## Our relationship and youth engagement specialists

Our mentoring team are experts in establishing and maintaining genuine relationships with our rangatahi. The work with rangatahi on their goals and reducing key risk factors, addressing specific needs and building protective factors.

### Ria's story

\*Ria is the eldest of seven children, their homelife was volatile, and Ria was exposed to physical abuse, drug use and gang affiliations and she eventually came to the attention of NZ Police for her behaviour.

Mentor Christina and Social Worker Pakeza focussed on the underlying issues contributing to Ria's behaviour and created a case management plan to focus on building her confidence and challenging her current lifestyle.

Christina quickly established rapport with Ria and together they focused on three key aspects of Ria's intervention, education, future goals, and her desire to gain her driver's license. Ria was not enjoying mainstream schooling and Christina supported Ria to enrol in a NZMA hospitality course. She then consistently supported Ria to attend her course regularly and complete her studies celebrating with Ria when she ultimately gained her certificate in hospitality.

Following completion of her course, Ria was keen to get a job utilising her qualifications. Christina supported Ria to put together a CV and to apply for roles. Ria applied for an opening at a local café and was excited when she was offered the role.

Ria's next goal was to be able to transport herself to and from work. Genesis hosts courses, provided by an outside agency, which guide and support young people through the process of gaining their driver's license. Ria attended a driver's licensing course, determined to be successful. As a result, she successfully gained both her learners, and later her restricted, license and began saving her wages to purchase her own car.

Social Worker Pakeza supported Christina in her work with Ria, together, they formed a solid support system for Ria.

**Ria later shared that they were her backbone and appreciated both Christina and Pakeza for their unfailing support acknowledging that, without them she would not have been able to achieve her goals.**

Ria's referral to Genesis provided a catalyst for change, with the support of Christina and Pakeza she gained confidence, gained a qualification, a job and her driver's license. Her newfound confidence translated into her relationships, including building relationships with her classmates, her workmates and improving her relationship with her whanau.

Ria has not reoffended since working with Genesis. She is proud she gained a qualification and hopes to continue her studies in the future. Ria is appreciative of Christina and Pakeza, they believed in her and were her unfailing supporters. Ria has shared she hopes to set a good example for her siblings as she does not want them to walk the same path she did.

Ria is a testament to how skilled mentoring support can act like a circuit breaker for a young person, providing the opportunity to reset and focus on positive goals. A skilled mentor guides and uplifts our Rangatahi, supporting them to ultimately reach their full potential. Christina is very proud of Ria, she showed resilience and determination and as a result is a happier, accomplished young woman, confidently setting goals for her future.

*\*Name changed to protect identity*





# Genesis Counselling Team

## Our heart surgeons

The Genesis counselling team are our “heart surgeons” focused on getting to the root of our rangtahi’s behaviour and working with them to build resilience and learn strategies to deal with emotions and experiences.

## Tori’s story

\*Tori’s homelife was unsafe and as a result she was removed from her parent’s care and placed under the guardianship of her grandmother. Tori was not happy with this arrangement, and she struggled with a lack of sense of belonging and confidence. She was perceived by her family and outside agencies as a young teen who was difficult to manage.

When first referred to Genesis, Tori resisted support, she was distrustful, she struggled with anger and the ability to either control outbursts or recognise what triggered them. Counsellor Leah began her work with Tori with building trust and rapport.

Leah’s and Tori focused on addressing her anger and expressing feelings. Tori participated in an anger management programme with Leah. Although she was reluctant to participate initially, Tori benefited from being able to recognise the triggers and the effects, and the consequences of her anger outbursts.

Leah also worked with Tori on building her self-confidence and sense of belonging. The one-on-one counselling sessions provided Tori with a means to express her feelings, providing her with the tools to reflect and consider the potential consequences before acting. As part of her work with Tori, Leah focused on her sense of belonging. With Leah’s help Tori worked on goals including working on restoring and rebuilding relationships with whanau.

