

**THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

**Financial Report  
For the 6 months ended 31 December, 2017**

**THE INVERCARGILL CITY CHARITABLE TRUST BOARD**  
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# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## ENTITY INFORMATION

For the 6 months ended 31 December, 2017

### 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 (4) (i) 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.

### Trustees

[T R Shadbolt \(ICC Mayor\)](#)

[R R Amundsen \(ICC Deputy mayor\)](#)

[R J King \(ICC CEO\)](#)

### 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 and cost relating to the ownership and maintenance of Rugby Park stadium.

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## COMMENTARY

For the 6 months ended 31 December, 2017

### Year to date

#### Revenue:

- Grants received ILT (\$11,000), ILT Foundation (\$11,000), and The Southern Trust (\$5,000) relate to the Buskers festival held in February 2018.
- Recoveries include those from ICC for 2017 audit fees and those from Invercargill Venue & Events Management Ltd (IVEM) for rates paid on Rugby Park Stadium.

#### Expenditure:

- Buskers Festival expenditure paid prior to staging was \$23,917.
- Expenditure relating to Rugby Park Stadium was \$3,105
- Depreciation relates to Rugby Park Stadium \$214,567.

The result for the 6 months ending 31 December, 2017 is a net deficit of \$209,853.

### Full year projection

#### Revenue:

- The Trust will receive further grants for the Buskers Festival (\$32,000) and for the maintenance of Rugby Park Stadium (\$100,000).
- A further \$12,000 is expected to be received or accrued for recoveries of expenses paid and from interest revenue.

#### Expenditure:

- Further expenditure for the 2018 Buskers Festival is expected to be \$30,000.
- A grant of \$100,000 is expected to be paid to IVEM for the upkeep of Rugby Park Stadium.
- Further operating expenditure of \$12,000 is expected to be paid or accrued in the next six months.
- A further \$214,567 of depreciation will be incurred by year's end.

The projected result for the year ended 30 June, 2018 is a net deficit of \$422,420.

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## STATEMENT OF FINANCIAL PERFORMANCE

For the 6 months ended 31 December, 2017

	Note	Dec 2017 \$
<b>Revenue</b>		
Council funding	1	4,033
Subsidies and grants		27,000
Finance income		1,595
Total revenue		<u>32,628</u>
<b>Expenditure</b>		
Commissions and levies		44
Depreciation		214,567
General expenses		848
Marketing and advertising		8,417
Performers, travel and accommodation expenses		14,000
Production and technical services		1,500
Rates		3,105
Total expenditure		<u>242,481</u>
<b>Net surplus/(deficit) for the year</b>		<u><u>(209,853)</u></u>

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## STATEMENT OF FINANCIAL POSITION

As at 31 December, 2017

	Note	Dec 2017 \$	Jun 2017 \$
		<u>          </u>	<u>          </u>
<b>Current assets</b>			
Bank accounts and cash	3	185,307	182,652
Debtors		11,000	20,465
Goods and services tax		507	(399)
Total current assets		<u>196,814</u>	<u>202,718</u>
<b>Non-current assets</b>			
Property, plant and equipment	4	16,101,298	16,315,865
Total non-current assets		<u>16,101,298</u>	<u>16,315,865</u>
<b>Total assets</b>		<b><u>16,298,112</u></b>	<b><u>16,518,583</u></b>
<b>Current liabilities</b>			
Accrued expenditure		6,900	17,518
Borrowings	5	19,500	19,500
Total current liabilities		<u>26,400</u>	<u>37,018</u>
<b>Total liabilities</b>		<b><u>26,400</u></b>	<b><u>37,018</u></b>
<b>Equity</b>			
Accumulated funds	6	16,271,712	16,481,565
Total equity		<u>16,271,712</u>	<u>16,481,565</u>
<b>Total liabilities and equity</b>		<b><u>16,298,112</u></b>	<b><u>16,518,583</u></b>

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## STATEMENT OF CASH FLOWS For the 6 months ended 31 December, 2017

	<b>Dec 2017</b>
	<b>\$</b>
	<hr/>
<b>Cash flows from operating activities</b>	
Receipts of council funding	4,033
Receipts of subsidies, grants and donations	36,465
Interest received	1,595
Payments to donees and suppliers	(37,148)
Goods and services tax (net)	(2,290)
	<hr/>
Net cash flows from operating activities	2,655
<b>Cash flows from investing activities</b>	
Purchases of property, plant and equipment	-
	<hr/>
Net cash flows from investing activities	-
<b>Cash flows from financing activities</b>	
Repayment of borrowings	-
	<hr/>
Net cash flows from investing activities	-
<b>Net increase (decrease) in cash</b>	2,655
Add: Opening cash	182,652
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<b>Closing cash balance</b>	<b>185,307</b>
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# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## NOTES TO THE FINANCIAL STATEMENTS For the 6 months ended 31 December, 2017

