

**THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

**Annual Report  
For the year ended 30 June, 2016**

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

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# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## ENTITY INFORMATION For the year ended 30 June, 2016

### 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, 2016

	Note	2016 \$	2015 \$
<b>Revenue</b>			
Council funding	1	31,217	30,891
Subsidies and grants		31,000	90,300
Donations		50,296	88,240
Finance income		2,021	1,995
<b>Total revenue</b>		<b>114,534</b>	<b>211,426</b>
<b>Expenditure</b>			
Administration expenses		3,200	3,200
Audit fees		2,717	2,691
Bank charges		28	30
Commissions and levies		89	-
Consultant fees		-	11,500
General expenses		300	-
Grants paid		29,600	31,431
Hire charges		630	540
Legal expenses		-	92
Management fees		20,000	20,000
Marketing and advertising		13,713	11,843
Performers, travel and accommodation expenses		18,220	15,652
Production and technical services		9,895	12,397
<b>Total expenditure</b>		<b>98,392</b>	<b>109,376</b>
<b>Total (deficit)/surplus</b>		<b>16,142</b>	<b>102,050</b>

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, 2016

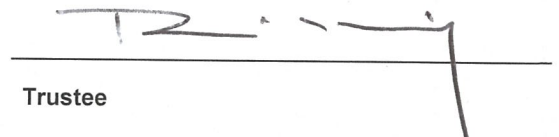
	Note	2016 \$	2015 \$
Balance at 1 July	7	126,631	13,081
Total (deficit)/surplus for the year		16,142	102,050
<b>Balance at 30 June</b>		<b>142,773</b>	<b>115,131</b>

### STATEMENT OF FINANCIAL POSITION As at 30 June, 2016

	Note	2016 \$	2015 \$
<b>Assets</b>			
Bank accounts and cash	2	453,529	136,404
Debtors		6,217	16,428
Goods and services tax		108	-
Property, plant and equipment	3	99,055	-
<b>Total assets</b>		<b>558,909</b>	<b>152,832</b>
<b>Liabilities</b>			
Accrued expenditure		6,217	27,782
Income in advance		400,000	-
Advance - Invercargill City Council		9,919	9,919
Total liabilities		416,136	37,701
<b>Equity</b>			
Accumulated surpluses		142,773	115,131
Total equity		142,773	115,131
<b>Total liabilities and equity</b>		<b>558,909</b>	<b>152,832</b>



Trustee  
28 September 2016



Trustee

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## THE INVERCARGILL CITY CHARITABLE TRUST BOARD

### STATEMENT OF CASH FLOWS For the year ended 30 June, 2016

	<b>2016</b>	<b>Restated 2015</b>
	<b>\$</b>	<b>\$</b>
	<hr/>	<hr/>
<b>Cash flows from operating activities</b>		
Receipts of council funding	33,928	24,627
Receipts of subsidies, grants and donations	488,796	146,040
Interest received	2,021	1,995
Payments to donees and suppliers	(117,145)	(76,034)
Goods and services tax (net)	(2,920)	3,276
	<hr/>	<hr/>
Net cash flows from operating activities	404,680	99,904
 <b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(87,555)	(11,500)
	<hr/>	<hr/>
Net cash flows from investing activities	(87,555)	(11,500)
 <b>Net increase (decrease) in cash</b>	 317,125	 88,404
Add: Opening cash	136,404	48,000
	<hr/>	<hr/>
<b>Closing cash balance</b>	<b>453,529</b>	<b>136,404</b>
	<hr/> <hr/>	<hr/> <hr/>

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, 2016

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>1 Council funding</b>		
Grants	25,000	25,000
Fees and recoveries	6,217	5,891
Total council funding	31,217	30,891
<b>2 Bank accounts and cash</b>		
Cash at bank	53,529	136,404
Cash at solicitor's trust account	400,000	-
Total bank accounts and cash	453,529	136,404

### 3 Property, plant and equipment

The Trust funded the construction of a sculpture in Russell Square Park and these costs have been capitalised and shown as Property, plant and equipment in the Statement of Financial Position. It is the Trustees' intention that the sculpture be vested to the Invercargill City Council but this process had not been completed as at 30 June, 2016.

### 4 Taxation

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

### 5 Audit fees

Audit fees accrued for the 2016 year are \$2,717 (2015 \$2,691) plus disbursements. Audit fees are paid for by the Invercargill City Council, and recognised as receivable at balance date.

### 6 Related parties

The Trust has transactions with the entities the Trustee's represent as detailed below.

The Invercargill City Council has during the 2016 year granted to the Trust \$25,000 for funding the events operated and managed by the Trust. (2015, \$25,000). There is no balance owing at 30 June 2016 (2015: nil).

Invercargill City Council has paid a fee of \$3,200 (2015: \$3,200) 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 2016 of \$3,200 (2015: \$3,200).

The Trust paid Invercargill City Council a reimbursement of costs \$3,200 (2015: \$3,200) 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 2016 of \$3,200 (2015: \$3,200).

The Trust received a grant of \$1,000 (2015: \$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 2016 (2015: nil).

Invercargill City Council has paid a grant of \$400,000 to the Trust for the purchase of Rugby Park Stadium from Southland Outdoor Stadium Trust. (SOST). As at 30 June, 2016 payment has been made to SOST's lawyer's trust account but ownership has not passed to the Trust.

The Trust paid a grant of \$29,600 to Invercargill City Council for the construction of a "Mouse House" at Queens Park. There is no balance owing at 30 June, 2016.

In 2015 the Trust paid a grant of \$18,170 to Invercargill City Council for the Skate Park Re-seal Project. There was no balance owing at 30 June, 2015.

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2016

	2016 Opening balance \$	Adjustment \$	2015 Closing balance \$
<b>7 Correction of errors</b>			
Accumulated surpluses	126,631	11,500	115,131
Property, plant and equipment	11,500	11,500	-

\$11,500 of consultant fees relating to the Russell Square Park sculpture project was incorrectly expensed in 2015. The correct treatment should have been to capitalise these costs as Property, plant and equipment. As expenditure for last year should have been \$11,500 lower, the closing balance of accumulated surpluses should have been higher by that amount. Therefore we have increased the opening balance of accumulated surpluses for this year by \$11,500.

### 8 Events after the balance sheet date

There Trust has entered into an agreement to purchase Rugby Park Stadium from the Southland Outdoor Stadium Trust (SOST) for \$400,000. As at 30 June, 2016 ownership had not passed to ICCT and the funds remained with SOST's solicitor's trust account. Ownership officially passed to the Trust on 8 July, 2016.

### 9 Contingencies

There are no contingent assets or liabilities at 30 June 2016 (2015: Nil).

### 10 Commitments

There are no commitments contracted for at 30 June 2016 (2015: Nil).



# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June, 2016

### 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, 2016. The financial statements were authorised for issue by the Board of Trustees on 28 September, 2016. 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.

### 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

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Committee has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Committee's decision.

### BANK ACCOUNTS AND CASH

Bank accounts and cash 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.

### 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 2016

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 3 to 9, that comprise the statement of financial position as at 30 June 2016, the entity information, 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 2016; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard.

Our audit was completed on 30 September 2016. 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.

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 – Accrual (Public Sector) Standard.

The Trustee's responsibilities arise from the Local Government Act 2002 and the Trust Deed of the Trust.

The Trustees are responsible for such internal control as it determines 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 the Public Audit Act 2001.

## **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 style with a long, sweeping underline.

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