

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

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

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST
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INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

ENTITY INFORMATION For the year ended 30 June, 2016

Legal name

The Invercargill Community Recreation & Sports 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 the provision of assistance in developing local sport fitness and physical activities, as well as developing participation and interest in local arts and cultural activities of Invercargill groups and organisations.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of six Trustees who oversee the governance of the Trust. Trustees are appointed and removed from time to time by the Mayor in consultation with the Councillors of the City of Invercargill. Day-to-day operations of the Trust and reporting to the Board is administered by staff provided by Invercargill City Council.

Trustees

Cr Darren Ludlow - Co-Chairperson
Cr Graham Sycamore - Co-Chairperson
Cr Alan Dennis
Cr Peter Kett
Cr Karen Arnold
Cr Graham Lewis

Main sources of the Trust's cash and resources

The primary source of funding to the Trust is from interest earned on the Trust's investments and from grants received from Creative New Zealand.

Outputs

The main outputs of the Trust are grants paid to organisations within the City of Invercargill, New Zealand Territorial Authority District that meet the Trust's charitable purpose.

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST
STATEMENT OF FINANCIAL PERFORMANCE - PHYSICAL ACTIVITY SECTION
For the year ended 30 June, 2016

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Revenue		
Council funding	3,990	3,656
Finance income	40,389	41,660
Total revenue	<u>44,379</u>	<u>45,316</u>
Expenditure		
Audit fees	3,690	3,656
Bank charges	29	40
General expenses	300	396
Legal expenses	-	92
Grants paid	13,383	35,166
Licences and fees	50	44
Total expenditure	<u>17,452</u>	<u>39,394</u>
Total surplus	<u><u>26,927</u></u>	<u><u>5,922</u></u>

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST
STATEMENT OF FINANCIAL PERFORMANCE - CREATIVE SECTION
For the year ended 30 June, 2016

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Revenue		
Subsidies and grants	42,187	42,187
Finance income	1,791	2,245
Total revenue	<u>43,978</u>	<u>44,432</u>
Expenditure		
Bank charges	47	47
Grants paid	40,582	47,081
Marketing and advertising	2,515	2,894
Total expenditure	<u>43,144</u>	<u>50,022</u>
Total surplus	<u><u>834</u></u>	<u><u>(5,590)</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

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

COMBINED STATEMENTS OF FINANCIAL PERFORMANCE

For the year ended 30 June, 2016

	2016	2015
	\$	\$
Revenue		
Council funding	3,990	3,656
Subsidies and grants	42,187	42,187
Finance income	42,180	43,905
Total revenue	<u>88,357</u>	<u>89,748</u>
Expenditure		
Audit fees	3,690	3,656
Bank charges	76	87
General expenses	300	396
Legal expenses	-	92
Grants paid	53,965	82,247
Marketing and advertising	2,515	2,894
Licences and fees	50	44
Total expenditure	<u>60,596</u>	<u>89,416</u>
Total surplus	<u><u>27,761</u></u>	<u><u>332</u></u>

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INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June, 2016

	<u>2016</u> \$	<u>2015</u> \$
Balance at 1 July	1,000,881	1,000,549
Total accumulated surpluses for the year	27,761	332
Balance at 30 June	<u>1,028,642</u>	<u>1,000,881</u>

STATEMENT OF FINANCIAL POSITION As at 30 June, 2016

	Note	<u>2016</u> \$	<u>2015</u> \$
Assets			
Bank accounts and cash	1	56,398	65,343
Debtors		4,780	8,252
Goods and services tax		1,630	226
SBS Bank term investment		973,889	933,610
Total assets		<u>1,036,697</u>	<u>1,007,431</u>
Liabilities			
Accrued expenditure		8,055	6,550
Total liabilities		<u>8,055</u>	<u>6,550</u>
Equity			
Accumulated surpluses		1,028,642	1,000,881
Total equity		<u>1,028,642</u>	<u>1,000,881</u>
Total liabilities and equity		<u>1,036,697</u>	<u>1,007,431</u>



Trustee
28 September 2016



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

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

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

	2016 \$	2015 \$
	<u> </u>	<u> </u>
Cash flows from operating activities		
Receipts from council funding	7,462	353
Receipts from subsidies and grants	42,187	42,187
Interest received	42,180	43,905
Payments to donees and suppliers	(59,287)	(86,868)
Goods and services tax (net)	(1,208)	15,883
	<u> </u>	<u> </u>
Net cash flows from operating activities	31,334	15,460
Cash flows from investing activities		
Purchase of investments	(40,279)	(40,878)
	<u> </u>	<u> </u>
Net cash flows from investing activities	(40,279)	(40,878)
Net (decrease) increase in cash	(8,945)	(25,418)
Add: Opening cash balance	65,343	90,761
	<u> </u>	<u> </u>
Closing cash balance	<u><u>56,398</u></u>	<u><u>65,343</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

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2016

	2016	2015
	\$	\$
1 Bank accounts and cash		
Cash at bank	35,303	28,031
BNZ Call account	21,095	37,312
Total bank accounts and cash	<u>56,398</u>	<u>65,343</u>

2 Taxation

Invercargill Community Recreation & Sports Trust is a charitable organisation registered with the Charities Commission and is exempt from taxation.

3 Audit fees

Audit fees accrued for the 2016 year are \$3,690 (2015 \$3,656).

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

4 Related parties

The Trust has transactions with the entities the Trustee's represent as detailed below. The Invercargill City Council provides services on a voluntary basis, for example preparation of Annual Accounts and incurrence of audit fees (refer note 3).

The Trust paid a grant of \$1,000 (2015: \$1,500) to Invercargill City Charitable Trust being a trust of the Invercargill City Council. This grant was for funding of the 2016 Southland Buskers Festival, an event produced by the Invercargill City Charitable Trust. Balance owing as at 30 June 2016: Nil (2015: Nil).

The Trust reimburses Invercargill City Council for marketing costs incurred by Invercargill City Council on behalf of the Trust-Creative Communities \$2,515 (2015: \$2,894). There is a balance owing at 30 June, 2016 of \$2,515 (2015: \$2,894).

* Trustee Cr Peter Kett is a committee member of Venture Southland. Venture Southland was granted \$13,745 during the year (2015: \$5,570). Balance owing as at 30 June, 2016: Nil (2015: Nil).

* Trustee Cr Graham Sycamore is a committee member of Cycling Southland. Cycling Southland was granted \$3,893 during the year (2015: Nil). Balance owing as at 30 June, 2016: Nil (2015: Nil).

* Trustee Cr Graham Sycamore is a committee member of Southland Competitions Society Inc. Southland Competitions Society Inc was granted \$2,000 during the year (2015: \$2,000). Balance owing as at 30 June, 2016: Nil (2015: Nil).

6 Post balance date events

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

7 Contingencies

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

8 Commitments

The Trust has outstanding commitments of grants approved but not paid as at 30 June, 2016 of \$19,280 (2015: \$9,930).

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June, 2016

GENERAL INFORMATION

The financial statements presented here are for the Invercargill Community Recreation and Sports Trust ("the Trust"), which is a Trust incorporated and domiciled in New Zealand on 7 March 2001.

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

Grants paid by the Trust are discretionary and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Sport grants are paid when the organisation provides the Trust with documentation that the expenditure approved in the grant application has occurred. Art grants are paid when an applicant is advised of their successful application. If the application has yet to finalise some aspects of the project the grant is paid out when the finalised details are confirmed.

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.

DEBTORS

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

INVERCARGILL COMMUNITY RECREATION & SPORTS TRUST

STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June, 2016

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 policy during the year.

Independent Auditor's Report

To the readers of Invercargill Community Recreation and Sports Trust's financial statements for the year ended 30 June 2016

The Auditor-General is the auditor of Invercargill Community Recreation and Sports 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 10, 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. 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 – 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, flowing style.

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