

SOUTHLAND REGIONAL HERITAGE COMMITTEE

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

SOUTHLAND REGIONAL HERITAGE COMMITTEE

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SOUTHLAND REGIONAL HERITAGE COMMITTEE

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

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 Council 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 output of the committee is the payment of grants to recipients that meet the funding criteria as per Heads of Agreement.

The Reporting Period of the committee is for the year ended 30 June 2021.

Committee members

Cr R Amundsen	Invercargill City Council
Cr G Lewis	Invercargill City Council
Cr P Duffy (Chairman)	Southland District Council
Cr Karyn Owen	Southland District Council
Cr B Reid	Gore District Council
Cr N Phillips	Gore District Council
Peggy Peek	Iwi Representation

Registered office

C/- Invercargill City Council
101 Esk Street
Invercargill

Bankers

Bank of New Zealand
84 Esk Street, Invercargill

Postal address

Private Bag 90-104
Invercargill
Phone (03) 2111 777
Fax (03) 2111 692

Solicitors

Preston Russell Law
45 Yarrow Street, Invercargill

Auditor

Audit New Zealand
on behalf of the Auditor - General

SOUTHLAND REGIONAL HERITAGE COMMITTEE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021


	<i>Note</i>	2021	2020
		\$	\$
<i>Revenue</i>			
Council funding	1	1,790,084	1,697,282
External funding		175,000	-
Interest		6,017	16,484
TOTAL REVENUE		1,971,101	1,713,766
<i>Expenses</i>			
Audit fees		6,475	6,290
Depreciation	4	6,351	10,968
Grants made	2	1,684,607	1,472,537
Other expenses		267,008	286,932
TOTAL EXPENSES		1,964,441	1,776,727
TOTAL SURPLUS / (DEFICIT)		6,660	(62,961)

The Statement of Accounting Policies and Notes form an 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 2021

	<i>Note</i>	2021 \$	2020 \$
Assets			
<i>Current assets</i>			
Bank accounts and cash		387,660	245,954
Other Financial Investments		400,000	400,000
GST receivable		23,416	11,352
TOTAL CURRENT ASSETS		811,076	657,306
<i>Non-current assets</i>			
Property, plant and equipment	4	10,354	16,705
TOTAL NON-CURRENT ASSETS		10,354	16,705
TOTAL ASSETS		821,430	674,011
Liabilities			
<i>Current liabilities</i>			
Creditors and accrued expenses	3	151,579	142,070
GST payable		-	-
TOTAL CURRENT LIABILITIES		151,579	142,070
Creditors and accrued expenses	3	131,250	-
TOTAL NON-CURRENT LIABILITIES		131,250	-
TOTAL LIABILITIES		282,829	142,070
TOTAL ASSETS less TOTAL LIABILITIES		538,601	531,941
Equity			
Contributed capital	5	137,514	137,514
Accumulated surpluses	5	401,087	394,427
TOTAL COMMITTEE EQUITY		538,601	531,941



 Paul Duffy
 CHAIRMAN
 13 May 2022



 Rebecca Amundsen
 COMMITTEE MEMBER
 13 May 2022

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 CASH FLOW FOR THE YEAR ENDED 30 JUNE 2021

	<i>Note</i>	2021 \$	2020 \$
<i>Cash flows from operating activities</i>			
Receipts of council funding		1,965,084	1,697,282
Interest receipts		6,017	16,484
Payment of grants		(1,534,607)	(1,573,153)
Payments to suppliers		(282,724)	(213,065)
GST (net)		(12,064)	(7,465)
Net cash flow from / to operating activities		141,706	(79,917)
<i>Cash Flows from investing and financing activities</i>			
Purchase of property, plant, and equipment		-	-
Sale of Investments		800,000	903,195
Purchase of Investments		(800,000)	(800,000)
Net cash flow from / to investing and financing activities		-	103,195
Net increase/ (decrease) in cash		141,706	23,278
Opening cash balance		245,954	222,676
CLOSING CASH BALANCE		387,660	245,954

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 2021

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

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

All transactions in the financial statements are reported using the accrual basis of accounting.

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

The financial statements are for the individual entity. The Committee is a joint committee between Invercargill City Council, Southland District Council and Gore District Council.

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

The Financial Statements have been authorised for issue by the committee members on 13 May 2022.

The entity's committee members do not have the power to amend the financial statements after issue.

SIGNIFICANT ACCOUNTING POLICES

CREDITORS AND ACCRUED EXPENSES

Creditors and accrued expenses are measured at the amount owed.

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.

BANK ACCOUNTS AND CASH

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

SOUTHLAND REGIONAL HERITAGE COMMITTEE

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2021

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

Additions

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance.

Subsequent Costs

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 committee and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a diminishing value 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. The useful lives and associated depreciation rates of major classes of assets have been estimated based over the economic life of the assets.

- Plant and Equipment 25-50% DV

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.