**Tori’s use of substances was another focus and she worked with Leah on gaining an awareness of the effects, risks, and consequences of substance abuse. Consequently, Tori actively worked on reducing her substance use.**

Social Worker Christina worked with Tori on improving her educational attendance and on her physical wellbeing. Tori enrolled in an academy at her high school which focused on vocational pathways for rangatahi. Christina supported Tori to set goals, including achieving an excellent attendance record and participating in regular fitness sessions. Tori gained confidence during her training sessions with Christina.

Sometime after their counselling sessions had concluded, Leah caught up with Tori who greeted her like a trusted friend. Leah was pleased to see Tori’s obvious confidence and her excitement and willingness to share her goals for her future. Tori told Leah she valued the encouragement Leah had given her and her unfailing belief in Tori’s ability to make changes in her life. She shared with Leah “I will never forget what you have done for me, the hard and long work you did with me, you never gave up and you never judged me...”

Tori has come a long way from the troubled teen referred to Genesis. She is a resilient and more self-confident young woman, with a focus on her future. She is grateful for the life lessons learnt during brief time with Leah and Christina and, in turn, Leah and Christina are excited to see Tori blossom into a happier and more optimistic young woman.

*\*Name changed to protect identity*

# The Genesis Youth Justice Intervention

Genesis receives Youth Justice referrals from Oranga Tamariki, Ministry for Children and becomes involved following an invitation to attend a Family Group Conference. This is a structured and confidential meeting, a safe space where the young person, their whanau and other organisations like Genesis attend and decide on an intervention plan for the young person.

Youth Justice plans are usually of short duration, usually four-to-six-months, at times they may either be longer or extended following review. Genesis is requested to provide mentoring and occasionally we will be invited to provide counselling as part of an intervention plan. A short plan means Genesis workers need to be skilled at engaging and focused on achieving the best outcomes for the young person.

## Alayna's story

\*Alayna was referred to Genesis on a 10-month Youth Justice plan after being involved in stealing cars and in ram raids.

Like many of the rangatahi referred to Genesis, Alayna's homelife was unstable. As the eldest in her family, she was conflicted between the desire to be there to support her mother and younger siblings and the need to escape her family situation.

Counsellor Sarah and Mentor Sabrina were assigned to work with Alayna, together they planned an intervention which focused on working with Alayna on building healthier ways to manage her emotions.

Counsellor Sarah created a safe space for Alayna, allowing her to share freely.

**The opportunity to share her story without fear of judgment or censure allowed Alayna to raise some issues and incidents she had never previously shared with anyone.**

Sarah helped Alayna identify triggers for her behaviour and process her emotions, allowing her to express her anger and dive deeply into her feelings.

Alayna eventually became more comfortable expressing herself and, in the process, gained awareness of the impact of her actions, recognising her behaviour affected not only herself but those around her. Sarah shared that during one of her sessions, Alayna expressed feelings of remorse about her actions and the impact they had on those she had hurt. She began to empathise with the victims of her past behaviour.

Mentor Sabrina spent time with Alayna focusing on her physical wellbeing and on her future goals. Sabrina introduced Alayna to different recreational activities, including rock climbing, hiking and involving her in group sessions with other Genesis Rangatahi. As a result, Alayna began to exhibit increased confidence and self-esteem, and she started to interact positively with the other young people sharing her activities.

Sabrina and Alayna discussed the importance of changing her behaviour in order to secure her future goals and the need for Alayna to carefully consider those she associated with.

Sarah and Sabrina developed a strong rapport with Alayna which in turn, allowed them to foster a relationship with Alayna's mother, who shared the significant improvement she had seen in Alayna's behaviour and attitude during her time with Genesis.

In a short ten months, Sarah and Sabrina supported Alayna to make changes in her lifestyle and behaviour. Since working with Genesis, Alayna has not re-offended, her substance use has decreased, and she has shared she feels positive about her future. She is a happier more confident young woman as a result to a brief period of support from two skilled Genesis professionals.

*\*Name changed to protect identity*





## Our Whakamana Rangatahi Team

**Our Whakamana Rangatahi team were formed as a family harm, youth aggressor prevention initiative.**

Whakamana is translated as 'to enhance upon, to give authority or prestige to someone or something, to enable and to empower', and rangatahi is translated as 'a young person or younger generation'. Whakamana Rangatahi signifies protection and enhancement of the dignity and mana of a young person.

