



**Te Ahu Charitable Trust**

**2018 Financial Statements**

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## Te Ahu Charitable Trust

### Report on the Engagement to Compile the Performance Report

For the Year Ended 30 June 2018

#### COMPILATION REPORT TO THE TRUSTEES

##### Reporting Scope

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 2018.

##### Responsibilities

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 2018 fairly reflect the financial position and operations of the Te Ahu Charitable Trust.

CHAIR - TE AHU CHARITABLE TRUST  
31 May 2019



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**Harrison Gillespie**  
**Chartered Accountants**  
**Kaitaia**  
**31 May 2019**

## Te Ahu Charitable Trust

### Entity Information

As at 30 June 2018

Te Ahu Charitable Trust is a Discretionary 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 5 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, with all other trustees appointed or removed by the board of trustees.

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 sources of income were lease income and income from operating the Cinema, Venues for Hire and Cafe. Other income includes event income and ticket sales, other grants and interest.

#### Main Methods Used to Raise Funds

The main methods to raise funds were operating a Cinema, Cafe, Venues for hire and events, along with providing spaces for lease to tenants and obtaining grant funding.

#### 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

**Description of the Trust's Outcomes**

The Te Ahu Charitable Trust provided and managed the facilities and infrastructure to be accessed and enjoyed by local and visiting people.

**Description of the Entity's Outputs**

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

- \* Operated a Cafe that is open to the public
- \* Operated a Cinema that is open to the public
- \* Housed the Far North Regional Museum and opened to the public
- \* Hired out spaces and venues to the public and other organisations
- \* Rented space to the Far North District Council
- \* Provided an electric vehicle charging station to the public

**Te Ahu Charitable Trust**

**Statement of Financial Performance**

**For the Year Ended 30 June 2018**

	Note	Actual 2018 \$	Actual 2017 \$
<b>Revenue</b>			
Donations, fundraising and other similar revenue	2	117,074	121,826
Revenue from providing goods or services	3	563,752	5,270
Interest, dividends and other investment revenue	4	2,757	3,617
<b>Total Revenue</b>		<b>683,583</b>	<b>130,713</b>
<b>Less Expenses</b>			
Volunteer and employee related costs	5	262,039	50,746
Costs related to providing goods or services	6	226,428	22,477
Other Expenses	7	98,260	12,255
Depreciation	8	513,857	511,462
<b>Total Expenses</b>		<b>1,100,583</b>	<b>596,940</b>
<b>Nfp</b>		<b>(417,001)</b>	<b>(466,227)</b>

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


# Te Ahu Charitable Trust

## Statement of Financial Position

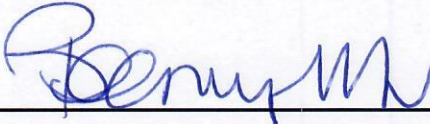
As at 30 June 2018

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash & Bank Balances	9	312,855	240,234
Trade Receivables	10	26,352	-
GST Receivable		-	10,038
Other Current Assets	11	-	1,000
<b>Total Current Assets</b>		<b>339,207</b>	<b>251,272</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	12	10,261,461	10,768,027
<b>Total Assets</b>		<b>10,600,668</b>	<b>11,019,299</b>
<b>Current Liabilities</b>			
Liability - Ngati Kahu Pou		-	19,500
Creditors - Accounts Payable		36,555	28,891
Payroll Liability		5,867	-
GST Payable		4,339	-
<b>Total Liabilities</b>		<b>46,761</b>	<b>48,391</b>
<b>Net Assets</b>		<b>10,553,907</b>	<b>10,970,908</b>
<b>Accumulated Funds</b>			
Accumulated Surpluses or Deficits	13	10,553,907	10,970,908
<b>Total Accumulated Funds</b>		<b>10,553,907</b>	<b>10,970,908</b>

The Performance Report has been approved by the Trustees, for and on behalf of the Te Ahu Charitable Trust:

 Trustee

Date 21/05/2019

 Trustee

Date 21/05/2019

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 2018**

	Note	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>			
Cash was received from:			
Receipts from interest		2,757	3,617
Receipts from providing goods and services		672,937	155,344
		<b>675,694</b>	<b>158,961</b>
Net GST		13,118	(1,731)
Cash was applied to:			
Payments of suppliers		585,400	60,365
		<b>585,400</b>	<b>60,365</b>
<b>Net Cash Flows from Operating Activities</b>		<b>103,412</b>	<b>96,865</b>
<b>Cash Flows from Investing Activities</b>			
Cash was applied to:			
Payments for property, plant & equipment		30,791	69,839
		<b>30,791</b>	<b>69,839</b>
<b>Net Cash Flows from Investing Activities</b>		<b>(30,791)</b>	<b>(69,839)</b>
Net Increase in Cash Held		72,621	27,026
Cash at the Beginning of the Year		240,234	213,208
<b>Cash at the End of the Year</b>		<b>312,855</b>	<b>240,234</b>
<b>This is represented by:</b>			
Cash & Bank Balances		312,855	240,234

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.

### **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 2018**

(b) Property, Plant & Equipment and Investment Property

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
Plant & Equipment	16.00% DV

(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 2018

(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.

