

COMPASS HOUSING SERVICES CO (NEW ZEALAND) LTD

ANNUAL REPORT

2020/21



compass
housing services

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COMPANY INFORMATION

LEGAL NAME

**Compass Housing Services Company (New Zealand) Limited
(Compass Housing NZ)**

TYPE OF ENTITY AND LEGAL BASIS

New Zealand Limited Company registered 31 July 2015

NZBN

9429041870273

CHARITY NUMBER

CC53292

Compass Housing NZ is a registered charity in New Zealand with any surpluses generated reinvested back into additional social housing or into community development programmes for local tenants.

CHRA REGISTRATION NUMBER

RA 048

Compass Housing NZ is accredited by the Community Housing Regulatory Authority (CHRA) as a Class 1 Social Housing Landlord.

CONTACT US

ADDRESS

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www.compasshousingnz.org**

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PHONE 0800-124-663**

PARTNER ENQUIRIES

**Chris Trypas
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INTRODUCTION

This annual report is about accountability and measuring our performance against our aspirations and goals.

In 2020, the Compass Housing Group and Board delivered a 10-Year Strategic Plan for operations in New South Wales, Queensland and Victoria in Australia where we have operated for over 35 years.

We also created our first Compass Housing NZ 10-Year Strategic Plan which aligns with the Mission and Values of the Group. Six Strategic Initiatives were agreed on for the New Zealand Operation; Growth, Engage, Lead, Enable Staff and Partners, Systems Innovation, Sustain Finances and Impact.

MISSION AND PURPOSE

Compass Housing NZ will ensure we achieve our Mission by providing homes, creating communities, empowering people and influencing the future of housing and cities.

OUR VALUES

- ▶ **Empowerment and Trust**
- ▶ **Aspiration and Accountability**
- ▶ **Innovation and Sustainability**
- ▶ **Leadership and Collaboration**





STRATEGIC INITIATIVES

GROWTH

- ▶ Excellent implementation of contracts and partnership agreements
- ▶ Seize opportunities for growth by governments or others
- ▶ Diversify service provision
- ▶ Operate in new regions

ENGAGE: CUSTOMERS AND COMMUNITY

- ▶ Superior service delivery supports expansion
- ▶ Create community hubs where feasible
- ▶ Utilise a wider range of communication tools
- ▶ Operate in new regions

LEAD: PIONEER DELIVERY

- ▶ Achieve influence and actions based on UN and other agency involvement
- ▶ Positively impact Pacific Island development
- ▶ Impact policy and service delivery for people experiencing homelessness

ENABLE STAFF AND PARTNERS

- ▶ Enhance and embed strong workplace culture and practice
- ▶ Continuous staff development
- ▶ Develop further strategic partnerships and collaborations

SYSTEMS INNOVATION

- ▶ Invest in technology and innovation as enablers
- ▶ Drive systemic innovation
- ▶ Re-engineer structure and governance to accommodate growth aspirations
- ▶ Real-time information

SUSTAIN FINANCES AND IMPACT

- ▶ Develop new business streams and diversify income sources
- ▶ Maintain profitability to ensure financial sustainability
- ▶ Maintain focus on social and environmental sustainability

ABOUT US

Compass Housing Services Co (New Zealand) Limited (Compass Housing NZ) was established in 2015. We are a registered charitable organisation, an accredited Social Housing Landlord with the Community Housing Regulatory Authority (CHRA) and a member of the peak body Community Housing Aotearoa. We provide brand-new social and affordable housing for low to moderate income households in mixed tenure communities.

2020-21 was a monumental period for Compass Housing NZ. Despite the challenging COVID-19 operating environment, we doubled in size, opening 162 new properties in three new locations: Whanganui, Palmerston North and West Auckland. This was thanks to the hard work and commitment of our team as well as the professionalism and support of our development partners Du Val, SOHO and Ted Manson Foundation. We also could not have succeeded without the assistance and strong working relationships with the Ministry of Housing and Urban Development and the Ministry of Social Development.

Our parent company Compass Housing Services Australia has an established track record of delivering and managing social and affordable housing for more than 35 years. Our core business is tenancy and property management and we operate under a wide range of government initiatives and housing programmes. Where possible we strive to deliver mixed tenure communities.

Our company Vision is for a world in which all people have access to safe, affordable and adequate housing and are actively engaged in their communities. In pursuit of that goal, we developed an approach to service delivery which integrates tenancy and property management within a broader network of community services. This approach maximises opportunities for tenants to increase their economic and social participation in the communities in which they live.

Underpinning our company Vision is a belief that safe and adequate housing is a basic human right. As promoters of the right to housing we are strong advocates for structural reform to create an affordable housing market in New Zealand, whilst also actively participating in a variety of national and international campaigns aimed at helping achieve the United Nations Sustainable Development Goals.

We completed our fifth year of operation this year and, in the process, expanded into a new model of mixed tenure development in partnership with the Ted Manson Foundation and the Ministry of Housing and Urban development.

This year had its challenges, but we are proud of the way our residents supported and looked out for each other. The random acts of kindness were evident in trips to chemists and supermarkets to pick up items for neighbours, sharing food parcels and working collectively to keep COVID-19 out of their communities. The staff also did an amazing job responding quickly and effectively, into a new operating environment and working with tenants to manage the stress of repeated incidences of lockdowns in Auckland.

The low turnover of residents, many of whom had been experienced episodes of long-term homelessness, proves that the combination of long-term secure housing in a caring environment is a key success factor in eliminating homelessness.



OUR VISION

That all people have appropriate and affordable shelter and are engaged in sustainable communities.

CHAIR'S REPORT

Despite the challenging operating environment created by the COVID pandemic, Compass Housing NZ continued a period of growth, managing to successfully increase the number of new properties in Auckland from 163 to 328. We also expanded into the Whanganui-Manawatu regions with new developments in Palmerston North and Whanganui, bringing the portfolio under management to 361 new properties servicing over 500 tenants.

On behalf of the board, I would like to extend my thanks and congratulations to our dedicated staff for the way they adapted to the new operating environment and continued to provide exceptional service to our clients during a period of relatively significant growth.

We would also like to acknowledge the response and resilience of our residents during the repeated lockdown periods. Their sense of community has been exemplary; with people going out of their way to support their neighbours and importantly to help keep the virus out of their neighbourhood.

We welcomed the Minister for Housing to open the Westlight development in West Auckland, which is an iconic building setting a new high-quality benchmark in mixed tenure social housing in New Zealand. Its 163 apartments, incorporate affordable rentals, KiwiBuild and privately owned properties. Westlight also includes a community hub and open space area, providing on-site facilities to enable residents to engage with and learn from each other.

Over the past year our community hubs have been used to deliver a range of social and educational activities from movie nights, art classes and computer literacy courses, cooking and weekly open pantry sessions. Our commitment to resident engagement and empowerment is a major contributor to our high level of resident satisfaction which reached 96% for the second year, in the most recent independent survey.

The Board would like to acknowledge and thank

our partners the Ministry of Housing and Urban Development, Ministry of Social Development as well as SOHO Group, and the Ted Manson Foundation. Compass Housing NZ currently has an additional pipeline of new properties under construction in Whanganui, Palmerston North, and Nelson.

This year we are proud to be working to deliver a kaumātua housing development in partnership with The Port Nicholson Block Settlement Trust, The Wellington Company and HUD.

The Board adopted its 2020–2030 Strategic Plan in October 2020 after extensive consultation with the Board, and all staff. The strategic goals are linked to the United Nations Sustainable Development Goals.

In conclusion, I want to thank the New Zealand Government and all our construction and social service partners for their ongoing support. My thanks also to my fellow directors, Greg Budworth and Kwesi Addo, as well as our New Zealand based Directors Josie Adlam and Ben Iosefa, who were appointed in August 2020 with Ben appointed as deputy Chair in 2021.

My thanks also to the General Manager Dr. Bernadette Pinnell, and to the growing team of committed staff whose dedication to our cause, this year more than ever, continues to make such an important difference in the lives of our residents.