### Tere's story

\*Tere was referred to Genesis Youth Trust because his whanau struggled to cope with his aggression and were at a loss at how to address his behaviour. The Police were often called by his mother and his neighbours when Tere's anger resulted in threatening behaviour and property damage. Tere's aggression was not limited to his home life, his behaviour at school had also been a concern and ultimately led to his expulsion.

Tere's father was incarcerated, and his brothers were not at home, he had no positive male role-models.

The Whakamana Rangatahi team employ the Te Whare Tapa Wha model of wholistic health in their interventions. Mentor Sabrina and Counsellor Sarah utilised this model with Tere and planned an intervention to help him manage his anger, boost his confidence, and change his attitude towards his whanau and peers.

Mentoring was an important part of Tere's intervention. Genesis mentor Sabrina worked on building trust and rapport with Tere, breaking down his initial wariness. Sabrina recognised the importance of introducing a positive male role model to support Tere, to both model positive behaviour and to support his anger management journey. Programme Manager Rad alternated mentoring sessions with Sabrina.

**Tere enjoyed basketball and Rad used this activity to connect with Tere allowing him to channel his frustration into a positive activity while providing an opportunity to chat in a non-threatening environment.**

Sabrina used a similar tactics, taking Tere on walks and using these interactions to talk through Tere's thoughts and feelings. Sabrina also focused on building Tere's confidence, involving Tere in group activities where he had to interact with other Genesis rangatahi.

Initially, Tere was distant and guarded with Counsellor Sarah so Sarah worked with him to establish a space where Tere felt comfortable and could share his emotions and feelings without judgement. Sarah worked with Tere to identify reasons for his anger. Tere came to realise his anger didn't define him and he was able to share his anxiety with Sarah and freely express his emotions.

Sabrina and Sarah recognised that, to truly establish change within the home, Tere's family needed to be involved in his intervention plan. Along with counselling Tere, Sarah also worked with Tere's mother, who was under considerable stress due to Tere's behaviour in the home, to establish a safety plan. As a result, Tere moved to his aunt's house, taking stress off his mother and giving the space needed for their relationship to be repaired.

The change in Tere's behaviour was significant following his eight months with the Whakamana Rangatahi team. The reward was seeing Tere grow into a calmer, happier and more confident young man. He now has a stronger relationship with his whanau and has the tools he needs to recognise his triggers and to control his anger. Sabrina, Sarah and Rad are delighted to see Tere's growth during their time together and wish him well for his future.

*\*Name changed to protect identity*



# Our People



# Our Governance Teams

Genesis Youth Trust Trustees and G-Op Directors



**Evan Jensen**  
(Chair)



**Louise Darroch**



**Martyn McKessar**



**Valerie Teraitua**  
To February 2023



**Sunet Klopper**  
From February 2023

## G-Fund Directors



**Carl Bakker**  
(Chair)



**Craig Weston**

# 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.



## **Genesis Youth Trust**

### **Directory**

**For the year ended 30 June 2023**

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<b>Registered office</b>	92 Bader Drive Mangere AUCKLAND 2022
<b>Nature of business</b>	To provide counselling and support for youth offenders and their families in the wider Auckland Region.
<b>Charities registration</b>	CC45038
<b>Board members</b>	Evan Jensen (Chairperson) Louise Darroch Martyn McKessar Valerie Teraitua
<b>Independent auditor</b>	RSM Hayes Audit 1 Broadway Newmarket
<b>Bankers</b>	ASB Bank Limited Auckland ANZ Bank New Zealand Limited Auckland

**Genesis Youth Trust**

**Trustees' Report and Statement of Responsibility for the Consolidated Financial Report  
For the year ended 30 June 2023**

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**Trustees' report**

The Trustees of Genesis Youth Trust present this Annual Report, being the consolidated financial report of the Trust and its subsidiaries (the 'Group') for the financial year ended 30 June 2023, and the independent auditor's report thereon.

**Statement of responsibility**

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the consolidated financial report and related information.

The independent external auditors, RSM Hayes Audit have audited the consolidated financial report and their report appears on pages 59 to 60.

