



Annual Report  
For the year ended 30 June 2017

**SOUTHLAND REGIONAL HERITAGE COMMITTEE**

**TABLE OF CONTENTS**

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	<i>Page No.</i>
Entity Information	2
Statement of Financial Performance	3
Statement of Financial Position	4
Statement of Cash Flows	5
Statement of Accounting Policies	6-7
Notes to the Financial Statements	8-10
Audit Report	11

# SOUTHLAND REGIONAL HERITAGE COMMITTEE

## ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2017

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### Legal name

Southland Regional Heritage Committee

### Type of entity and legal basis

The Southland Regional Heritage Committee is a Committee formed and domiciled in New Zealand.

### The Committee's purpose

The Committee's principle activity is to promote and enhance the heritage of the Southland Community. The committee administers grant money to appropriate organisation within the Southland Province, who met the required criteria.

### Structure of the Committee's operations

The Southland Regional Heritage Committee was formed as a joint committee of Councils on 1 May 2005 by the Invercargill City Council, the Southland District and the Gore District Council. Each Council appoints two members to the committee. The committee's equity and operational funding is contributed from the following Councils: Invercargill City Council, Southland District Council and Gore District Council.

### Outputs

The main outputs of the Committee is the payment of grants to recipients that meet the funding criteria as per Heads of Agreement.

The Reporting Entity of the Committee is for the year ended 30 June 2017.

### Committee members

#### *Invercargill City Council*

Cr L Esler

Cr R Amundsen

#### *Southland District Council*

Cr P Duffy (Chairman)

Cr G Macpherson

#### *Gore District Council*

Cr B Reid

Cr N Phillips

### Registered office

C/- Invercargill City Council

101 Esk Street

Invercargill

### Postal address

Private Bag 90-104

Invercargill

Phone (03) 2111 669

Fax (03) 2111 435

### Auditor

Audit New Zealand

on behalf of the Auditor - General

### Bankers

BNZ

Invercargill

### Solicitors

Preston Russell Law

92 Spey Street

Invercargill

## SOUTHLAND REGIONAL HERITAGE COMMITTEE

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

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<i>Revenue</i>	<i>Note</i>	<i>2017</i> \$	<i>2016</i> \$
Council funding	1	1,556,375	1,366,233
Interest		17,952	23,676
<b><i>Total revenue</i></b>		<b>1,574,327</b>	<b>1,389,909</b>
<b><i>Expenses</i></b>			
Audit fees		5,482	5,323
Depreciation of property, plant, and equipment		45	65
Grants made	2	1,699,095	1,217,647
Other expenses		22,225	296,674
<b><i>Total expenses</i></b>		<b>1,726,847</b>	<b>1,519,709</b>
<b>Total Surplus / (Deficit)</b>		<b>(152,520)</b>	<b>(129,800)</b>

The Statement of Accounting Policies and Notes form and integral part of, and should be read in conjunction with these financial statements.

# SOUTHLAND REGIONAL HERITAGE COMMITTEE

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	<i>Note</i>	<b>2017</b>	<b>2016</b>
<b>Assets</b>		\$	\$
<b>Current assets</b>			
Bank accounts and cash		779,482	961,669
GST Receivable		1,776	2,691
<b>Total current assets</b>		781,258	964,361
<b>Non-current assets</b>			
Property, plant and Equipment	4	106	151
<b>Total Non-current assets</b>		106	151
<b>Total assets</b>		781,363	964,512
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	3	211,933	242,561
<b>Total liabilities</b>		211,933	242,561
<b>Total assets less total liabilities</b>		569,430	721,951
<b>Equity</b>			
Contributed Capital	5	137,514	137,514
Accumulated surpluses	5	431,917	584,437
<b>Total Committee Equity</b>		569,430	721,951



Paul Duffy  
**CHAIRMAN**  
Date: 13th September 2017



Dean Johnston  
**TREASURER**

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## SOUTHLAND REGIONAL HERITAGE COMMITTEE

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	<b>2017</b>	<b>2016</b>
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts of council funding		1,556,375	1,366,233
Interest Receipts		17,952	23,676
Payment of Grants		(1,650,897)	(1,181,659)
Payments to suppliers		(106,533)	(91,928)
GST (net)		915	(865)
		<hr/>	<hr/>
<i>Net cash flow from/(to) operating activities</i>		(182,188)	115,458
<b>Cash flows from investing and financing activities</b>			
Payments to acquire property, plant, and equipment		-	-
		<hr/>	<hr/>
<i>Net cash flow from investing and financing activities</i>		-	-
<b>Net Increase/ (Decrease) in Cash for the year</b>		(182,188)	115,458
Add opening bank accounts and cash		961,668	846,212
		<hr/>	<hr/>
<b>Closing bank accounts and cash</b>		<b>779,482</b>	<b>961,668</b>
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Accounting Policies and Notes form and integral part of, and should be read in conjunction with these financial statements.



## **SOUTHLAND REGIONAL HERITAGE COMMITTEE**

### **STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017**

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#### **REVENUE**

Revenue is measured at the fair value of consideration received.

#### **GRANTS**

Council 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 grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

#### **INTEREST**

Interest revenue is recorded as it is earned during the year.

#### **GRANT EXPENDITURE**

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 GRANT**

Discretionary grants without conditions - recognise expense on approval and communication to recipient. Even if multi-year (unless contains a substantive termination clause). Irrespective of whether paid in advance or arrears.

Discretionary grants with conditions and paid in arrears - recognise expense (for each instalment) at earlier of payment date or when relevant conditions providing entitlement to the instalment are satisfied.

#### **GOODS AND SERVICES TAX**

The Entity 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.

#### **STATEMENT OF CASH FLOWS**

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Committee invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Committee and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Committee.

#### **TAX**

The Community is exempt from the payment of income tax. Accordingly no charge for income tax applies or has been provided for.

#### **CHANGES IN ACCOUNTING POLICES**

There have been no changes in Accounting Polices during the reporting period.

## SOUTHLAND REGIONAL HERITAGE COMMITTEE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 <i>Council funding</i>	<i>2017</i>	<i>2016</i>
	\$	\$
Southland District Council	525,462	457,894
Invercargill City Council	838,051	719,413
Gore District Council	192,862	188,926
	<hr/>	<hr/>
<b><i>Total Council funding</i></b>	<b>1,556,375</b>	<b>1,366,233</b>
	<hr/> <hr/>	<hr/> <hr/>

The Councils listed above include a uniform charge to all ratepayers in their respective Districts and this is granted to the Regional Heritage Committee each year.

2 <i>Grants made</i>	<i>2017</i>	<i>2016</i>
	\$	\$
Southland Musuem & Art Gallery Trust	1,090,015	896,121
Gore Disticit Council	170,583	163,282
Discretionary Grants	397,153	132,256
Future Discretionary Grants	41,344	25,988
	<hr/>	<hr/>
<b><i>Total Grants</i></b>	<b>1,699,095</b>	<b>1,217,647</b>
	<hr/> <hr/>	<hr/> <hr/>

Some restrictions exist on the cash reserve funds which are set aside for special purposes at the discretion of the Committee.  
Future discretionary grants are grants that have no connditions attached and are committed to be paid in the future by the committee.

3 <i>Creditors and Accrued Expenses</i>	<i>2017</i>	<i>2016</i>
	\$	\$
Accrued Committed Expenses	198,582	232,238
Venture Southland	7,869	5,000
Audit Fees	5,482	5,323
	<hr/>	<hr/>
<b><i>Total creditors and accrued expenses</i></b>	<b>211,933</b>	<b>242,561</b>
	<hr/> <hr/>	<hr/> <hr/>

## SOUTHLAND REGIONAL HERITAGE COMMITTEE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Plant & Equipment	Total
	\$	\$
<b>4</b> <i>PROPERTY, PLANT AND EQUIPMENT</i>		
<i>Carrying amount at 1 July 2015</i>	216	216
Additions	-	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	(65)	(65)
Impairment loss	-	-
	151	151
<i>Carrying amount at 30 June 2016</i>		
<i>Carrying amount at 01 July 2016</i>	151	151
Additions	-	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	(45)	(45)
Impairment loss	-	-
	106	106
<i>Carrying amount at 30 June 2017</i>		
	106	106
	106	106
<b>5</b> <i>Equity</i>	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Contributed Capital</b>		
Balance at 1 July	137,514	137,514
Capital contribution	-	-
	137,514	137,514
Balance at 30 June	137,514	137,514
	137,514	137,514
<b>Accumulated surpluses</b>		
Balance at 1 July	584,437	714,238
Surplus/(deficit) for the year	(152,520)	(129,800)
	431,917	584,437
Balance at 30 June	431,917	584,437
	431,917	584,437
<b>Total equity</b>	569,430	721,951

## SOUTHLAND REGIONAL HERITAGE COMMITTEE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 6 POST BALANCE DATE EVENTS

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

#### 7 RELATED-PARTY TRANSACTIONS

		2017	2016
		\$	\$
The Committee paid Grants to Southland Museum & Art Gallery Trust Board (Related through joint involvement with 3 council)	Value for year	1,090,015	896,121
	Balance outstanding	-	-
The Committee paid Grants to Gore District Council (Related through joint involvement with 3 council)	Value for year	170,583	163,282
	Balance outstanding	-	-
The Committee has reimbursed ICC for Operational expenses incurred on behalf of the Committee (2 committee member are part of ICC)	Value for year	17,161	4,815
	Balance outstanding	-	-
The Committee received Grants from ICC (2 committee member are part of ICC)	Value for year	838,051	719,413
	Balance outstanding	-	-
The Committee received Grants from SDC (2 committee member are part of SDC)	Value for year	525,462	457,894
	Balance outstanding	-	-
The Committee received Grants from GDC (2 committee member are part of GDC)	Value for year	192,862	188,926
	Balance outstanding	-	-

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Committee would have adopted in dealing with the party at arm's length in the same circumstances.

#### 8 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 30 June 2017 (30 June 2016: Nil).

#### 9 COMMITMENTS

The Committee has outstanding commitments of Grants approved but not paid as at 30 June 2017 of \$27,045 (30 June 2016: \$201,406). There are no other operating or capital commitments as at 30 June 2017 (2016:nil)

#### 10 TAX

The Trust is exempt from the payment of income tax. Accordingly no charge for income tax applies or has been provided for.

#### 11 STATEMENT OF INTENT

The Committee is considered as a Joint Committee under Clause 30(1)(b) and Clause 30A of Schedule 7 of the Local Government Act 2002. Therefore there is no requirement to prepare a Statement of Intent.

## Independent Auditor's Report

### To the readers of Southland Regional Heritage Committee's financial statements for the year ended 30 June 2017

The Auditor-General is the auditor of Southland Regional Heritage Committee (the Committee). 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 Committee on his behalf.

#### Opinion

We have audited the financial statements of the Committee on pages 3 to 10 that comprise the statement of financial position as at 30 June 2017, the statement of financial performance, 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 Committee:

- present fairly, in all material respects:
  - its financial position as at 30 June 2017; 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 the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard.

Our audit was completed on 13 September 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Committees and our responsibilities relating to the financial statements, and we explain our independence.

#### Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

## **Responsibilities of the Committee for the financial statements**

The Committee are responsible for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Committee are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the Entity's ability to continue as a going concern. The Committee are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Committee intend to wind up the Entity or to cease operations, or have no realistic alternative but to do so.

The Committee's responsibilities arise from section 48 and clause 30 of Schedule 7 of the Local Government Act 2002 and the Committee's Heads of Agreement.

## **Responsibilities of the auditor 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 Committee's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Committee and, based on the audit evidence obtained, whether a

material uncertainty exists related to events or conditions that may cast significant doubt on the Committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Committee to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## **Independence**

We are independent of the Committee in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Committee.



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