

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

**Annual Report
For the year ended 30 June, 2015**

THE INVERCARGILL CITY CHARITABLE TRUST BOARD
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THE INVERCARGILL CITY CHARITABLE TRUST BOARD

ENTITY INFORMATION For the year ended 30 June, 2015

Legal name

The Invercargill City Charitable Trust (the Trust).

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The ultimate parent of the Trust is the Invercargill City Council which has exempted the Trust from being a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objective of the Trust is to fund both capital and income for charitable purposes within the Invercargill District.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of three Trustees who oversee the governance of the Trust. The Trustee positions are held by the Mayor, Deputy Mayor and Chief Executive of the Invercargill City Council. Day-to-day operations of the Trust and reporting to the Board is administered by staff provided by Invercargill City Council.

Main sources of the Trust's cash and resources

Operating grants and donations received from the Invercargill City Council and other community funders are the primary sources of funding to the Trust.

Outputs

The main outputs of the Trust are for costs incurred in the management, staging and promotion of the Southland Buskers Festival.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June, 2015

	Note	2015 \$	2014 \$
		<u> </u>	<u> </u>
Revenue			
Council funding	1	30,891	32,006
Subsidies and grants		90,300	46,500
Donations		88,240	-
Finance income		1,995	638
Total revenue		<u>211,426</u>	<u>79,144</u>
Expenditure			
Administration expenses		3,200	3,342
Audit fees		2,691	3,664
Bank charges		30	30
Commissions and levies		-	44
Consultant fees		11,500	-
General expenses		-	62
Grants paid		31,431	-
Hire charges		540	-
Legal expenses		92	92
Licences and fees		-	10,146
Management fees		38,680	35,147
Marketing and advertising		4,043	12,705
Performers, travel and accommodation expenses		4,772	4,204
Production and technical services		12,397	7,736
Total expenditure		<u>109,376</u>	<u>77,172</u>
Net surplus		<u><u>102,050</u></u>	<u><u>1,972</u></u>

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the financial statements

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June, 2015

	2015 \$	2014 \$
	<u> </u>	<u> </u>
Balance at 1 July	13,081	11,109
Net surplus for the year	102,050	1,972
Balance at 30 June	<u>115,131</u>	<u>13,081</u>

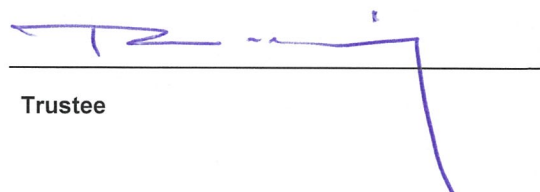
STATEMENT OF FINANCIAL POSITION

As at 30 June, 2015

	2015 \$	2014 \$
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	136,404	48,000
Debtors	16,428	2,664
Total assets	<u>152,832</u>	<u>50,664</u>
Liabilities		
Accrued expenditure	27,782	2,664
Income in advance	-	25,000
Advance - Invercargill City Council	9,919	9,919
Total liabilities	<u>37,701</u>	<u>37,583</u>
Equity		
Retained earnings	115,131	13,081
Total equity	<u>115,131</u>	<u>13,081</u>
Total liabilities and equity	<u>152,832</u>	<u>50,664</u>



Trustee
24 September 2015



Trustee

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the financial statements

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF CASH FLOWS For the year ended 30 June, 2015

	2015	2014
	\$	\$
Cash flows from operating activities		
Receipts of council funding	24,627	30,862
Receipts of subsidies, grants and donations	146,040	71,500
Interest received	1,995	638
Payments to donees and suppliers	(87,534)	(76,177)
Goods and services tax (net)	3,276	149
	<hr/>	<hr/>
Net cash flows from operating activities	88,404	26,972
Net increase (decrease) in cash, cash equivalents and bank overdrafts	88,404	26,972
Cash, cash equivalents and bank overdrafts at the beginning of the year	48,000	21,028
	<hr/>	<hr/>
Cash, cash equivalents and bank overdrafts at the end of the year	136,404	48,000
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The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the financial statements

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2015

	2015	2014
	\$	\$
1 Council funding		
Grants	25,000	25,000
Fees and recoveries	5,891	7,006
Total council funding	<u>30,891</u>	<u>32,006</u>

2 Taxation

The Trust is a charitable organisation registered with the Charities Commission and is exempt from taxation.