The Trustees are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the consolidated financial report, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The consolidated financial report are prepared on a going concern basis. Nothing has come to the attention of the Trustees to indicate that the Group will not remain a going concern in the foreseeable future. Please see note 20 for further details.

In the opinion of the Trustees:

- The Consolidated Statement of Comprehensive Revenue and Expense is drawn up so as to present fairly, in all material respects, the financial result of the Group for the financial year ended 30 June 2023;
- The Consolidated Statement of Financial Position is drawn up so as to present fairly, in all material respects, the state of affairs of the Group as at 30 June 2023;
- The Consolidated Statement of Cash Flows is drawn up so as to present fairly, in all material respects, the cash flows of the Group for the financial year ended 30 June 2023;
- The Consolidated statement of service performance is drawn up so as to present fairly, in all material aspects, the service performance of the Group measured against suitable service performance criteria for the year ended 30 June 2023; and
- There are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

For and on behalf of the Board:



Chairperson

22/1/24

Date



Trustee

22/1/2024

Date

**Genesis Youth Trust****Consolidated Statement of Comprehensive Revenue and Expense  
For the year ended 30 June 2023**

	Notes	2023	2022
<b>Revenue</b>			
Revenue from non-exchange transactions	16	<u>1,744,229</u>	<u>3,464,353</u>
		1,744,229	3,464,353
<b>Expenses</b>			
Accounting		125,507	37,841
Audit		43,156	16,906
Bank charges		1,929	1,995
Building rent		-	58,245
Catering		15,909	8,162
Computer support		35,166	37,679
Depreciation	11	47,079	70,009
Independent assessment		(13,008)	-
Insurance		48,108	36,935
Loss on disposal of assets		(5,169)	879
Rent expense		124,439	105,869
Office supplies		23,316	21,198
Professional development & training		36,798	50,734
Programme and activities		111,975	51,878
Promotional costs		753	3,823
Social bonds related cost		148,981	123,567
Staff recruitment cost		910	4,475
Staff related cost		3,038,337	3,130,809
Subscription		122	-
Supervision costs		10,375	11,195
Telecommunications		31,170	37,682
Travel		5,405	1,730
Board remuneration		65,213	69,022
Motor Vehicle		78,002	58,199
Surplus return to OT	13	(1,254,747)	3,680,173
Others		<u>4,110</u>	<u>5,660</u>
Total expenses		2,723,834	7,624,664
Finance income	17	386,649	172,735
Finance costs	17	<u>(969,234)</u>	<u>(486,707)</u>
Net finance costs		(582,585)	(313,972)
Net surplus for the year		<u>(1,562,190)</u>	<u>(4,474,283)</u>
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		<u><u>(1,562,190)</u></u>	<u><u>(4,474,283)</u></u>

The above financial report 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 2023**

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	<b>Accumulated comprehensive revenue and expense</b>	<b>Total</b>
Opening equity 1 July 2021	11,031,273	11,031,273
Deficit for the year	(4,474,283)	(4,474,283)
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense for the year	<u>(4,474,283)</u>	<u>(4,474,283)</u>
Closing equity 30 June 2022	6,556,990	6,556,990
Deficit for the year	(1,562,190)	(1,562,190)
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense for the year	<u>(1,562,190)</u>	<u>(1,562,190)</u>
Closing equity 30 June 2023	<u>4,994,800</u>	<u>4,994,800</u>

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

**Genesis Youth Trust**

**Consolidated Statement of Financial Position  
As at 30 June 2023**

	Notes	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,786,479	2,908,402
Short term investments	8	7,064,746	6,900,000
Receivables from exchange transactions	9	294,351	139,442
Receivables from non-exchange transactions	9	35,312	320,434
<b>Total current assets</b>		<u>9,180,888</u>	<u>10,268,279</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	215,610	180,433
Investments	7b	-	5,027,924
Total assets		<u>9,396,498</u>	<u>15,476,635</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	13	912,587	366,701
Payables from non-exchange transactions	13	2,489,721	3,761,624
Employee benefits	14	235,907	263,387
Interest-bearing borrowings at amortised cost	15	763,483	3,700,000
<b>Total current liabilities</b>		<u>4,401,698</u>	<u>8,091,713</u>
<b>Non-current liabilities</b>			
Interest-bearing borrowings at amortised cost	15	-	827,933
<b>Total liabilities</b>		<u>4,401,698</u>	<u>8,919,645</u>
<b>Total net assets</b>		<u><u>4,994,800</u></u>	<u><u>6,556,990</u></u>
<b>Equity</b>			
Accumulated comprehensive revenue and expense		<u><u>4,994,800</u></u>	<u><u>6,556,990</u></u>