Paul Johnson
Chair





WESTLIGHT APARTMENTS | GLEN EDEN



(L-R) COMPASS HOUSING NZ DEPUTY CHAIR, BEN IOSI FA,, GENERAL AMANGER DR BERNADETTE PINNELL, DIRECTOR GREG BUDWORTH, DIRECTOR KWESI ADDO

GENERAL MANAGER'S REPORT

This has been a significant year of growth for our business, and I want to thank and congratulate our small, dedicated team, but also our tenants, for the adaptability and resilience they displayed throughout the 2020-21 financial year.

The COVID-19 pandemic has thrown into sharp focus the role housing has played in increasing inequality in Aotearoa New Zealand, in 12 months there was a 25% increase in house prices. Nationally, the average property value is now 7.9 times the average annual household income. In Auckland and Wellington, the median price is now \$1,100,000, this is a 35% increase in 12 months. The national median house price rose by almost 23% this year to \$780,000.

The impacts of these statistics are not experienced equally, with only 31% of Māori and 21% of Pasifika people owning their own home. 77% of Māori live in rental accommodation, where median rents increased 8% in 2021. The United Nations special rapporteur who has completed a report on the NZ housing crisis reported housing in NZ is considered a "speculative asset rather than a home" which has led to the current crisis.

The solutions lie in the untapped resources of local government, iwi and the private sector. Compass Housing NZ has established strategic partnerships to leverage opportunities with these sectors and we are working on long term plans to roll out new housing options in regional NZ in particular. This year we opened our first regional projects in Whanganui and Palmerston North and we were proud to be gifted names for the developments by mana whenua, acknowledging the significance of the projects in their local settings.

Our first direct iwi partnership with Taranaki Whanui Limited will deliver a papakainga development for kaumatua later in 2021 in Wainuiomata. In 2022, our first housing development in the South Island will be delivered through our partner Soho Group.



The level of dedication to the wellbeing of our tenants is one of the defining features of Compass Housing NZ's socially regenerative approach to tenancy and property management, and while COVID-19 slowed our efforts to deliver new housing we finished 2020 by transitioning into new developments in West Auckland and Whanganui. In mid-2021 we transitioned into Palmerston North and the new Clayburn Development

Our commitment to tenant engagement is a major contributor to our tenant satisfaction results, which this year again reached 96%; a remarkable achievement across the whole Compass Housing organisation and a testament to the hard work of our dedicated staff.

A pipeline of new developments will continue in 2022 to help us reach some of our ambitious goals outlined in our Strategic Plan 2020-30 informed by and aligned with, the United Nations Sustainable Development Goals.

I would like to thank the board of directors for their ongoing support and sound governance of the organisation, as well as the staff for their dedication and commitment to our cause. I would also like to thank our development partners, as well as the staff at the Ministry of Housing and Urban Development and Ministry of Social Development who are vital to us in achieving our Vision and Mission:

"That all people have appropriate and affordable shelter and are engaged in sustainable communities. As a leader, our mission is providing homes, empowering people, connecting communities and influencing the future"

Dr Bernadette Pinnell
General Manager





COMPASS HOUSING NZ STAFF AND BOARD WITH TED MANSON AND SAM MC CLOY CEO TED MANSON FOUNDATION



Compass Housing NZ has experienced another successful year with record growth and high tenant satisfaction levels, This was despite the recurring impacts of the COVID-19 pandemic, particularly in Auckland, where there were several snap lockdown events.

HIGHLIGHTS

GROWTH OF OUR PROPERTY PORTFOLIO BY 100 PER CENT, NOW SERVICING OVER 500 TENANTS.

OPENING OF OUR NEW WESTLIGHT OFFICE.

NEW OPERATIONS IN WHANGANUI, PALMERSTON NORTH, AND WAINUIMATA UNDER THE GOVERNMENT'S DIRECT LEASING MODEL.

GENERATING AN OPERATING PROFIT.

LAUNCH OF TEN-YEAR STRATEGIC PLAN WITH AN AMBITIOUS GROWTH PLAN.

ALIGNMENT OF OUR STRATEGIC AND OPERATIONAL PLANS WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT (SDG) GOALS.

SUCCESSFUL MANAGEMENT OF THE ORGANISATION THROUGH THE COVID-19 PANDEMIC OPERATING ENVIRONMENT AND ITS IMPACTS ON STAFF AND TENANTS. BOTH RESPONDED WELL TO THE ADOPTION OF A RANGE OF COVID SAFE PRACTICES IN OUR TWO OFFICES AND HIGH-RISE HOUSING COMPLEXES.

ADAPTATION OF OUR IT SYSTEMS FOR ENHANCED COMMUNICATION WITH TENANTS.

THE CREATION OF SUCCESSFUL TENANT ADVISOR GROUPS IN OUR NEW COMPLEXES AND THE SATISFACTION OF WITNESSING OUR TENANTS ADAPT TO THE "NEW NORMAL" AND THE SENSE OF COMMUNITY AS THEY LOOKED AFTER AND SUPPORTED THEIR NEIGHBOURS.

INITIATIVES TO BRIDGE THE DIGITAL DIVIDE BY INTRODUCING LOW-COST INTERNET PLANS AND THE COLLABORATION OF TENANTS AND STAFF IN THE CREATION OF THE NEW COMMUNITY GARDENS IN OUR SOUTH AUCKLAND PORTFOLIO.

A SIGNIFICANT MEASURE OF OUR PERFORMANCE THIS YEAR WAS THE HIGH LEVEL OF TENANT SATISFACTION WHICH MATCHED THE 96% TENANT SATISFACTION BENCHMARK THAT WE ACHIEVED IN THE 2019-2020 OPERATING YEAR.

COMPASS HOUSING NZ HAS A SERVICE LEVEL AGREEMENT ARRANGEMENT WITH COMPASS HOUSING SERVICES AUSTRALIA WHO PROVIDES INFORMATION TECHNOLOGY, FINANCE, HUMAN RESOURCES, AND PAYROLL SERVICES ALONG WITH COMMUNICATIONS AND GOVERNANCE SUPPORT. THIS ENABLES US TO OPERATE IN A MORE PROFESSIONAL MANNER FOR AN ORGANISATION OF OUR SIZE.

TENANT
SATISFACTION

96%

PROPERTY
PORTFOLIO
GROWTH

100%

NUMBER OF
TENANTS

500+



GOVERNANCE

OUR DIRECTORS



PAUL JOHNSON | CHAIR

QUALIFICATIONS

- Certified Practicing Accountant
- Graduate Member of the Australian Institute of Company Directors
- Australian Computer Society
- Diploma of Financial Services from the Australian College of Commerce and Management

EXPERIENCE

Paul has been involved in the community housing sector as a Director since 2008. Paul is a retired chief executive of a financial institution with over 28 years' experience as a senior executive in the financial services and not-for-profit sectors.



BEN IOSEFA | DEPUTY CHAIR

QUALIFICATIONS

- Bachelor of Commerce (Hons 1st Class) – Marketing & International Business
- Bachelor of Science
- Member of the Australian Institute of Company Directors

EXPERIENCE

Ben is a board director with Counties Energy, Keith Andrews Holdings and WineWorks Group. Additionally Ben is the Chairman of the Galantai Plastics Group advisory board and a member of the Liquid Wind AB (Sweden) advisory board.

Ben's more than 30 year experience in residential property is complemented by his corporate career including senior executive and board level responsibilities in the clean energy industry, 14 years of which was spent working in North America and Europe.



KWESI ADDO | DIRECTOR

QUALIFICATIONS

- Fellow of the Australian Institute of Company Directors
- Fellow of the Governance Institute of Australia
- Bachelor of Laws.
- Master of Business Administration
- International Business (Hons). Master of International Relations
- Master of Construction Law

EXPERIENCE

Kwesi is an experienced non-executive director. He has nearly 15 years' experience in the community housing sector and also has over 13 years of legal experience in corporate and commercial law across local governance matters and a range of commercial and corporate areas of law including major infrastructure projects, commercial and civil litigation, debt recovery and insolvency, privacy, tax and employment law.



GREG BUDWORTH | DIRECTOR

QUALIFICATIONS

- Master of Business Administration
- Master of Business
- Tertiary qualifications in Project Management, Business Management, Workplace Safety, Workplace Training
- Graduate Member of the Australian Institute of Company Directors. Member of the Australasian Housing Institute
- Member of Managers and Leaders Australia

EXPERIENCE

Group Managing Director of the Compass Group. He is a director of the Australasian Housing Institute and a member of various other related committees and panels. He has previous experience in CEO and senior management roles in for profit human services organisations. He is currently the Vice President of the General Assembly of Partners.



JOSIE ADLAM | DIRECTOR

QUALIFICATIONS

- B.S. in Electrical Engineering
- Member of New Zealand Institute of Directors with CPD achievement.

EXPERIENCE

Involved in the not-for-profit sector in New Zealand as a Director since 2011, in addition to commercial Director roles with high growth businesses. With 24 years in the ICT and Banking sector and several senior executive roles, Josie now provides executive mentoring/coaching and strategy facilitation services for both high growth businesses and not-for-profits in New Zealand.

STRATEGIC DIRECTION

The development of the Compass Housing NZ Strategic Plan 2020-30 informed by and aligned with, the United Nations Sustainable Development Goals, reinforces our commitment to the global, universal right to adequate and affordable housing and sustainable communities.

The Strategic Plan is implemented through our annual Operations Plan and key focuses for 2021 and beyond are: sustainable growth utilising technology, innovation and partnerships with government, the private sector and other Non-Government Organisations.

Compass Housing NZ will continue to work with our colleagues at Compass Housing Australia in our international endeavours to become a world leader in advocacy and delivery of international affordable housing development.

OUR TEAM



DR BERNADETTE PINNELL
GENERAL MANAGER



BETTYANNE CRAWFORD
TENANCY RELATIONS OFFICER



ALFREDO RAPUES
PROPERTY MANAGER



MASTRAND PAONGO
TENANCY RELATIONS OFFICER



ALTYNAY SATAYEVA
ACCOUNTS OFFICER



VANSH BAGGA
PROPERTY MANAGER



**AMANDA BARNES-
MILBANK**
ADMINISTRATION
OFFICER



SHAUN MOYLE
TENANCY RELATIONS
OFFICER



PICTURED L-R DR BERNADETTE PINNELL, MINISTER OF HOUSING HON DR MEGAN WOODS AND TED MANSON



REPORT CARD

REPORT CARD

KEY PERFORMANCE INDICATORS

2021 2020 2019 2018

NUMBER OF PEOPLE PROVIDED HOUSING

502 260 95 90

TOTAL PROPERTIES UNDER MANAGEMENT

372 163 90 90

CHANGE IN PROPERTIES UNDER MANAGEMENT

+163 +70

NEW PROPERTIES UNDER CONSTRUCTION

94 160 230 230

TENANT SATISFACTION

OVERALL SATISFACTION WITH THE ORGANISATION

2021 2020 2019 2018

SATISFACTION WITH WAY IN WHICH COMPASS INVOLVES TENANTS

96% 96% 92% 94%

SATISFACTION WITH WAY IN WHICH COMPASS COMMUNICATES WITH TENANTS

95% 95% 93% 93%

SATISFIED THAT THEIR RIGHTS AS A TENANT ARE UPHELD BY COMPASS

96% 93% NA NA

SATISFIED WITH THE OVERALL CONDITION OF THEIR HOME

99% 96% NA NA





TESTIMONIALS

"I am happy and safe. Thank you Compass Housing Team."

"I am very happy having an apartment that I can afford and very happy with the quality of housing Compass has provided."

"Love living here, it makes me feel safe."

"The staff are awesome and caring. Bettyanne, Mastrand and Vansh keep up the wonderful work I really appreciate you three a lot."

"Great location for schools & universities. Rent is affordable."

"I like staying here and hope to stay here as long as I can."

"I enjoy the company with other tenants."

"Thank you for being there for me :)"

"I just thank you for the good services you have provided for us through the year."

"I am more than impressed with Alfredo our Building Manager. It is always a pleasure to run into him around the building his cheeky smile and sense of humour are a breath of fresh air."

"I am very happy and grateful that I have been given the opportunity to live in Westlight."

"Staff at Westlight are very helpful and professional. Building Manager is managing the place beautifully."



UNIQUE PARTNERSHIP WITH MĀORI WARDENS

In 2020, Compass Housing NZ made a commitment to acknowledge the work of Māori Wardens by providing housing to local Māori Wardens on the social housing register in the areas in which we operate. Māori Wardens have been working in local communities, looking after whanau for over 150 years. They are not police, but they have legal responsibilities under the Māori Community Development Act 1962.

We currently have wardens in all our properties from Palmerston North, Whanganui as well as West and South Auckland. There are approximately 900 Māori Wardens who volunteer their time to supporting their local communities.

The tenants in Central Avenue in South Auckland worked with the Otahuhu Māori Wardens and our local Māori Warden tenant Thomas, to make over 300 mask packs as well as prepare food parcels for distribution throughout South Auckland during the recent Auckland COVID-19 lockdown.



JIM AND JOSEPHINE FROM 'HARAKEKE PĀ' IN PALMERSTON NORTH



LEARN MORE ABOUT THE MAORI WARDENS ON YOUTUBE



OUR PORTFOLIO UNDER MANAGEMENT

VICTORIA AVENUE WHANGANUI

The new 323 Victoria Avenue complex was completed and tenanted days before Christmas 2020. The 26 units include the redevelopment of a former motel and construction of ten new units. It is a collaboration between Soho Group Limited, Compass Housing NZ and the Ministry of Housing and Urban Development.

The development opened days before Christmas 2020 and was fully tenanted by January 2021. The combination of 10 x one-bedroom, 14 x two-bedroom and 2 x three-bedroom apartments allows for a mix of ages and households. Each unit has parking and a private garden area and the upstairs units have generous sized balconies. The units are adjacent to shopping, schools and services and within walking distance to Whanganui town centre. They also have views to Mount Ruapehu.

The development has allowed Compass Housing NZ to foster positive and enduring relationships with the local council, iwi, contractors and social services, which will assist with future developments in Whanganui.



WHAKAREREA ANTICIPATION

Compass Housing NZ and Soho Group were welcomed into Whanganui by local iwi and Kaumātua who blessed the property and gifted the name 'Whakarerea' / Anticipation in recognition of the significance of the new social housing properties to the local community.

Ngā mihi to John Mahi for the name Whakarerea, gifted to the development, and to the kaumātua for the early morning blessing of the new property before tenants moved in.



OUR PORTFOLIO UNDER MANAGEMENT

CHURCH STREET PALMERSTON NORTH

The new Soho Church Street development was completed and tenanted in April 2021, establishing Compass Housing NZ's first housing project.

Situated a short walk from Palmerston North's central square, this property offers warm, dry and safe homes within easy walking distance to a variety of local amenities. The 46 apartments are a mix of one and two bedroom units across 5 buildings with onsite parking

The site is the first Community Housing development in Palmerston North and has received positive feedback from service agencies and tenants.

Due to high demand, Compass Housing NZ and Soho Development are investigating other options to develop more public housing properties in the city.





HARAKEKE PA

The Church Street site symbolises the home and cycle of the Harakeke.

As the shoots of the Harakeke grow with age they become older, stronger and wiser. Like our kaumatua tenants, or elder tenants, they become the guardians and protectors of the new Harakeke shoots - our younger tenants - that will grow and bring new life to the Harakeke - our site and the community around it.

The blessing and name for this site was bestowed by Rangitāne iwi kaumātua Mr Wiremu Te Awe Awe.