3 Audit fees

Audit fees accrued for the 2015 year are \$2,691 (2014 \$2,664) plus disbursements.

Audit fees are paid for by the Invercargill City Council, and recognised as receivable at balance date.

3 Related parties

The Trust has transactions with the entities the Trustee's represent as detailed below. All transactions were undertaken on an arms length basis.

The Invercargill City Council has during the 2015 year granted to the Trust \$25,000 for funding the events operated and managed by the Trust. (2014, \$25,000). There is no balance owing at 30 June 2015 (2014: nil).

Invercargill City Council has paid a fee of \$3,200 (2014: \$3,061) for services provided by the administrator of the Trust for operating and managing these events on behalf of the Invercargill public. As this is not a purpose of the Council, ICC has delegated the responsibility of running the events to the Trust as this is one of the Trusts purposes. There is a balance owing at 30 June 2015 of \$3,200 (2014: nil).

The Trust paid Invercargill City Council a reimbursement of costs \$3,200 (2014: \$3,061) for services provided by ICC staff acting for the administrator of the Trust operating and managing these events. There is a balance owing at 30 June 2015 of \$3,200 (2014: nil).

The Trustees approved a grant of \$18,170 to the Invercargill City Council for the re-sealing of Council's skate parks. There is a balance owing at 30 June, 2015 of \$18,170.

The Trust received a grant of \$1,500 (2014: \$1,500) from the Invercargill Community Recreation and Sports Trust being a trust of the Invercargill City Council. This grant was for funding of the Southland Buskers Festival. There is no balance owing at 30 June 2015 (2014: nil).

4 Events after the balance sheet date

There have been no significant events between year end and the signing of the Financial Statements.

5 Contingencies

There are no contingent assets or liabilities at 30 June 2015 (2014: Nil).

6 Commitments

There are no commitments contracted for at 30 June 2015 (2014: Nil).

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June, 2015

GENERAL INFORMATION

The financial statements presented here are for The Invercargill City Charitable Trust Board ("the Trust"), which is a Trust incorporated and domiciled in New Zealand on 16 October, 1984.

The financial statements of the Trust are for the year ended 30 June, 2015. The financial statements were authorised for issue by the Board of Trustees on 24 September, 2015. The Board of Trustees do not have the power to amend these financial statements once issued.

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

The financial statements are presented in New Zealand Dollars (NZD). All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

CHANGES IN ACCOUNTING POLICIES AND TRANSITION TO THE NEW PBE SFR-A (PS) STANDARD

This is the first set of financial statements prepared using the new PBE SFR-A (PS) standard. No restatement of comparative information for the year ended 30 June, 2014 has been necessary to comply with the new standard.

SUBSIDIES AND GRANTS REVENUE

Subsidies and grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the subsidy or grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

EXPENDITURE

All expenditure is recognised in the Statement of Financial Performance in the period in which it is incurred.

GRANTS PAID

Grants paid are discretionary grants which are recognised as expenses when paid.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

THE INVERCARGILL CITY CHARITABLE TRUST BOARD

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June, 2015

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

CHANGES IN ACCOUNTING POLICIES

There are no changes in accounting policies during the year.

Independent Auditor's Report
To the readers of
Invercargill City Charitable Trust's
financial statements
for the year ended 30 June 2015

The Auditor-General is the auditor of Invercargill City Charitable Trust (the Trust). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on her behalf.

Opinion on the financial statements

We have audited the financial statements of the Trust on pages 4 to 9, that comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector)

Our audit was completed on 24 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also, we did not evaluate the security and controls over the electronic publication of the financial statements.

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

Responsibilities of the Trustees

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector).

The Trustees' responsibilities arise from clause 8.3 of the Trust Deed of the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and clause 8.3 of the Trust Deed of the Trust.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.

A handwritten signature in black ink that reads "Ian Lothian". The signature is written in a cursive, flowing style.

Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand