

**INVERCARGILL  
CITY  
CHARITABLE  
TRUST**

**STATEMENT OF INTENT FOR  
THE FINANCIAL YEAR  
ENDING 30 JUNE 2024**

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## INTRODUCTION

This Statement of Intent for 2023/24 is submitted by the Trustees of the Trust. It sets out the Trust's overall intentions and objectives for the year ending 30 June 2024 and the two succeeding financial years.

## OBJECTIVES

The objective of the Trust is to fund both capital and income for the furtherance of the following charitable purposes and objectives within the Invercargill City Council and Invercargill District:

- The provision of public amenities for the general benefit of the people of the Invercargill City and District.
- The provision of libraries, reading rooms, lectures and classes for instruction.
- The provision of and development of athletic sports, wholesome recreations and amenities, rewards for acts of courage and self-sacrifice.
- The provision of any other act or deed which would be deemed to be of charitable purpose in accordance with the provisions of section 38 of the Charitable Trusts Act 1957.

## KEY PRIORITIES

- Rugby Park Stadium.
  - Invercargill City Charitable Trust (ICCT) acquired Rugby Park Stadium in July 2016.
  - A programme of repairs and deferred maintenance has been carried out by Invercargill City Council (ICC) for the ICCT.
  - ICCT needs to complete the agreed transfer of ownership to ICC.
- ICCT needs to refocus on what it was originally set up to do which is to facilitate funding for charitable activities and amenities within Invercargill City and District for the benefit of its residents.
  - ICCT has previously sought funding for the annual Buskers Festival. This event was held for the last time in February 2020.
  - ICCT facilitated the funding for Xmas in the Park, held December 2022. ICCT aims to facilitate funding for more events like the above.

## NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Invercargill City Charitable Trusts' activities are to facilitate funding for charitable activities and amenities within the Invercargill City and District for the benefit of its residents.

## PERFORMANCE TARGETS

### FINANCIAL

Listed below are the Trust's forecasted returns.

\$000s	2024	2025	2026
Revenue – Grants	20	20	25
Expenditure – Grants	25	25	35
<b>Grants Surplus / (Deficit)</b>	<b>(5)</b>	<b>(5)</b>	<b>(10)</b>
Revenue – Rugby Park	0	0	0
Expenditure – Rugby Park	5	5	5
Depreciation	960	960	960
<b>Rugby Park Surplus / (Deficit)</b>	<b>(965)</b>	<b>(965)</b>	<b>(965)</b>
Revenue – Other	30	30	30
Expenditure – Other	35	35	40
<b>Other Surplus / (Deficit)</b>	<b>(5)</b>	<b>(5)</b>	<b>(10)</b>
<b>ICCT Surplus / (Deficit)</b>	<b>(975)</b>	<b>(975)</b>	<b>(985)</b>

ICCT currently have three distinct areas of revenue and expenditure, these are the grants, Rugby Park Stadium and other revenue, being recoveries, audit fees and interest.

The above forecast has been separated into the three separate areas to show revenue and expenditure associated with each activity. The above forecast is based on the assumption that the sale/transfer of Rugby Park Stadium has not been completed and therefore continues to show expenditure and depreciation associated with Rugby Park Stadium. If and when the sale/transfer of Rugby Park Stadium occurs, expenditure and depreciation will be nil.

Over the past several years, ICC has paid ICCT an annual grant of \$100,000 toward the maintenance of Rugby Park Stadium, however the vast majority of these funds have not been spent. Therefore, if the sale/transfer of Rugby Park Stadium goes ahead, ICCT will look at reversing/repaying any funding that was allocated to ICCT for Rugby Park Stadium back to ICC.

### SERVICE PERFORMANCE

Outputs	Strategies to achieve Outputs	Target
Determining the future of Rugby Park Stadium	Consult with Council with regard the sale/transfer of Rugby Park Stadium to ICC	Clear strategy with regard sale/transfer of Rugby Park Stadium
Apply for funding for events within the Invercargill City and District	Apply for funding on behalf of people/entities for events within the Invercargill City/District	Apply for funding for new events

## **INFORMATION TO BE REPORTED**

The following information will be available to the Council based on an annual balance date of 30 June:

### **DRAFT STATEMENT OF INTENT**

On or before 1 March each year the Trustee's will deliver to the Council a draft Statement of Intent that fulfils the requirements of Section 64 of the Local Government Act 2002.

### **COMPLETED STATEMENT OF INTENT**

On or before 30 June each year the Trustee's shall deliver to the Council a completed Statement of Intent which fulfils the requirements of Section 64 of the Local Government Act 2002.

### **HALF YEARLY REPORT**

Within two months after the end of the first half of each financial year the Trustee's shall deliver to the Council an unaudited report containing the following information as a minimum in respect of the half-year under review:

- a) A revenue statement disclosing actual revenue and expenditure with comparative figures from the previous half yearly report.
- b) A statement of financial position at the end of the half year.
- c) A statement of cash flows.
- d) A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on Invercargill City Charitable Trust performance including an estimate of the financial result for the year based on that outlook.

## **ANNUAL REPORT**

Within three months of the end of each financial year the Trustee's shall deliver to the Council an annual report and audited financial statements in respect of that financial year containing the following information as a minimum:

- a) A Trustee's report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives.
- b) A revenue statement disclosing actual revenue and expenditure and comparative figures.
- c) A statement of financial position at the end of the year.
- d) A statement of cash flows.
- e) An auditor's report on the above statements and on the measurement of performance in relation to objectives.

## **GOVERNANCE**

The Trustees of Invercargill City Charitable Trust are appointed by the Invercargill City Council to oversee the governance of the Trust and will act in accordance with the guidelines set by the Council.

The Trustee's acknowledge their fiduciary responsibilities however the day to day management of the Trust is delegated to the management team.

The Trustees hold regular meetings at which management reports are received and discussed.

The Trust insures all its Trustee's and Executive Officers against liabilities to other parties that may arise from their positions.

## **STATEMENT OF ACCOUNTING POLICIES**

### **GENERAL INFORMATION**

The Invercargill City Charitable Trust Board ("the Trust") was first incorporated under the Charitable Trusts Act 1957 on 16 October, 1984, and is domiciled in New Zealand. The Invercargill City Charitable Trust Board was registered with Charities Services on 30 June, 2008, registration number CC32606.

### **BASIS OF PREPARATION**

The Trustees have 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), and 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 Board of Trustees do not have the power to amend the financial statements once issued.

## **SPECIFIC ACCOUNTING POLICIES**

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 Trustees have no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Trustee's decision.

### **BANK ACCOUNTS AND CASH**

Bank accounts and cash include cash on 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 as borrowings under current liabilities in the Statement of Financial Position.

### **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 if, and only if, 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 recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### ***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. When revalued assets are sold, the amounts included in asset revaluation reserves, in respect of those assets (disposed of), are transferred to accumulated funds.

### ***Subsequent Costs***

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

### ***Revaluation***

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

Revaluation movements are accounted for on an asset class basis.

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

### ***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.



## **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 have been no changes in accounting policies during the year.