OUR PORTFOLIO UNDER MANAGEMENT

CLAYBURN ROAD GLEN EDEN

Ngahihi O Te Ra was completed and tenanted in June 2021.

This Soho development was architecturally designed around a communal garden, offering tenants a private and green space to unwind and socialise. The light-filled, warm and dry units are designed to reduce water and energy costs for tenants.

The site is within walking distance of both Glen Eden and Kelston town centre, public transport, amenities, and schools. Its proximity to Glen Eden train station also makes central Auckland easily accessible.

The development comprises of 36 one-and-two bedroom homes, for public housing use.

NGAHIHI O TE RA THE RAYS OF THE SUN

The property was gifted the name Ngahihi O Te Ra by the local kaumātua in appreciation of the sun filtered through the trees surrounding the property. The communal garden is the perfect spot for tenants to socialise, and enjoy the sunlight that gave the site its name.





OUR PORTFOLIO UNDER MANAGEMENT

DU VAL GROUP SOUTH AUCKLAND PORTFOLIO

Du Val Group are New Zealand's largest residential-led property groups delivering affordable housing across the Auckland market. They have a portfolio of over 1,500 affordable properties in South Auckland.

We commenced management of the 36 Mangere East properties in November 2016 and the 54 Papatoetoe properties in January 2017.

We have now managed these apartments for five years and they have a very low turnover due to the sense of community and strong bonds the tenants have formed. Tenants have taken ownership of the community gardens which were upgraded in 2021, with thanks to a grant from Auckland Council.

Both complexes have active Tenant Advisory Groups that have input into the decisions that impact them.

This year, the Papatoetoe tenants worked with the Māori Wardens to make masks and put together care packages for distribution during the COVID-19 lockdown.



OUR PORTFOLIO UNDER MANAGEMENT

LIFE APARTMENTS AUCKLAND CBD

Compass Housing NZ partnered with the Ted Manson foundation to deliver this high quality, inner city complex in the Auckland CBD. It is located near parks, Auckland hospital, a preschool, buses as well as retail, secondary and tertiary education and employment.

The 17-level apartment complex was opened in 2019. It has 90 spacious one-and-two bed apartments with amazing city views. As a mixed tenure development, it provides housing to a wide range of people from 6-month-olds to 80-year-olds.

The complex also has a community hub for formal and informal activities and classes. Favourite activities this year included movie sessions and weekly morning teas, courtesy of the Cordis Hotel. The Cordis Hotel also used the hub to advertise job opportunities and provided part-time employment to a number of staff.

The Life Apartments exceed the current New Zealand Building Code and have a Homestar 6 rating which means tenants enjoy warm, dry, healthy and cost-efficient homes.





OUR PORTFOLIO UNDER MANAGEMENT

WESTLIGHT WEST AUCKLAND

The Westlight development is a high quality residential development in West Auckland.

The Westlight development is a unique partnership between public, private and not-for-profit agencies. It is also a exemplary model of mixed tenure developments in New Zealand that includes social and affordable rental along with subsidised home ownership and privately owned properties.

Located adjacent to the Glen Eden town centre and railway station, it enables reduced car use and achieves the social, economic and environmental outcomes of transit urban development, encouraging use of public transport, next to employment, schools, retail and services.

The social benefits of Westlight are that it provides a home for 90 low income households as well as 34 apartments for first-time homeowners who qualified under the Kiwibuild scheme and 41 properties were sold.

Although mixed tenure is well-established internationally as a model to reduce concentration of disadvantage associated with mono-tenure housing areas, it remains relatively uncommon in New Zealand.



RESIDENTS IN WEST AUCKLAND CREATED HAERE MAI WELCOME PACKS FOR THE NEW RESIDENTS AT WESTLIGHT.





TED MANSON AND SAM McCLOY-McKENZIE CEO OF THE TED MANSON FOUNDATION

PIPELINE OF NEW DEVELOPMENTS

As a result of our partnership with the Ministry of Housing and Urban Development and private development partners, we have over 160 new properties under construction that are due to open in 2022-23.

WHANGANUI

Soho Group, in partnership with Compass Housing NZ, are replacing an old building with a new mixed use development. Creating eight new purpose built apartments all with private decks. This development has been specifically designed to help meet demand for accessible accommodation to enable aging in place and the two-bedroom units are suitable for families as well as older residents with live-in carers.

All first floor units will be accessible by wheelchairs and mobility scooters via a ramp connecting to the car park. The ground floor will be commercial space, possibly a café with outdoor seating area. This commercial lease area will be managed by Soho and leased to operators that are appropriate in the context of the adjacent residential units and businesses.

The development will provide an on-site office for Compass Housing NZ. It will also provide a space for services agencies and tenants to meet.

As with all their developments, Soho Group commit to exceeding the Building Code in several areas and will meet the requirements of Healthy Homes and Homestar 6 sustainability rating. The development has achieved resource consent and will commence in early 2022 for completion by early 2023.

The units will be rented to those who have been prequalified by MSD to be on the Social Housing Register and who are currently living in inadequate housing in Whanganui.





NELSON

Compass Housing NZ and Soho Group have signed a Memorandum of Understanding for the development of their first south island development in Nelson.

The development will deliver 40 units with a mix of 14 one-bedroom and 26 two-bedroom units in the town centre. Given its location, the development has been sensitively designed to acknowledge the historical curtilage of the adjacent church.



PIPELINE OF NEW DEVELOPMENTS

PALMERSTON NORTH



The demand for social housing continues to increase in Palmerston North. The greatest demand is for one-and two-bedroom units.

SOHO Group, in partnership with Compass Housing NZ are developing 15 new apartments that are within walking distance to the city centre, local shops and community facilities.

All first floor units will be accessible for people who require wheelchairs or mobility scooters via a ramp connecting to the car park.

As with all of their developments, Soho Group are committed to exceeding the building code in several areas and will meet the requirements of Healthy Homes and Homestar 6 Sustainability Rating.

The development will commence in early 2022 for completion by late 2023 and will be rented to those who have been prequalified by MSD to be on the Social Housing Register and who are currently living in inadequate housing in Palmerston North.



PIPELINE OF NEW DEVELOPMENTS

TE PUNA WAI WAINUIOMATA

The new Te Puna Wai development located in Wainuiomata is a papākainga project. Developed by Taranaki Whānui ki Te Upoko o Te Ika /Port Nicholson Block Settlement Trust (PNBST), in partnership with The Wellington Company on ancestral land.

The development has been purpose built for kaumātua and will open in October 2021 to accommodate Taranaki Whānui uri/members.



Compass Housing NZ will manage the properties under contract to the Ministry of Housing and Urban Development.

Due to the papākainga nature of the development, the 11 units will only be available for eligible uri/ members on the MSD Social Housing Register as social housing rentals. PNBST through its Commercial entity Taranaki Whānui Limited (TWL) received a grant from Te Puni Kōkiri (TPK) to assist with the funding for the construction of these properties. .

Te Puna Wai (TPW) creates a new model of iwi led social and affordable housing development on PNBST land. The project was designed to accommodate kaumātua next to their whanau in an integrated contemporary papākainga setting.

The design and construction of the units demonstrate innovation in the use of prefabrication and sustainability principles to provide warm, dry, well orientated, energy efficient homes; that will be low maintenance and cost efficient to manage for residents.

Compass NZ is proud to be a partner in this project; which is a leading model of the Government's Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation (MAIHI) Framework for Action, that includes urgent and long-term system responses to critical gaps for Māori in mainstream housing solutions.

OUR HOUSING AND OUR PEOPLE

Compass Housing NZ aspires to be New Zealand's leading community housing provider. We undertake all aspects of tenancy and property management and deliver community development programmes. We place our tenants at the centre of everything we do, by providing tailored tenancy and support services to accommodate the specific requirements of our tenants.

COMMUNITY HOUSING

Community housing is subsidised rental housing provided by not-for-profit, non-government organisations and is targeted at households on low incomes or who would otherwise struggle to find suitable accommodation.