## 2 Donations, fundraising and other similar revenue

Council Grant  
Other Grants

### Total Donations, fundraising and other similar revenue

2018	2017
\$	\$
115,000	115,000
2,074	6,826
<b>117,074</b>	<b>121,826</b>

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

**Te Ahu Charitable Trust****Notes to and forming part of the Performance Report (continued)****For the Year Ended 30 June 2018**

<b>3 Revenue from providing goods or services</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Council Rent	209,548	-
Event & Ticket Sales	11,857	5,270
Cafe Sales	77,730	-
Art Space Sales	602	-
Cinema Sales	195,080	-
Cinema Screen Advertising	4,852	-
Facility Hire	63,561	-
Other Income	522	-
<b>Total Revenue from providing goods or services</b>	<b>563,752</b>	<b>5,270</b>
<b>4 Interest, dividends and other investment revenue</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Interest Received	2,757	3,617
<b>Total Interest, dividends and other investment revenue</b>	<b>2,757</b>	<b>3,617</b>
<b>5 Volunteer and employee related costs</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Administration	9,063	26,844
General Management	78,750	11,813
Human Resources	3,343	-
Kiwisaver Employer Contributions	2,973	-
Recruitment	311	10,623
Staff Training	-	1,466
Uniforms	42	-
Wages & Salaries	167,557	-
<b>Total Volunteer and employee related costs</b>	<b>262,039</b>	<b>50,746</b>

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

**Te Ahu Charitable Trust**

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

**For the Year Ended 30 June 2018**

**6 Costs related to providing goods or services**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cafe Stock Purchases	45,912	-
Cinema Stock Purchases	33,929	-
Film Hire	57,301	-
Art Purchases	184	-
Accommodation	170	-
Advertising	3,007	1,345
Cleaning	19,176	-
Computer Expenses	1,535	-
Conferences	-	350
EFTPOS Lease	903	-
EFTPOS Fees	529	-
Entertainment	139	-
Event Expenses	12,967	12,446
Freight & Courier	457	-
Furniture, Fittings & Fixtures	1,451	-
General Expenses	2,394	722
Licences & Fees	1,470	-
Pest Control	187	-
Performance Fees	2,250	-
Power & Light	15,966	-
Printing & Stationery	4,333	187
Repairs & Maintenance	17,783	526
Security Expenses	2,547	-
Subscriptions	512	387
Travel - National	700	6,514
Venue Booking System	496	-
Website	130	-
<b>Total Costs related to providing goods or services</b>	<b>226,428</b>	<b>22,477</b>

**7 Other Expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Accountancy Fees	13,570	2,780
Audit Fee	9,560	9,431
Bank Fees & Charges	544	44
Insurance	7,881	-
Interest - Bank Overdraft	3	-
Land Lease Te Rarawa	14,750	-
Land Lease FNDC	45,000	-
Rates	3,782	-
Telephone & Internet	3,170	-
<b>Total Other Expenses</b>	<b>98,260</b>	<b>12,255</b>

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

Te Ahu Charitable Trust

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

For the Year Ended 30 June 2018

8 Depreciation

Depreciation

**Total Depreciation**

2018	2017
\$	\$
513,857	511,462
<b>513,857</b>	<b>511,462</b>

9 Cash & Bank Balances

**Bank Account Balances**

Cash at Bank - ASB Cheque Account

Cash at Bank - ASB Fundraising Account

Cash at Bank - ASB Cinema Account

Cash at Bank - ASB Cafe Account

Cash at Bank - ASB Operations Account

**Total Cash & Bank Balances**

2018	2017
\$	\$
192,063	185,052
30	55,182
49,897	-
3,451	-
67,414	-
<b>312,855</b>	<b>240,234</b>

10 Trade Receivable

Trade Debtors - Accounts Receivable

**Total Trade Receivable**

2018	2017
\$	\$
26,352	-
<b>26,352</b>	<b>-</b>

All amounts are short-term and have been reviewed for indicators of impairment. The carrying value of trade receivables is considered a reasonable approximation of fair value.

11 Other Current Assets

Bond - Sony Pictures

**Total Other Current Assets**

2018	2017
\$	\$
-	1,000
<b>-</b>	<b>1,000</b>

12 Property, Plant & Equipment

**Property, Plant & Equipment 2018**

Buildings

Fixtures & Fittings

Site Works

Heritage Assets

Plant & Equipment

**Total Property, Plant & Equipment**

Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
\$	\$	\$	\$
8,051,922	-	236,283	7,815,639
1,843,134	1,599	275,409	1,569,324
14,338	-	1,636	12,702
858,633	-	-	858,633
-	5,692	529	5,163
<b>10,768,027</b>	<b>7,291</b>	<b>513,857</b>	<b>10,261,461</b>

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

**Te Ahu Charitable Trust**

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

**For the Year Ended 30 June 2018**

	Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
<b>Property, Plant &amp; Equipment 2017</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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	798,633	60,000	-	858,633
<b>Total Property, Plant &amp; Equipment</b>	<b>11,192,851</b>	<b>86,638</b>	<b>511,462</b>	<b>10,768,027</b>

**13 Accumulated Surpluses or Deficits**

Opening Balance

Less:

Net Deficit

**Closing Balance**

2018	2017
\$	\$
10,970,908	11,437,135
417,000	466,226
<b>10,553,908</b>	<b>10,970,909</b>

**14 Related Parties**

Grant from FNDC

**Total Related Parties**

In terms of accounting standards, the far North District Council is the parent of the Trust.

2018	2017
\$	\$
115,000	115,000
<b>115,000</b>	<b>115,000</b>

**15 Commitments**

**Te Rununga o Te Rarawa Lease**

This represents the lease of land from Te Rununga o Te Rarawa for a period of 42 years. (2017: 43 years)

The annual lease payment is \$14,750 (2017 \$14,750)

**Far North District Council**

This represents the lease of land from Far North District Council for a period of 31 years. (2017: Nil)

The annual lease payment is \$45,000 (2017 \$Nil).

2018	2017
\$	\$
619,500	634,250
1,395,000	-

**16 Contingent Liabilities and Guarantees**

The trust has no contingent liabilities and no guarantees as at 30 June 2018. (2017: Nil)

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

**17 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 - Nil).