	Dec 2017 \$
<b>1 Council funding</b>	
Grants	-
Rent, fees and recoveries	4,033
Total council funding	4,033

### 2 Operating leases as lessor

When the Trust assumed ownership of Rugby Park stadium it took over the existing lease that was in place with Rugby Southland Incorporated for use of the administration offices. As at 30 June, 2017 the lease has a non-cancellable term of 14 years at \$55,000 per annum. As part of its charitable operations the Trustees have agreed to forego receipt of the lease payments from Rugby Southland Incorporated.

	Dec 2017 \$	Jun 2017 \$
<b>3 Bank accounts and cash</b>		
Cash at bank	185,307	182,652
Total bank accounts and cash	185,307	182,652

	Land \$	Buildings \$	Property improvements \$	Total \$
<b>4 Property, plant and equipment</b>				
<b>Cost</b>				
Balance at 1 July, 2017	985,000	13,776,346	1,983,654	16,745,000
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 December, 2017	985,000	13,776,346	1,983,654	16,745,000
Balance at 1 July, 2016	-	-	99,055	99,055
Additions	985,000	13,776,346	1,983,654	16,745,000
Disposals	-	-	(99,055)	(99,055)
Balance at 30 June, 2017	985,000	13,776,346	1,983,654	16,745,000



## THE INVERCARGILL CITY CHARITABLE TRUST BOARD

### NOTES TO THE FINANCIAL STATEMENTS For the 6 months ended 31 December, 2017

4 Property, plant and equipment (continued)	Land \$	Buildings \$	Property improvements \$	Total \$
<b>Accumulated depreciation</b>				
Balance at 1 July, 2017	-	(308,492)	(120,643)	(429,135)
Depreciation expense	-	(154,245)	(60,322)	(214,567)
Balance at 31 December, 2017	-	(462,737)	(180,965)	(643,702)
Balance at 1 July, 2016	-	-	-	-
Depreciation expense	-	(308,492)	(120,643)	(429,135)
Balance at 30 June, 2017	-	(308,492)	(120,643)	(429,135)
<b>Carrying amounts</b>				
Balance at 30 June, 2017	985,000	13,467,854	1,863,011	16,315,865
Balance at 31 December, 2017	985,000	13,313,609	1,802,689	16,101,298

The initial valuation of property, plant and equipment was performed by an independent registered valuer, A Ronald of QV Asset & Advisory. The valuation is effective as at 30 June, 2017. The Trust has elected to apply PBE IPSAS 17 Property, Plant and Equipment in measuring the value of Rugby Park Stadium.

5 Borrowings	Dec 2017 \$	Jun 2017 \$
Southland Amateur Sports Trust	19,500	19,500
Total borrowings	19,500	19,500

The Trust assumed an historical mortgage with the Southland Amateur Sports Trust when it took over ownership of Rugby Park stadium. The loan is repayable on demand.

6 Equity	Dec 2017 \$	Jun 2017 \$
<b>Accumulated funds</b>		
Balance at 1 July	16,481,565	142,773
Net surplus/(deficit) for the year	(209,853)	16,338,792
Balance at 31 December	16,271,712	16,481,565

#### 7 Taxation

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

## **THE INVERCARGILL CITY CHARITABLE TRUST BOARD**

### **NOTES TO THE FINANCIAL STATEMENTS For the 6 months ended 31 December, 2017**

#### **8 Events after the balance sheet date**

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

#### **9 Contingencies**

There are no contingent assets or liabilities at 31 December, 2017.

#### **10 Commitments**

There are no commitments contracted for at 31 December, 2017.

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## STATEMENT OF ACCOUNTING POLICIES For the 6 months ended 31 December, 2017

### 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 six months ended 31 December, 2017. The financial statements were authorised for issue by the Board of Trustees on 26 February, 2018. 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.

As this is the first year that six monthly accounts have been prepared there are no comparative figures included in the Statement of Financial Performance or the Statement of Cash Flows, and amounts at 30 June, 2017 have been used as comparatives in the Statement of Financial Position.

### 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 Trust 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 trust'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.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at fair value, less accumulated depreciation and impairment losses.

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

# THE INVERCARGILL CITY CHARITABLE TRUST BOARD

## STATEMENT OF ACCOUNTING POLICIES For the 6 months ended 31 December, 2017

### PROPERTY, PLANT AND EQUIPMENT (continued)

#### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### Revaluation

Property, plant and equipment are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every three years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

### 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.