



Te Ahu Charitable Trust

2017 Financial Statements

Te Ahu Charitable Trust

Contents of Performance Report

For the Year Ended 30 June 2017

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Compliance

The Board of Trustees of the Te Ahu Charitable Trust are responsible for preparing this report and financial statements.

In our view this Annual Report fairly reflects the financial position and operating results of the Trust for the year ended 30 June 2017.

Responsibility

The Board of Trustees of the Te Ahu Charitable Trust accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Board of Trustees of the Te Ahu Charitable Trust accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board of Trustees of the Te Ahu Charitable Trust, the annual financial statements for the year ended 30 June 2017 fairly reflect the financial position and operations of the Te Ahu Charitable Trust.

CHAIR - TE AHU CHARITABLE TRUST
19 December 2017



Te Ahu Charitable Trust

Entity Information

For the Year Ended 30 June 2017

Te Ahu Charitable Trust is a Charitable Trust registered under the Charities Act 2005.

Entity's Purpose or Mission	The Te Ahu Charitable Trust's VISION is to: "Create a landmark meeting place for our people and visitors that nurtures and shares the stories and culture of our community"
Nature of Business	Community Trust
Address	Cnr Matthews Ave & State Highway 10 KAITAIA
Entity Structure	The trust comprises a Board of 7 to 9 trustees who oversee the Governance of the Trust. Three of these trustees are appointed, one by Far North District Council, one by Te Rarawa and one by the Museum Trust. They also employ a General Manager to oversee the day-to-day running of the trust's affairs.
Main Sources of Cash and Resources	The main source of income was an operational grant from the Far North District Council. Other income includes event income and ticket sales, other grants and interest.
Main Methods Used to Raise Funds	The Trust ran several events to raise money and applied for some grants from outside organisations.
Entity's Reliance on Volunteers and Donated Goods or Services	The Trust relies on its trustees who volunteer their time to oversee the organisation.
Trustees:	Mike Mitcalfe Yvonne Smith David Collard Abraham Witana Adele Gardner Bronwyn Bauer-Hunt
Accountants	Harrison Gillespie Chartered Accountants 5 Puckey Avenue Kaitaia
Bankers	ASB Bank, Kaitaia
IRD Number	094-870-534
Registered Charity Number	CC11072

Entity Information

For the Year Ended 30 June 2017

Description of the Trust's Outputs

The Te Ahu Charitable Trust provided and managed the facilities and infrastructure to enable the activities of local government, cafe, cinema and venue hire to be accessed and enjoyed by local and visiting people.

The Te Ahu Charitable Trust operated various performances, show and activities during the year.

Other Achievements

The Te Ahu Charitable Trust has achieved the following during the year:

- * Developed and executed a Land Lease with the Far North District Council
- * Developed and executed an Occupancy Lease with the Far North District Council
- * Employed a General Manager
- * Consulted with and transitioned staff from the Far North District Council to the Trust for 1st July 2017 commencement
- * Updated the Trust Deed
- * Moved from a Council Controlled Organisation to a Council Organisation
- * Established supplier accounts with major suppliers in the Trust name
- * Established Trust staff access and processing in Xero
- * Signed off an electric vehicle charging station

Te Ahu Charitable Trust

Statement of Financial Performance

For the Year Ended 30 June 2017

	Note	Actual 2017 \$	Actual 2016 \$
Revenue			
Donations, fundraising and other similar revenue	2	-	8,853
Fees, subscriptions and other revenue from members	3	-	2,175
Revenue from providing goods or services	4	127,096	173,000
Interest, dividends and other investment revenue	5	3,617	4,893
Total Revenue		130,713	188,921
Less Expenses			
Costs related to providing goods or services	6	85,478	119,348
Depreciation	7	511,462	507,551
Total Expenses		596,940	626,899
Surplus/(Deficit)		(466,227)	(437,978)

These financial statements are to be read in conjunction with the accompanying Notes.

Te Ahu Charitable Trust

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash & Bank Balances	8	240,234	213,208
Trade Receivable	9	-	29,248
GST Receivable		10,038	8,307
Other Current Assets	10	1,000	-
Total Current Assets		251,272	250,763
Non-Current Assets			
Property, Plant & Equipment	11	10,768,027	11,209,650
Total Assets		11,019,299	11,460,413
Current Liabilities			
Liability - Ngati Kahu Pou		19,500	-
Creditors - Accounts Payable		28,891	23,278
Total Liabilities		48,391	23,278
Net Assets		10,970,908	11,437,135
Accumulated Funds			
Trust Capital	12	10,970,908	11,437,135
Total Accumulated Funds		10,970,908	11,437,135



Chairman

Trustee

20th December 2017

Date

These financial statements are to be read in conjunction with the accompanying Notes.