SOUTHLAND REGIONAL HERITAGE COMMITTEE

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2021

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

CHANGES IN ACCOUNTING POLICIES

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 2021

1 Council funding	2021 \$	2020 \$
Southland District Council	613,031	568,831
Invercargill City Council	955,596	922,691
Gore District Council	221,457	205,760
Total council funding	1,790,084	1,697,282

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 Grants made	2021 \$	2020 \$
Southland Museum & Art Gallery Trust	1,181,976	1,161,617
Gore District Council	186,648	183,426
Southland District Council	-	30,000
Discretionary Grants	315,983	97,494
Total grants made	1,684,607	1,472,537

Some restrictions exist on the cash reserve funds which are set aside for special purposes at the discretion of the Committee.

3 Creditors and accrued expenses	2021 \$	2020 \$
Accrued committed expenses	270,104	56,250
Venture Southland	-	-
Audit fees	6,475	6,290
Creditors	6,250	79,530
Total creditors and accrued expenses	282,829	142,070

Accrued committed expenses includes \$131,250 of non-current grant committed to but not paid. This is funding for the RMO till 31 March 2024.

SOUTHLAND REGIONAL HERITAGE COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4 Property, plant & equipment

	Plant \$	Total \$
Carrying amount at 1 July 2019	27,673	27,673
Additions	-	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	(10,968)	(10,968)
Carrying amount at 30 June 2020	16,705	16,705
Carrying amount at 1 July 2020	16,705	16,705
Additions	-	-
Disposals (net of accumulated depreciation)	-	-
Depreciation expense	(6,351)	(6,351)
Carrying amount at 30 June 2021	10,354	10,354

5 Equity

	2021 \$	2020 \$
Contributed capital		
Balance at 1 July	137,514	137,514
Capital contribution	-	-
Balance at 30 June	137,514	137,514
Accumulated surpluses		
Balance at 1 July	394,427	457,388
Surplus/(deficit) for the year	6,660	(62,961)
Balance at 30 June	401,087	394,427
TOTAL EQUITY	538,601	531,941

SOUTHLAND REGIONAL HERITAGE COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6 <i>Related Parties</i>		2021 \$	2020 \$
The committee paid grants to Southland Museum & Art Gallery Trust Board <i>(Related through joint involvement with 3 councils)</i>	Value for year Balance outstanding	1,181,976 -	1,161,617 -
The committee paid grants to Gore District Council <i>(Related through joint involvement with 3 councils)</i>	Value for year Balance outstanding	186,648 -	183,426 -
The committee has reimbursed Invercargill City Council for operational expenses incurred on behalf of the committee <i>(2 committee members are part of Invercargill City Council)</i>	Value for year Balance outstanding	2,006 -	10,016 -
The committee received grants from Invercargill City Council <i>(2 committee members are part of Invercargill City Council)</i>	Value for year Balance outstanding	955,596 -	922,691 -
The committee received grants from Southland District Council <i>(2 committee members are part of Southland District Council)</i>	Value for year Balance outstanding	613,031 -	568,831 -
The committee received grants from Gore District Council <i>(2 committee members are part of Gore District Council)</i>	Value for year Balance outstanding	221,457 -	205,760 -
The committee has reimbursed Venture Southland now referred as Southland Regional Development Agency T/A Great South for operational expenses incurred on behalf of the committee <i>(2 committee members are part of Venture Southland)</i>	Value for year Balance outstanding	5,340 -	6,008 -
The committee has reimbursed Gore District Council for operational expenses incurred on behalf of the committee <i>(2 committee members are part of Gore District Council)</i>	Value for year Balance outstanding	259,371 80,619	262,750 79,529
The committee has reimbursed Southland District Council Grants received in error from CTOS for RMO -\$15,000 on 5/6/18 & 31/5/19 <i>(2 committee members are part of Southland District Council)</i>	Value for year Balance outstanding	- -	30,000 -

SOUTHLAND REGIONAL HERITAGE COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7 *POST BALANCE DATE EVENTS*

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

8 *CONTINGENCIES*

There are no known contingent liabilities or contingent assets at 30 June 2021 (2020: nil).

9 *COMMITMENTS*

The Committee has outstanding commitments of grants approved but not paid as at 30 June 2021 of \$110,000 (2020: \$108,146).

The Committee has outstanding operational commitment approved but not paid as at 30 June 2021 of \$32,986 (2020 : 32,986).

There is no capital commitments as at 30 June 2021 (2020 : 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.

12 *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.

12 *IMPACT OF COVID-19 ON THE COMMITTEE*

The impact of COVID-19 on the operations of the Committee has been minimal in the 20-21 year. Payments of grants, which is the bulk of the Committee's expenditure continued as usual through the lockdown period. Future expenditure is also not expected to be affected due to current agreements in place.

The Committee's income is derived from either interest earned on term deposits, or funding from the three Councils that form the Committee. There has been no impact on income in the current year due to COVID-19. There isn't expected to be an impact on future funding from the three Councils. Interest on Term Deposit has been affected and is down on previous years.

Overall there hasn't been a significant financial impact on the Committee in the current year, and the impact is expected to be minimal in the next financial year.

SOUTHLAND REGIONAL HERITAGE COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13 *Breach of reporting deadline*

The committee was required under the par 8.1.5 Heads of Agreement to complete its audited financial statements by 30 September 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.