We believe community housing is about much more than providing accommodation. It's also about building communities which is why we're dedicated to making sure our tenants have a voice and are actively engaged in their communities, delivering tenant engagement initiatives that help foster greater economic and social participation.

In addition to professional tenancy management, we ensure those tenants who need it receive additional wraparound services that help them sustain their tenancies. Over the past 12 months we have homed more than 15 people, previously homeless, from the Housing First programme in the Auckland CBD.

COMMUNITY GARDENS



This year our tenants have taken ownership of our community gardens in our South Auckland developments. Thanks to a grant from Auckland Council we upgraded the gardens with tenant input.

Community gardens not only provide tenants with access to fresh fruit and vegetables but create a platform for social inclusion and address health and wellbeing on a number of levels.

TENANT STORY

I am a single mother of two beautiful babies. I started from the bottom, literally rock bottom.

I lost my job after my last pregnancy due to complications. I then lost my home due to the owner selling and ended up in a transitional housing. I have no other family and I knew that if you want something you have to get out there and make it happen, so I did.

It wasn't easy but what's rewarding is never easy.

In February 2021, I was blessed with a call from Compass Housing NZ with an offer of a community housing property

and since then we have our own little nest. I got my kids into to school and day care, signed up to full time study to get some qualifications, and found a full time job.

Today I do not have to rely fully on the benefit, I have full custody of my children, I graduated at the end of last year and have a contract to work part time. I still strive for my own place someday.

I am grateful for all the people that I came across in my journey. Good and bad as it is what made who I am today.





TENANTS RESPOND TO COVID-19

Our client centred approach to service delivery, relies heavily on face-to-face contact.

Health restrictions limited the ability of staff to engage with clients in the normal fashion, as well limiting maintenance contractors from performing non-essential works.

To mitigate this, in 2020 we developed our Covid Operational Response Plan (CORP) which informed our approach to working safely for tenants, staff and contractors.

This period also enabled innovation and new ways of working. Staff increased daily contact with services, agencies and tenants and provided a wide range of information through phone calls, bulk texting, newsletters, delivery

of goods including medication, personal care products, groceries and hand sanitiser. Also arranging transport to enable tenants to reach essential services such as health services.

This period highlighted the strong relationship that we have with our tenants which we are delighted to see reflected in the phenomenal tenant survey response we received this year. It also emphasised the strength of the bonds between neighbours.

We are very proud of the tenants in Central Avenue for their care and efforts to keep each other safe. Also for their kaupapa working with the Maori Wardens in Otahuhu to make masks and care packages for others less fortunate than them.

HEALTH AND SAFETY

The health and safety of our tenants and staff is a priority.

We have ongoing partner reviews of our systems and processes to ensure we continue to comply with Health and Safety legislation and guidance. Staff utilise independently monitored personal security devices.

We have quarterly newsletters that provide tips and advice. We also have Tenant Advisory Groups which have been acknowledged as being vital in keeping tenants engaged and informed. We aim to be responsive at all times, whether it's for queries regarding tenancies, accounts, maintenance or complaints.

MAINTENANCE

We operate a 24/7 phone line for urgent tenancy or maintenance matters.

All of our properties are new, or were new when tenants first moved in. We acknowledge that although our partners have delivered very high quality properties, however, with all new buildings, there are teething issues requiring more frequent inspections and equipment testing, essential to ensure safety.

We thank our tenants for their patience and responsiveness in letting us know if something is not operating quite as it should.

ADDITIONAL SUPPORT AND INDEPENDENT ADVICE

We have a Tenancy Engagement Officer who facilitates activities and programmes for tenants. We also have formal and informal partnerships with agencies who provide referrals for new tenancies and provide targeted support and professional services to assist tenants to live independently.

We thank the following agencies for their work in Palmerston North, Whanganui and Auckland.

Strive	West Auckland Housing Call for Action	Asylum Seekers Trust
Linkpeople	County Manukau DHB Mental Health Unit	Fono West Auckland
Pathways	Glen Eden Residents Association	Takiri Mai Te Ata Trust
Lifewise	Red Cross Umma Trust	Family Work Waitakere
Ora Konnect	Red Cross Women's Refuge	Emerge Aotearoa

SOCIALLY SUSTAINABLE COMMUNITIES

An integral component of the Compass Housing NZ model is ensuring that we are enabling tenants to be “engaged in sustainable communities”. The community development approach to tenancy management is an integral part of Compass Housing’s international operations.

Where possible, we include community hubs and meeting rooms on-site as a facility to allow residents and agencies to engage and learn from each other. They also enable the social integration of tenants into their wider communities by ensuring their networks are not insular.

Compass Housing NZ’s commitment to resident engagement and empowerment is a major contributor to the high level of resident satisfaction which reached 96% in the most recent survey.

A key contributor to this satisfaction level was that, in addition to tenant and property services, we also facilitate the provision of life skills training including computer training, art classes, te reo language and gardening. This year we also focused on a digital divide programme which included offering subsidised WiFi access to tenants.

Concern for the environment and promoting a broader sustainability agenda are integral to Compass Housing NZ’s business operations including, the management of our properties and the management of the organisation.

Our social, economic and environmental sustainability goals are informed by our commitment to achieving the United Nations Sustainable Development Goals (SDGs). We empower our workers, and our tenants, to help achieve the SDGs locally, while advocating for their implementation at a national, and international, level.

COMPASS HUBS

The Life Apartment and Westlight complexes in Auckland have community hubs on site which provide a base for local support agencies to offer outreach services as well as providing local residents with a place to meet, socialise and volunteer.

The hubs have hosted weekly tenant and community events including free morning teas, lunches, art and computer programmes as well as skill development and advice services.

This year thanks to Farro Fresh we offered Pantry Days which provided a range of food as well as lunches for tenants. These events were managed by Tenant Advisory Group members. We also celebrated the Life Apartment 1st birthday in the hub in September 2020.

Importantly the hubs also offer a location for external agencies to meet with our tenants and provide services which meet their needs.





SUSTAINABLE DEVELOPMENT GOALS

The United Nations introduced the Sustainable Development Goals (SDGs) in 2015 to create a 15-year roadmap to addressing some of our planet's most urgent and crucial challenges including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.

Compass has long been committed to social environmental and economical sustainability. Our vision of adequate housing and sustainable communities for all is underpinned by this commitment.

Since 2017, Compass has been committed to achieving the SDGs and has continually advocated for governmental and business action at local, national and international level.

Over the past year we have embedded our commitment to the SDGs into our 2020-30 Strategic Plan, we have evaluated and prioritised the SDGs goals, and framed our targets and outcomes around achieving these goals and contributing to a better, more sustainable and prosperous world.



WHAT WE ARE DOING

GOAL 1. END POVERTY IN ALL ITS FORMS

OUR HOUSING SERVICES CONTINUE TO PROVIDE VULNERABLE PEOPLE WITH ADEQUATE, SAFE AND AFFORDABLE HOUSING.

OUR SUPPORT AND REFERRALS SERVICES PROVIDE ACCESS TO SERVICES, INCLUDING FINANCIAL SUPPORT AND FINANCIAL WELFARE CHECKS TO HELP ELIMINATE FINANCIAL STRESS FOR LOW -INCOME EARNERS.

OUR PROGRAMMES PROVIDE RESOURCES AND EDUCATION TO ASSIST CLIENTS IN FINANCIAL LITERACY AND IMPROVED EMPLOYMENT OPPORTUNITIES.

GOAL 2. END HUNGER AND PROMOTE SUSTAINABLE AGRICULTURE

WE PROVIDE VULNERABLE PEOPLE WITH ACCESS TO BASIC SERVICES, AFFORDABLE PRODUCE, FOODBANKS, WEEKLY FREE LUNCHES, AND COOKING CLASSES.

OUR COMMUNITY GARDENS ENABLE TENANTS TO GROW FRUIT AND VEGETABLES AS A SOURCE OF FOOD.