Te Ahu Charitable Trust

Statement of Cash Flows

For the Year Ended 30 June 2017

Note	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Receipts from interest	3,617	4,893
Receipts from donations	-	8,853
Receipts from fees and charges	-	2,175
Receipts from providing goods and services	155,344	130,823
	158,961	146,744
Net GST	(1,731)	(22,559)
Cash was applied to:		
Payments of suppliers	60,365	98,056
	60,365	98,056
Net Cash Flows from Operating Activities	96,865	26,129
Cash Flows from Investing Activities		
Cash was applied to:		
Payments for property, plant & equipment	69,839	41,203
	69,839	41,203
Net Cash Flows from Investing Activities	(69,839)	(41,203)
Net Increase/(Decrease) in Cash Held	27,026	(15,074)
Cash at the Beginning of the Year	213,208	228,282
Cash at the End of the Year	240,234	213,208
This is represented by:		
Cash & Bank Balances	240,234	213,208

These financial statements are to be read in conjunction with the accompanying Notes.

1 Statement of Accounting Policies

Reporting Entity

The Te Ahu Charitable Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. Council granted the Trust an exemption in May 2015 from being classed as a Council Controlled Organisation under section 7(3) of the Local Government Act being within the definition of a "small organisation".

Statement of Compliance and Basis of Preparation

Te Ahu Charitable Trust is eligible to apply Tier 3 PBE Accounting Standards : PBE SFR-A (PS) Public Benefit Entity Simple Format reporting - Accrual (Public Sector), on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. The trust has elected to report in accordance with PBE SFR-A (PS). All transactions in the Financial Statements are reported using the accrual basis of accounting.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

Going Concern

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

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

SALE OF GOODS AND SERVICES

Revenue from the sale of goods is recognised in the Statement of Financial Performance when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of services is recognised in the Statement of Financial Performance in line with the delivery of services.

GRANTS, BEQUESTS AND DONATIONS

Grants and bequests are recognised as revenue when control over the assets is obtained or when all conditions have been met. If the conditions of a grant received have not been met the grant is held as revenue received in advance and recognised as revenue when the conditions are met. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue when control over the asset is obtained.

THIRD PARTY/AGENCY INCOME

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

INTEREST

Interest income is recognised as it is earned.

For the Year Ended 30 June 2017

(b) Property, Plant & Equipment

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

Property, plant and equipment consists of operational assets. These include buildings, improvements, heritage assets and plant and equipment.

ADDITIONS

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

Additions are recorded at cost.

DISPOSALS

Gains and losses 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.

DEPRECIATION

Depreciation is provided for on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual.

Land is not depreciated.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying value.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

The following estimated depreciation rates/useful lives have been used:

Buildings	2.00% to 6.67% SL
Fixtures & Fittings	5.00% to 14.29% SL
Site Works	5.00% SL
Heritage Assets	Non Depreciating

(c) Income Tax

Te Ahu Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(d) Provisions

The Trust recognises for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Te Ahu Charitable Trust

Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2017

(e) Goods and Services Taxation (GST)

All items in the financial statements are exclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

(f) Equity

Equity is the community's interest in the Trust, and is measured by the difference between total assets and liabilities.

(g) Debtors and prepayments

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

(h) Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

(i) Bank accounts and cash

Bank accounts and cash includes cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(j) Advertising, marketing, administration, overheads and fund raising costs

These are expensed when the related service has been received.

(k) Lease expense

Lease payments are recognised as an expense on a straight line basis over the term of the lease.

(l) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

(m) Critical Judgements in Applying Accounting Policies

In preparing these financial statements, Te Ahu Charitable Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets or liabilities within the next financial year.