For and on behalf of the Board:



Chairperson

22/1/24

Date



Trustee

22/1/2024

Date

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

## Genesis Youth Trust

### **Consolidated Statement of Cash Flows For the year ended 30 June 2023**

	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Receipts from grants and donations		1,970,961	5,610,310
Social bond recoveries		16,469	17,170
Interest received		222,943	172,735
Payments to suppliers and employees		(3,947,849)	(4,031,095)
Interest paid		(406,085)	(452,064)
Net cash inflow/(outflow) from operating activities		<u>(2,143,561)</u>	<u>1,317,056</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		15,235	55
Purchase of property, plant and equipment		(92,324)	(48,446)
Purchase of investments		-	(1,500,000)
Proceeds from maturity of term investments		4,863,178	-
Net cash inflow/(outflow) from investing activities		<u>4,786,089</u>	<u>(1,548,391)</u>
<b>Cash flows from financing activities</b>			
Repayment of bonds principal		(3,764,450)	(600,000)
Net cash outflow from financing activities		<u>(3,764,450)</u>	<u>(600,000)</u>
Net increase/(decrease) in cash and cash equivalents		(1,121,922)	(831,335)
Cash and cash equivalents at 1 July		2,908,402	3,739,737
<b>Cash and cash equivalents at 30 June</b>	<b>7</b>	<u><u>1,786,479</u></u>	<u><u>2,908,402</u></u>

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

**Notes to the Consolidated Financial Report  
For the year ended 30 June 2023**

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**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 report for the year ended 30 June 2023 comprise the controlling entity and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'.

The consolidated financial report for the year ended 30 June 2023 were authorised for issue by the Trustees on the date indicated on page 48.

**2 Changes in Accounting Policies**

a) PBE FRS 48 - Service Performance Reporting

During the period, the Group has adopted PBE FRS 48 - Service Performance Reporting (refer to the statement of service performance) for the first time.

b) PBE IPSAS 41 - Financial Instruments

The Group has adopted PBE IPSAS 41 Financial Instruments in the current financial year. This standard replaces the provisions of PBE IPSAS 29 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

In accordance with the transitional provisions in PBE IPSAS 41 comparative information for the 30 June 2022 period have not been restated. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policies.

There were no material changes in recognition or measurement required upon adoption of PBE IPSAS 41.

**3 Basis of preparation**

a) Statement of compliance

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

c) Functional and presentation currency

The consolidated financial report 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.

**4 Significant judgments and estimates**

The preparation of the consolidated financial report 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 report:

- 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.
- When preparing the statement of service performance, the trust made judgement about the information to present, focusing on the activities and outputs that had the greatest impact on the delivery of our strategic objectives and would therefore be the most meaningful to our members.

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 report 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.



#### **4 Significant judgments and estimates (cont'd)**

##### *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

#### **5 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 report of the Group's controlled entities are included in the consolidated financial report from the date that control commences until the date that control ceases.

The consolidated financial report 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 report.

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.

**5 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**

The Group classifies its financial assets in the following categories:

- financial assets at fair value through surplus or deficit
- measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at fair value through surplus or deficit

Financial assets that do not meet the criteria for amortised cost are measured at fair value through surplus or deficit.

The Group's derivatives are recognised in this category. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non current.

Amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

These assets are subsequently measured at amortised cost using the effective interest method.

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through surplus or deficit are expensed in surplus or deficit.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Group applies the simplified approach to providing for expected credit losses prescribed by PBE IPSAS 41, which permits the use of the lifetime expected losses for all trade receivables. Given the low risk of default on other financial assets (primarily short-term deposits with financial institutions with a strong credit rating), other expected credit losses have been assessed to be immaterial.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet been identified.