GOAL 3. ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AGES

WE FACILITATE TRAINING FOR TENANTS AND STAFF, TO ASSIST WITH MENTAL HEALTH SUPPORT, AND TRAINING ON ACCESSING HELP AND ASSISTING OTHERS.

OUR COMMUNITY GARDENS HELP INCREASE THE HEALTH, WELL-BEING AND SOCIAL PARTICIPATION OF OUR TENANTS.

GOAL 4. ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION

OUR GROW A STAR YOUTH MENTORING AND SCHOLARSHIP PROGRAM HELPS YOUNG PEOPLE FROM VULNERABLE BACKGROUNDS TO OVERCOME FINANCIAL AND GENERATIONAL OBSTACLES AND FOLLOW THEIR ACADEMIC, SPORTING, OR CULTURAL DREAMS.

OUR SUPPORT AND REFERRALS SERVICES CAN HELP TENANTS GAIN ACCESS TO EDUCATION AND VOCATIONAL TRAINING.

OUR EMPLOYEE STUDY PROGRAM PROVIDES SUPPORT AND FUNDING OPPORTUNITIES FOR LIFELONG LEARNING AND TRAINING IN TECHNICAL AND VOCATIONAL SKILLS.

GOAL 5. ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

ALL OPERATIONAL STAFF UNDERTAKE DOMESTIC VIOLENCE AND SUICIDE AWARENESS TRAINING TO UNDERSTAND THE COMPLEXITIES OF THESE PROBLEMS AND ENABLE SPECIALISED ASSISTANCE TO TENANTS. WE ARE AN EQUAL OPPORTUNITY EMPLOYER WITH 59% OF OUR EXECUTIVE TEAM REPRESENTED BY WOMEN.

GOAL 6. ENSURE SUSTAINABLE MANAGEMENT OF WATER AND SANITATION

OUR NEW DEVELOPMENTS ALL MEET THE LIFEMARK™ RATED HOME STANDARD WHICH INCLUDES INTELLIGENT DESIGN FEATURES THAT MEET THE NEEDS OF PEOPLE OF DIFFERENT AGES AND ABILITIES. THE HOMES INCREASE ENERGY EFFICIENCY AND REDUCED WATER AND POWER USAGE.

GOAL 8. PROMOTE SUSTAINABLE ECONOMIC GROWTH AND DECENT WORK FOR ALL

WE CREATE OPPORTUNITIES FOR TENANTS TO ACCESS EDUCATION AND VOCATIONAL TRAINING THAT CAN LEAD TO OPPORTUNITIES FOR FULL AND PRODUCTIVE EMPLOYMENT OR VOLUNTEERING OPPORTUNITIES.

GOAL 10. REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

THROUGH OUR PROGRAMMES WE INCREASE ACCESS TO INFORMATION TO ENABLE INFORMED DECISION MAKING.

OUR CULTURAL DIVERSITY PROGRAMME BUILDS ORGANISATIONAL AND EMPLOYEE CAPACITY TO WORK IN CULTURALLY RESPONSIVE WAYS.

WE HAVE A VERY CULTURALLY DIVERSE WORKFORCE AND TENANT PROFILE.

GOAL 11. MAKE CITIES AND HUMAN SETTLEMENTS SUSTAINABLE

WE ENABLE THE CONSTRUCTION OF NEW SOCIAL AND AFFORDABLE HOUSING THROUGH MIXED TENURE MODELS TO CREATE SOCIALLY SUSTAINABLE COMMUNITIES.

WE PARTICIPATE IN NATIONAL AND REGIONAL DEVELOPMENT PLANNING AND ADVOCATE LOCALLY, NATIONALLY AND INTERNATIONALLY FOR SUSTAINABLE DEVELOPMENT AND THE RIGHT FOR ALL PEOPLE TO HAVE ADEQUATE AND SUSTAINABLE HOUSING.

THROUGH OUR DEVELOPMENTS WE HELP TRANSITION PEOPLE FROM HOMELESSNESS AND INSECURE HOUSING INTO SECURE, LONG TERM HOUSING.

GOAL 12. ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

WE HAVE WASTE MANAGEMENT PRACTICES AND SOFT PLASTICS RECYCLING, IN OUR DEVELOPMENTS AS WELL AS ENERGY EFFICIENT APPLIANCES.

GOAL 13. TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE

COMPASS IS COMMITTED TO OUR CARBON FOOTPRINT REDUCTION OF 10% EVERY THREE YEARS AND HAS COMMITTED TO STRIVING FOR CARBON NEUTRALITY BY 2030 THROUGH THE IMPLEMENTATION OF OUR CARBON NEUTRAL ROADMAP.

COMPASS HAS DEVELOPED A CLIMATE CHANGE MITIGATION/ADAPTATION STRATEGY THAT WE WILL IMPLEMENT THROUGH 2020/21.

GOAL 16. PEACE, JUSTICE AND STRONG INSTITUTIONS

PROMOTE INCLUSIVE SOCIETIES AND INSTITUTIONS FOR SUSTAINABLE DEVELOPMENT SOCIALLY SUSTAINABLE COMMUNITIES.

GOAL 17. STRENGTHEN THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

COMPASS HAS PARTNERSHIPS IN PLACE WITH DEVELOPERS, IWI AND GOVERNMENT TO DELIVER A RANGE OF HOUSING OPTIONS TO ENABLE SOCIALLY SUSTAINABLE COMMUNITIES.

WE HAVE MOUS IN PLACE WITH OVER TEN SUPPORT SERVICE PROVIDERS TO ENSURE TENANTS HAVE ACCESS TO THE SERVICES AND REFERRALS THEY REQUIRE.

WE PARTICIPATE IN AND PROMOTE EFFECTIVE PUBLIC-PRIVATE AND CIVIL SOCIETY PARTNERSHIPS AND WORK TO STRENGTHEN NATIONAL AND REGIONAL DEVELOPMENT CAPACITY AND PLANNING.

WE ARE ENGAGED WITH THE URBAN DEVELOPMENT INSTITUTE NZ TO ADVOCATE AND LEAD INTEGRATED AFFORDABLE HOUSING MODELS ACROSS NEW ZEALAND.

COMPASS HOUSING SERVICES CO (NEW ZEALAND) LTD

ANNUAL REPORT 30 JUNE 2021 FINANCIAL STATEMENTS

**Compass Housing Services Co (New
Zealand) Ltd**
Annual report
for the year ended 30 June 2021

Compass Housing Services Co (New Zealand) Ltd

Annual report - 30 June 2021

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Compass Housing Services Co (New Zealand) Limited
Entity Information
For the year ended 30 June 2021

Legal Name of Entity: Compass Housing Services Co (New Zealand) Limited

Other Name of Entity (if any): N/A
Type of Entity and Legal Basis (if any): New Zealand Limited Company registered 31 July 2015
Registration Number: 5753427

Entity's Purpose or Mission:

At Compass we believe community housing is about more than providing accommodation. Compass is registered with the New Zealand Community Housing Authority as a Class 1 Social Housing Landlord - and is also a registered charity in New Zealand with any generated surpluses reinvested straight back into additional social housing or into community development programs for local tenants.

Entity Structure:

100% owned by Compass Housing Services Co Limited

Main Sources of the Entity's Cash and Resources:

Parent company, rental income and property management fees.

Main Methods Used by the Entity to Raise Funds:

Loan from the parent company.

Entity's Reliance on Volunteers and Donated Goods or Services:

Compass has paid employees and also uses volunteers on occasions.

Contact details

Physical Address: 38a, Liverpool St. Auckland 1010, New Zealand

Postal Address: 38a, Liverpool St. Auckland 1010, New Zealand

Phone/Fax: Ph 0800-124-663

Email/Website: newzealand@compasshousing.org

www.compasshousingnz.org

Compass Housing Services Co (New Zealand) Limited
Statement of Service Performance
"What did we do?", When did we do it?"
For the year ended 30 June 2021

Description of the Entity's Outcomes:

Compass Housing has expanded in the financial year and now manages 272 apartments across New Zealand which are a mix of one and two bedrooms in addition to the 90 fully furnished studio apartments it leases in South Auckland.

	2021	2020
Property management and tenancy services (number of properties)	362	163

Significant changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the Company has continued its business operations. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include disruptions to the provision of services, availability of employees and changes in customer demand. However, as at the date these financial statements were authorised, the Company was not aware of any material adverse effects on the financial statements or future results as a result of the COVID-19 pandemic.

There have been no other significant changes in the state of affairs of the Company during the year.

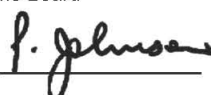
Event since the end of the financial year

Subsequent to year end, the term of the loan owing to the parent entity, Compass Housing Services Co Limited, was extended to 31 December 2022. No other matter or circumstance has arisen since 30 June 2021 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Authorisation of the financial statements

The Board of Directors authorised these financial statements for issue on the date signed below.

For and on behalf of the Board

Director Signature : 

Director Name : Paul Johnson

Director Signature : 

Director Name : Ben Iosefa

25 October 2021

Compass Housing Services Co (New Zealand) Ltd

Annual report - 30 June 2021

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These financial statements are the financial statements of Compass Housing Services Co (New Zealand) Ltd as an individual entity.

Compass Housing Services Co (New Zealand) Ltd is incorporated and domiciled in New Zealand.

Its registered office is:

Compass Housing Services Co (New Zealand) Ltd
38a Liverpool Street,
Auckland, 1010, New Zealand

Its principal place of business is:

Compass Housing Services Co (New Zealand) Ltd
38a Liverpool Street,
Auckland, 1010, New Zealand

A description of the nature of the entity's operations and its principal activities is included in the entity information on page 1 which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 25 October 2021. The directors have the power to amend and reissue the financial statements.

Statement of comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations	1	3,800,398	2,852,387
Foreign exchange - net loss		(9,312)	(31,120)
Other income	2(a)	20,492	52,580
Tenancy and property management expenses	2(b)	(2,246,999)	(2,061,158)
Administrative expenses	2(b)	(953,819)	(787,114)
Finance expenses	2(c)	(42,757)	(53,645)
Profit/(loss) before tax		568,003	(28,070)
Income tax expense		-	-
Total comprehensive income/(loss) for the year		568,003	(28,070)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	3(a)	973,526	658,323
Trade and other receivables	3(b)	135,837	119,025
Other current assets	3(c)	161,507	174,318
Total current assets		1,270,870	951,666
Non-current assets			
Plant and equipment	4(a)	32,876	35,880
Total non-current assets		32,876	35,880
Total assets		1,303,746	987,546
LIABILITIES			
Current liabilities			
Trade and other payables	3(d)	469,729	375,589
Borrowings	3(e)	1,122,443	1,486,414
Provisions		26,514	-
Deferred revenue		4,304	3,568
Total current liabilities		1,622,990	1,865,571
Non-current liabilities			
Provisions		3,640	12,862
Total non-current liabilities		3,640	12,862
Total liabilities		1,626,630	1,878,433
Net liabilities		(322,884)	(890,887)
EQUITY			
Accumulated losses	5	(322,884)	(890,887)
Total Equity		(322,884)	(890,887)

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

Statement of changes in equity

For the year ended 30 June 2021

	Accumulated losses \$	Total \$
Balance at 1 July 2019	(862,817)	(862,817)
Loss for the year	(28,070)	(28,070)
Total comprehensive loss for the year	(28,070)	(28,070)
Balance at 30 June 2020	(890,887)	(890,887)
Balance at 1 July 2020	(890,887)	(890,887)
Profit for the year	568,003	568,003
Total comprehensive income for the year	568,003	568,003
Balance at 30 June 2021	(322,884)	(322,884)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,536,900	1,173,421
Payments to suppliers and employees (inclusive of GST)		(2,971,353)	(2,635,433)
Receipts from Grants		1,266,936	1,700,998
Interest paid		-	(6,094)
Interest received		528	412
Net cash inflow from operating activities	6	<u>833,011</u>	<u>233,304</u>
Cash flows from investing activities			
Payments for property, plant and equipment	4(a)	<u>(17,808)</u>	<u>(29,685)</u>
Net cash (outflow) from investing activities		<u>(17,808)</u>	<u>(29,685)</u>
Cash flows from financing activities			
Repayment of borrowings	3(e)	<u>(500,000)</u>	-
Net cash (outflow) from financing activities		<u>(500,000)</u>	-
Net increase in cash and cash equivalents		315,203	203,619
Cash and cash equivalents at the beginning of the financial year		658,323	454,704
Cash and cash equivalents at the end of the financial year	3(a)	<u>973,526</u>	<u>658,323</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

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1 Revenue

The Company derives the following types of revenue:

	2021 \$	2020 \$
From continuing operations		
Management fees	1,304,710	614,222
Tenant revenue	1,228,752	714,296
Grant revenue	1,266,936	1,523,869
	<u>3,800,398</u>	<u>2,852,387</u>

See note 13(b) for the recognition and measurement of revenue.

2 Other income and expense items

(a) Other income

	2021 \$	2020 \$
Other interest received	528	412
Other income	19,964	52,168
	<u>20,492</u>	<u>52,580</u>

(b) Breakdown of expenses by nature

	2021 \$	2020 \$
Tenancy and property management expenses		
Expected credit loss on receivables	(1,006)	25,541
Depreciation and amortisation	20,812	14,536
Insurance	54,055	34,566
Planned Maintenance	377	3,672
Responsive Maintenance	101,230	55,560
Rent - rental properties	1,889,170	1,860,675
Utilities	182,361	66,608
	<u>2,246,999</u>	<u>2,061,158</u>
Administration expenses		
Employee benefits	660,030	534,006
Motor vehicles	8,977	1,636
Rent - office building	75,042	5,307
Other expenses	209,770	246,165
	<u>953,819</u>	<u>787,114</u>

(c) Finance expenses

	2021 \$	2020 \$
<i>Finance costs</i>		
Interest and finance charges	42,757	53,645

3 Financial assets and financial liabilities

(a) Cash and cash equivalents

	2021 \$	2020 \$
--	------------	------------

Current assets

Cash at bank and in hand

973,526	658,323
---------	---------

(b) Trade and other receivables

	2021 \$	2020 \$
--	------------	------------

Trade receivables

Trade receivables

40,268	65,738
--------	--------

Provision for impairment

(14,398)	(25,541)
----------	----------

Other receivables

109,967	78,828
<u>135,837</u>	<u>119,025</u>

(c) Other current assets and liabilities

	2021 \$	2020 \$
--	------------	------------

Other assets

Prepaid Insurance - General

-	15,760
---	--------

Prepaid Rent - Landlords

158,769	156,078
---------	---------

Prepaid Sundry

2,738	2,480
<u>161,507</u>	<u>174,318</u>

(d) Trade and other payables

	2021 \$	2020 \$
--	------------	------------

Current liabilities

GST Payables

141,686	101,656
---------	---------

Trade payables

128,677	50,967
---------	--------

Employee benefits

19,437	39,498
--------	--------

Accrued expenses

37,511	84,822
--------	--------

Annual leave payable

124,204	87,561
---------	--------

Other payables

18,214	11,085
<u>469,729</u>	<u>375,589</u>

Trade payables are unsecured and are usually paid within 30 days of recognition.