2 Donations, fundraising and other similar revenue

Donations

Total Donations, fundraising and other similar revenue

	2017	2016
	\$	\$
	-	8,853
	-	8,853

Te Ahu Charitable Trust

Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2017

	2017	2016
3 Fees, subscriptions and other revenue from members	\$	\$
Fees & Charges	-	2,175
Total Fees, subscriptions and other revenue from members	-	2,175
4 Revenue from providing goods or services	\$	\$
Council Grant (Exchange)	115,000	139,750
Other Grants (Non Exchange)	6,826	3,150
Event & Ticket Sales (Exchange)	5,270	4,027
Vested Income (Exchange)	-	1,500
Income from Trust areas of responsibility (Exchange)	-	24,573
Total Revenue from providing goods or services	127,096	173,000
5 Interest, dividends and other investment revenue	\$	\$
Interest Received	3,617	4,893
Total Interest, dividends and other investment revenue	3,617	4,893
6 Costs related to providing goods or services	\$	\$
Accountancy Fees	2,780	-
Administration	26,844	95,207
Advertising	1,345	-
Audit Fee	9,431	9,391
Bank Fees & Charges	44	-
Conferences	350	-
Event Expenses	12,446	-
General Expenses	722	-
General Management	11,813	-
Lease Costs	-	14,750
Printing & Stationery	187	-
Recruitment	10,623	-
Repairs & Maintenance	526	-
Staff Training	1,466	-
Subscriptions & Licences	387	-
Travel - National	6,514	-
Total Costs related to providing goods or services	85,478	119,348

Te Ahu Charitable Trust

Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2017

7 Depreciation				
			2017	2016
			\$	\$
Depreciation			511,462	507,551
Total Depreciation			511,462	507,551
8 Cash & Bank Balances			2017	2016
			\$	\$
Bank Account Balances				
Cash at Bank - ASB Cheque Account			185,052	158,777
Cash at Bank - ASB Fundraising Account			55,182	54,430
Cash at Bank - ASB Cinema Account			-	1
Total Cash & Bank Balances			240,234	213,208
9 Trade Receivable			2017	2016
			\$	\$
Trade Debtors - Accounts Receivable			-	29,248
Total Trade Receivable			-	29,248
10 Other Current Assets			2017	2016
			\$	\$
Bond - Sony Pictures			1,000	-
Total Other Current Assets			1,000	-
11 Property, Plant & Equipment				
	Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
Property, Plant & Equipment 2017	\$	\$	\$	\$
Buildings	8,280,276	7,859	236,213	8,051,922
Fixtures & Fittings	2,097,968	18,779	273,613	1,843,134
Site Works	15,974	-	1,636	14,338
Heritage Assets	815,433	43,200	-	858,633
Total Property, Plant & Equipment	11,209,651	69,838	511,462	10,768,027

Te Ahu Charitable Trust

Notes to and forming part of the Performance Report (continued)

For the Year Ended 30 June 2017

	Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
Property, Plant & Equipment 2016	\$	\$	\$	\$
Buildings	8,509,139	6,982	235,845	8,280,276
Fixtures & Fittings	2,349,267	18,772	270,070	2,097,969
Site Works	17,609	-	1,636	15,973
Heritage Assets	798,633	16,800	-	815,433
Total Property, Plant & Equipment	11,674,648	42,554	507,551	11,209,651

12 Trust Capital	2017	2016
	\$	\$
Opening Balance	11,437,135	11,875,113
Less:		
Net Deficit	466,226	437,978
Total Trust Capital	10,970,909	11,437,135

13 Related Parties	2017	2016
	\$	\$
Grant from FNDC	125,000	125,000
Grant for lease payment	-	14,750
Total Related Parties	125,000	139,750

Income relating to the areas managed by the trust of \$Nil (\$24,573 2015/16) was accrued. (During the 2015/16 year Jill Garrett, trustee of Te Ahu Charitable Trust, was engaged by the Trust to complete a Marketing, Branding and Promotion strategy with a value of \$12,630. No amounts were outstanding in relation to this work at balance date.)

15 Commitments	2017	2016
	\$	\$
Te Rununga o Te Rarawa Lease		
This represents the lease of land from Te Rununga o Te Rarawa for a period of 43 years. The annual lease payment is \$14,750 (2016 \$14,750)	634,250	649,000
Ngati Kahu Pou		
This represents the commitment to complete the remaining Pou in the atrium of the building.	19,500	47,500

16 Events Occurring After Balance Date

There were no events that have occurred after the balance date that would have a significant impact on the Performance Report.
(Last Year - The formalisation of the lease arrangements and transition of roles and responsibilities between Council and the Trust was approved in September 2016).