**5 Significant accounting policies (cont'd)**

**d) Financial instruments (cont'd)**

**Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, payables, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

This is the category of financial liabilities that is most relevant to the Group. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of financial performance.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in surplus or deficit.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**f) Property, plant and equipment**

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 accumulated impairment losses.

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.

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.

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:

Buildings & Structures	13.5%
Office Equipment	16% - 67%
Motor Vehicles	30%
Furniture & Fittings	16% - 20%

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

**5 Significant accounting policies (cont'd)**

**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

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**

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 Report For the year ended 30 June 2023

#### 6 Group information

The consolidated financial report 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)	
			2023	2022
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. Both controlled entities are wholly owned.

Both subsidiaries were established to facilitate the Social Bonds Pilot project which expired on 31 August 2023.

The intention is to wind up both G-Fund and G-Op at the completion of the Social Bonds Pilot project. It is expected that the entities will be solvent at the time of wind-up.

Genesis Youth Trust's operations will be scaled down over the next 12 months to enable them to continue as a going concern.

#### 7 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2023	2022
Savings plus	387,970	863,009
Cheque	290,857	96,784
On call account	95,941	464,292
Eftpos account	480	2,010
Cash reserve account	303,333	972,153
Working capital account	690,156	412,048
Operational account	17,741	98,106
	<u>1,786,479</u>	<u>2,908,402</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.

#### 8 Term investments

			2023	2022
<b>7a Current</b>	<b>Maturity date</b>	<b>Interest rate</b>		
ANZ term deposit 01	19/10/2022	1.15%	-	1,000,000
ANZ term deposit 02	17/08/2023	4.76%	2,036,822	-
ANZ term deposit 05	17/11/2022	1.75%	-	2,000,000
ANZ term deposit 07	11/04/2023	2.40%	-	700,000
ANZ term deposit 08	17/04/2023	2.65%	-	1,200,000
ANZ term deposit 09	17/08/2023	3.00%	5,000,000	-
ANZ term deposit 12	17/04/2023	3.00%	-	1,000,000
ANZ term deposit 13	19/09/2022	1.70%	-	1,000,000
Investment #72	16/01/2024	2.50%	27,924	-
			<u>7,064,746</u>	<u>6,900,000</u>
<b>7b Non-current</b>				
Investment #72	16/01/2024	2.50%	-	27,924
ANZ term deposit 09	17/08/2023	3.00%	-	5,000,000
			<u>-</u>	<u>5,027,924</u>

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

#### 9 Receivables

	2023	2022
<b>Receivables from exchange transactions</b>		
Prepayments	44,381	53,177
Interest accrual	247,068	83,362
Resident withholding tax	2,902	2,903
	<u>294,351</u>	<u>139,442</u>
<b>Receivables from non-exchange transactions</b>		
Accounts receivable	120	243,321
GST receivables	35,192	77,113
	<u>35,312</u>	<u>320,434</u>

**Genesis Youth Trust**

**Notes to the Consolidated Financial Report  
For the year ended 30 June 2023**

<b>10 Related parties</b>	<b>2023</b>	<b>2022</b>
<b>Related party transactions</b>		
Remuneration made to paid key management personnel:		
Number of FTE's	3	3
Senior Management Remuneration	\$ 417,782	\$ 376,933

Total remuneration of \$61,000 was paid to the trustees and directors of the Trust and controlled entities respectively. (2022: \$67,730).