(e) Borrowings

	2021 \$	2020 \$
--	------------	------------

Loan current - Compass Housing Services Co Ltd

1,122,443	1,486,414
-----------	-----------

4 Non-financial assets and liabilities

(a) Plant and equipment

	Furniture and fittings \$	Vehicles \$	Computer Equipment \$	Total \$
At 30 June 2020				
Cost or fair value	2,460	28,237	37,936	68,633
Accumulated depreciation	(661)	(20,589)	(11,503)	(32,753)
Net book amount	1,799	7,648	26,433	35,880
Year ended 30 June 2021				
Opening net book amount	1,799	7,648	26,433	35,880
Additions	2,063	-	15,745	17,808
Depreciation charge	(733)	(7,059)	(13,020)	(20,812)
Closing net book amount	3,129	589	29,158	32,876
At 30 June 2021				
Cost	4,523	28,237	53,681	86,441
Accumulated depreciation	(1,394)	(27,648)	(24,523)	(53,565)
Net book amount	3,129	589	29,158	32,876

Revaluation, depreciation method and useful lives

Plant and equipment is recognised at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Vehicles 3 - 5 years
- Furniture, fittings and computer equipment 3 - 8 years

See note 13(h) for the other accounting policies relevant to property, plant and equipment.

5 Equity

Accumulated losses

Movements in accumulated losses were as follows:

	2021 \$	2020 \$
Balance 1 July	(890,887)	(862,817)
Net profit/(loss) for the year	568,003	(28,070)
Balance 30 June	(322,884)	(890,887)

6 Cash flow information

Reconciliation of profit/(loss) after income tax to net cash (outflow) from operating activities

	2021 \$	2020 \$
Profit/(loss) for the year	568,003	(28,070)
Adjustment for:		
Depreciation and amortisation	20,812	14,536
Suppliers paid by CHS on behalf of CNZ	93,272	107,305
Loss on foreign exchange	9,312	31,120
Interest expense - intercompany loan	42,757	47,551
Change in operating assets and liabilities:		
Increase in trade debtors	(17,262)	(30,136)
Decrease/(increase) in other assets	13,261	(8,204)
Increase in trade creditors	102,856	99,202
Net cash (outflow) from operating activities	833,011	233,304

7 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

8 Financial risk management

(a) Market risk

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates which exposed the group to cash flow interest rate risk and foreign exchange rate risk in New Zealand Dollars.

(b) Credit risk

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated credit losses are recognised in a separate provision for impairment. Provision for doubtful debts is recognised on the following basis;

Trade debtors

A provision of 10% of trade debtors is recognised on the basis of historical recoupment of these receivables.

Tenant debtors

A provision of 4% of tenant rent and tenant non rent incidentals receivable is recognised based on industry average for balances outstanding less than 12 months. Balances over 12 months are fully provided with the exception of those on payment plans who are deemed to be fully collectable.

Ex-Tenant debtors

Balances of ex-tenant rent and non-rent incidentals are fully provided on the basis of the significant increase in credit risk associated with ex-tenancy.

Financial risk management

(b) Credit risk (continued)

Receivables for which an expected credit loss provision was recognised are written off against the provision when there is no expectation of recovering additional cash. expected credit losses are recognised in profit or loss within other expenses.

9 Commitments

Non-cancellable operating leases

	2021	2020
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,928,043	1,883,924
Later than one year but not later than five years	7,708,372	1,014,454
Later than five years	9,823,943	300,946
	<u>19,460,358</u>	<u>3,199,324</u>

10 COVID-19 impact

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the Company has continued its business operations. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include disruptions to the provision of services, availability of employees and changes in customer demand. However, as at the date these financial statements were authorised, the Company was not aware of any material adverse effects on the financial statements or future results as a result of the COVID-19 pandemic.

11 Events occurring after the reporting period

Subsequent to year end, the parent company Compass Housing Services Co Limited extended the repayment date of the loan payable to them from 31 December 2021 to 31 December 2022. No other matter or circumstance has arisen since 30 June 2021 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

12 Related party transactions

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest	
			2021	2020
Compass Housing Services Co Ltd	Immediate and ultimate	Australia	100%	100%

(b) Transactions with other related parties

The following transactions occurred with related parties:

	30 June 2021	30 June 2020
	\$	\$
<i>Sale and purchases of goods and services</i>		
Purchase of management services from parent - Compass Housing Services Co Limited	136,029	177,424

Related party transactions

(c) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

	2021 \$	2020 \$
Current payables (purchases of goods and services)		
Payable to Compass Housing Services Co Ltd	1,122,443	1,486,414

(d) Terms and conditions

All related party transactions were made on normal commercial terms and conditions and of market value.

13 Summary of significant accounting policies

(a) Basis of preparation

Compass Housing Services Co (New Zealand) Ltd is a Company registered under the New Zealand Companies Act 1993. The financial statements have been prepared for the purposes of compliance with the Financial Reporting Act 2013 and the Companies Act 1993.

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP). The Company is a not-for-profit entity for the purposes of complying with GAAP. The financial statements comply with the Public Benefit Entities Reduced Disclosure Regime (PBE Standards RDR) as appropriate for New Zealand Tier 2 not-for-profit reporting requirements.

The Company is eligible and has elected to report in accordance with Tier 2 not-for-profit Accounting Requirements (PBE Standards RDR) on the basis that the group has no public accountability and is not a large not-for-profit public sector entity. In applying PBE Standards RDR, the Company has applied a number of disclosure concessions.

The financial statements are presented in New Zealand dollars, which is the Company's functional and presentation currency.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

The Company has not adopted any new standards in the current year with a material impact on these financial statements.

Going concern

The Company has a net current asset deficiency of \$352,120 at 30 June 2021 (30 June 2020: \$913,905). It also has accumulated losses as at 30 June 2021 of \$322,884 (30 June 2020: \$890,887).

Included within the net current asset deficiency is intercompany borrowings of \$1,122,443 which were due for repayment in December 2021, however, subsequent to year end the repayment date was extended to 31 December 2022. Compass Housing Services Co Ltd has also agreed to provide financial support to the entity if required.

Compass NZ continues to trade as a going concern and manages its capital to safeguard its ability to continue as a going concern. On this basis, the directors of the Compass NZ believe it is appropriate to prepare the financial statements on a going concern basis, and the Company has the ability to realise its assets and discharge its liabilities as and when they become due and payable in the normal course of business, with the support from its parent entity.

Summary of significant accounting policies

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific accounting policies for the Company's main types of revenue are explained here.

(i) Management fees

Management fees are operating supplements paid to Compass by the Ministry of Housing and Urban Development in respect of the tenancy management services provided under the Services Agreement. Revenue from these services is recognised in the accounting period in which the services are rendered.

(ii) Tenant revenue

Revenue from services is recognised in the accounting period in which the services are rendered.

(iii) Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic benefits directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

(iv) Donations

Donations and bequests are recognised as revenue when received.

(v) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(vi) Unearned rental income

The unearned rental income shown in the accounts will be brought into account in the subsequent year as it represents tenants rent received in advance.

(c) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive revenue and expense on a straight line basis over the period of the lease.

(d) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Summary of significant accounting policies

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. See note 8(b) for further information about the group's accounting for trade receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(g) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(h) Plant and equipment

The Company's accounting policy for land and buildings is explained in note 4(a). All other plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(k) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

Summary of significant accounting policies

(l) Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

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

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-6/>

This description forms part of our auditor's report.



Independent auditor's report

To the shareholder of Compass Housing Services Co (New Zealand) Limited

Our opinion

In our opinion, the accompanying financial statements of Compass Housing Services Co (New Zealand) Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

We have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 June 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cashflows for the year then ended; and
- the notes to the financial statements, which include a significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs NZ) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm has assisted the Company with taxation advice and in the preparation of the financial statements. The provision of these other services has not impaired our independence as auditor of the Company.

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Who we report to

This report is made solely to the Company's directors, as a body. Our audit work has been undertaken so that we might state those matters which 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 Company and the Company's directors, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Caroline Mara.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
25 October 2021

Newcastle

I, Caroline Mara, am currently a member of Chartered Accountants Australia & New Zealand and my membership number is 47762.

PricewaterhouseCoopers was the audit firm appointed to undertake the audit of Compass Housing Services Co (New Zealand) Limited for the year ended 30 June 2021. I was responsible for the execution of the audit and the delivery of our firm's auditor's report. The audit work was completed on 25 October 2021 and an unqualified opinion was issued.

C. Mara

Caroline Mara