The following balances were held with the controlled entities:

<b>Party Name</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>2023</b>	<b>2022</b>
Acuo Limited	Directors in common	Consulting service payable	10,635	863
Inspired Accountants Limited	Directors in common	Director fee payable	3,450	3,450
			<u>14,085</u>	<u>4,313</u>

The following transactions were carried out with the controlled entities:

<b>Party Name</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>2023</b>	<b>2022</b>
The Learning Wave Limited	Directors in common	Training and development services	3,990	22,255
The Learning Wave Limited	Directors in common	Promotional costs	-	2,013
Papatuanuku Kokiri Marae	Trustee in common	COVID-19 essential items and support	-	35,489
Acuo Limited	Directors in common	Director fee	24,000	24,000
Acuo Limited	Directors in common	Consulting service	64,177	34,650
Acuo Limited	Directors in common	Travelling expenses	4,644	1,730
Inspired Accountants Limited	Directors in common	Director fee	12,000	12,000
McKessar Consulting Limited	Directors in common	Consulting service	16,400	-
Caleb No.2 Trust	Directors in common	Investor interest incurred	2,801	-
Caleb No.2 Trust	Directors in common	Investor funds	34,375	-
			<u>162,387</u>	<u>132,137</u>

**11 Property, plant and equipment**

	<b>30 June 2023</b>			<b>30 June 2022</b>		
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>
Motor Vehicles	428,177	256,229	171,948	354,269	232,730	121,539
Office Equipment	175,813	132,149	43,664	199,332	140,438	58,894
	<u>603,990</u>	<u>388,378</u>	<u>215,610</u>	<u>553,601</u>	<u>373,168</u>	<u>180,433</u>

**Reconciliation of property, plant and equipment - June 2023**

	<b>Opening</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Closing balance</b>
Motor Vehicles	121,539	90,374	7,896	32,070	171,947
Office Equipment	58,894	1,950	2,169	15,009	43,666
	<u>180,433</u>	<u>92,324</u>	<u>10,065</u>	<u>47,079</u>	<u>215,613</u>

**Net book value**

As at 30 June 2023	215,610
As at 30 June 2022	180,433

**12 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**

	<b>Financial assets</b>		<b>Financial liabilities</b>	
	<b>Loans and receivables</b>	<b>Amortised cost</b>	<b>Loans and receivables</b>	<b>Amortised cost</b>
<b>2023</b>				
Cash and cash equivalents	1,786,479	-		
Term investments	7,064,746	-		
Receivables	247,188	-		
Payables	-	2,624,575		
Interest accrual	-	662,475		
Other accruals	-	50,964		
Interest-bearing borrowings at amortised cost	-	763,483		
	<u>9,098,414</u>	<u>4,101,496</u>		
<b>2022</b>				
Cash and cash equivalents	2,908,402	-		
Term investments	11,927,924	-		
Receivables	326,683	-		
Payables	-	3,865,561		
Interest accrual	-	99,326		
Other accruals	-	163,438		
Interest-bearing borrowings	-	4,527,933		
	<u>15,163,009</u>	<u>8,656,258</u>		

## Genesis Youth Trust

### Notes to the Consolidated Financial Report For the year ended 30 June 2023

	<u>2023</u>	<u>2022</u>
<b>13 Payables</b>		
<b>Payables from exchange transactions</b>		
Accounts payables	199,149	103,937
Interest accrual	662,475	99,326
Other accruals	50,964	163,438
	<u>912,587</u>	<u>366,701</u>
<b>Payables from non-exchange transactions</b>		
GST payables	64,295	81,451
Provision for surplus to be returned to OT	2,425,426	3,680,173
	<u>2,489,721</u>	<u>3,761,624</u>

G-Fund entered into an outcome agreement with Oranga Tamariki - Ministry for Children (previously known as The Ministry for Vulnerable Children, Oranga Tamariki), which will be expired in August 2023. The outcome agreement states that any surplus from the project at the end of the term will need to be repaid to the Oranga Tamariki - Ministry for Children. A provision of \$2,425,426 has been recognised for the surplus to be returned to Oranga Tamariki - Ministry for Children as at 30 June 2023 (30 June 2022: \$3,680,173).

	<u>2023</u>	<u>2022</u>
<b>Movemnet in provision for surplus to be returned to OT</b>		
Opening	3,680,173	-
Provision made	-	3,680,173
Reversal	(1,254,747)	-
Closing	<u>2,425,426</u>	<u>3,680,173</u>

	<u>2023</u>	<u>2022</u>
<b>14 Employee benefits</b>		
Annual leave	150,266	171,241
Wages accrual	85,642	92,146
	<u>235,907</u>	<u>263,387</u>

	<u>2023</u>	<u>2022</u>
<b>15 Interest-bearing borrowings</b>		
<b>Interest-bearing borrowings at amortised cost</b>		
Current portion	763,483	3,700,000
Non-current portion	-	827,933
Total	<u>763,483</u>	<u>4,527,933</u>

Holders	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)
<b>Initial fair value</b>		<u>5,880,000</u>

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 favour 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. The pattern of repayments are as follows:

Date	Class A	Class B	Total
26/04/2020	300,000	-	300,000
26/10/2020	300,000	-	300,000
26/04/2021	300,000	-	300,000
26/10/2021	300,000	-	300,000
26/04/2022	300,000	-	300,000
26/10/2022	1,000,000	-	1,000,000
26/04/2023	2,300,000	400,000	2,700,000
26/10/2023	-	800,000	800,000
			<u>6,000,000</u>

	<u>2023</u>	<u>2022</u>
<b>16 Revenue</b>		
<b>Revenue from non-exchange transactions</b>		
Kotahi te Whakaaro - Ministry of Social Development	531,507	-
Oranga Tamariki - Ministry of Social Development	223,773	223,773
Whakamana Rangatahi - New Zealand Police	305,703	-
Social Bonds outcome revenue	-	2,731,323
Donated funds for evaluation	120,000	-
Notional grant revenue	541,551	504,207
Other grants and donations	21,695	5,050
	<u>1,744,229</u>	<u>3,464,353</u>

	<u>2023</u>	<u>2022</u>
<b>17 Finance income and costs</b>		
<b>Finance income</b>		
- interest income on bank deposit	386,649	172,735
<b>Finance cost</b>		
- interest expense on social bonds	969,234	486,707

## Genesis Youth Trust

### Notes to the Consolidated Financial Report For the year ended 30 June 2023

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#### 18 Commitments

In July 2021, Genesis Youth Trust entered into an operating lease agreement for two motor vehicles. The motor vehicle lease will be expired on 1 August 2023.

	<u>2023</u>	<u>2022</u>
Lease payments within one year	10,074	25,390
Lease payments between one year and five years	2,174	12,248
Lease payments more than five years	-	-
	<u>12,248</u>	<u>37,638</u>

#### 19 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 the project will extend over six years till August 2023, it was unknown if a surplus will be achieved from this project, no contingent liabilities had been made in the consolidated financial report in previous years. As at 30 June 2023, a provision of \$2,425,426 has been made for the surplus to be returned to Oranga Tamariki - Ministry for Children (30 June 2022: \$3,680,173). Please see note 13 for further details.

There are no contingent assets or other contingent liabilities at the reporting date. (30 June 2022: Same as above).

#### 20 Events after the reporting date

There are no significant post balance date events (30 June 2022: Nil).

#### 21 Going concern

The financial report have been prepared on a going concern basis. As at 30 June 2023, the Group has a positive net assets of \$4,994,802 (30 June 2022: \$6,556,990 ).



## Independent Auditor's Report

### To the trustees of Genesis Youth Trust

#### Opinion

We have audited the consolidated general purpose financial report (hereinafter referred to as 'consolidated financial report') of Genesis Youth Trust (the group), which comprises the consolidated financial statements on pages 46 to 58 and the consolidated service performance information on pages 7 to 13. The complete set of consolidated financial statements comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

- the financial position of the group as at 30 June 2023, and its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2023 in accordance with the entity's service performance criteria

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

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

#### Other matter

The corresponding consolidated service performance information for the year ended 30 June 2022 is unaudited.

#### Other information

The board of management are responsible for the other information. The other information comprises 1 to 6, and 14 to 45 (but does not include the consolidated financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial report 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 report, 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 report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the board of management for the consolidated financial report

The board of management are responsible, on behalf of the group, for:

- (a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) such internal control as the board of management determine is necessary to enable the preparation of consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the board of management are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of management either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated service performance information, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated financial report.

A further description of the auditor's responsibilities for the audit of the consolidated financial report is located at the XRB's website at:

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

## Who we report to

This report is made solely to the trustees of Genesis Youth Trust, as a body. Our audit work 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

