

Te Ahu Charitable Trust

2020 Financial Statements

R M D

Te Ahu Charitable Trust

Report on the Engagement to Compile the Performance Report

For the Year Ended 30 June 2020

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 2020.

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.

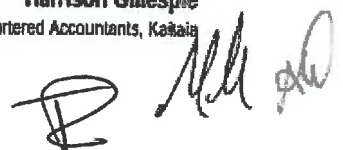
In the opinion of the Board of Trustees of the Te Ahu Charitable Trust, the annual financial statements for the year ended 30 June 2020 fairly reflect the financial position and operations of the Te Ahu Charitable Trust.

Signed: _____

CHAIR - TE AHU CHARITABLE TRUST

Date: _____

Harrison Gillespie
Chartered Accountants
Kaitaia
22 March 2021



Te Ahu Charitable Trust

Entity Information

As at 30 June 2020

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
KAITIA

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 Mitalfe
David Collard
Abraham Wilana
Adele Gardner
Bronwyn Bauer-Hunt
Mark Tan
Warren Snow
Keri Hokai
Rachel Baucke Bartlett

Accountants

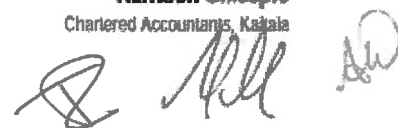
Harrison Gillespie
Chartered Accountants
5 Puckey Avenue
Kaitia

Bankers

ASB Bank, Kaitia

IRD Number

094-870-534






Te Ahu Charitable Trust

Entity Information (continued)

As at 30 June 2020

Registered Charity Number

CC11072

Te Ahu Charitable Trust

Statement of Service Performance

For the Year Ended 30 June 2020

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

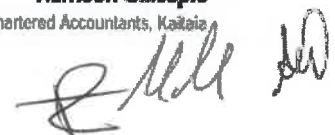
These financial statements are to be read in conjunction with the accompanying Notes.



Te Ahu Charitable Trust**Statement of Financial Performance****For the Year Ended 30 June 2020**

	Note	Actual 2020 \$	Actual 2019 \$
Revenue			
Donations, fundraising and other similar revenue	2	110,000	110,000
Revenue from providing goods or services	3	703,883	729,399
Interest, dividends and other investment revenue	4	1,272	3,122
Total Revenue		815,155	842,521
Less Expenses			
Volunteer and employee related costs	5	326,451	301,138
Costs related to providing goods or services	6	287,555	337,509
Other Expenses	7	125,446	120,545
Depreciation	8	441,933	514,930
Total Expenses		1,181,385	1,274,123
Deficit For The Year		(366,231)	(431,601)

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 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash & Bank Balances	9	436,588	362,797
Trade Receivables	10	21,696	47,942
GST Receivable		2,545	-
Total Current Assets		460,829	410,739
Non-Current Assets			
Property, Plant & Equipment	11	9,356,911	9,755,258
Total Assets		9,817,740	10,165,997
Current Liabilities			
Creditors - Accounts Payable		27,709	36,567
MSD Covid-19 Subsidy		17,530	-
Payroll Liability		4,355	2,487
Accrued Expenses		12,105	-
GST Payable		-	4,637
Total Liabilities		61,699	43,691
Net Assets		9,756,041	10,122,306
Accumulated Funds			
Trust Capital	12	9,756,041	10,122,306
Total Accumulated Funds		9,756,041	10,122,306

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

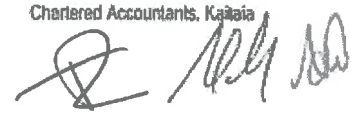

Trustee

Date 22/3/2021


Trustee

Date 22 March 2021

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 2020

Note	2020	2019
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Receipts from interest	1,272	3,122
Receipts from providing goods and services	758,665	834,285
MSD Wage Subsidy - Covid-19	79,610	-
	839,547	837,407
Net GST	(106)	(3,674)
Cash was applied to:		
Payments of suppliers	722,065	775,064
	722,065	775,064
Net Cash Flows from Operating Activities	117,376	58,669
Cash Flows from Investing Activities		
Cash was applied to:		
Payments for property, plant & equipment	43,585	8,727
	43,585	8,727
Net Cash Flows from Investing Activities	(43,585)	(8,727)
Net Increase in Cash Held	73,791	49,942
Cash at the Beginning of the Year	362,797	312,855
Cash at the End of the Year	436,588	362,797
This is represented by:		
Cash & Bank Balances	436,588	362,797

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

For the Year Ended 30 June 2020

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.

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 2020

(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.

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 2020

(e) Goods and Services Taxation (GST)

The Trust is registered for GST. All items in the financial statements are stated exclusive of GST, with the exception of Debtors and Creditors. 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.

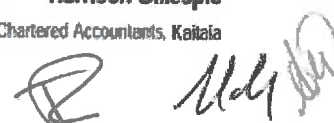
2 Donations, fundraising and other similar revenue

Council Grant

Total Donations, fundraising and other similar revenue

2020	2019
\$	\$
110,000	110,000
110,000	110,000

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 2020

3 Revenue from providing goods or services

	2020	2019
	\$	\$
Council Rent	209,548	209,548
Event & Ticket Sales	2,066	1,946
Cafe Sales	75,345	92,747
Art Space Sales	204	2,439
Cinema Sales	191,479	240,206
Cafe Catering Sales	9,678	16,107
Cinema Screen Advertising	2,390	6,433
Facility Hire	53,275	62,790
Cinema - Vodafone Rewards	239	268
MSD Wage Subsidy - Covid-19	62,080	-
Occupancy Recoveries	97,579	96,915
Total Revenue from providing goods or services	703,883	729,399

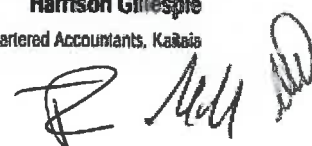
4 Interest, dividends and other investment revenue

	2020	2019
	\$	\$
Interest Received	1,272	3,122
Total Interest, dividends and other investment revenue	1,272	3,122

5 Volunteer and employee related costs

	2020	2019
	\$	\$
ACC Levies	1,419	1,277
General Management	78,750	78,750
Human Resources	100	5,772
Kiwisaver Employer Contributions	2,809	2,354
Recruitment	-	1,431
Staff Training	-	295
Uniforms	392	802
Wages & Salaries	242,981	210,457
Total Volunteer and employee related costs	326,451	301,138

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 2020

6 Costs related to providing goods or services

	2020	2019
	\$	\$
Cafe Stock Purchases	45,306	54,260
Cinema Stock Purchases	28,842	32,161
Film Hire	56,249	74,041
Art Purchases	-	3,016
Advertising	3,382	2,650
Cleaning	57,314	70,622
Computer Expenses	3,885	2,617
EFTPOS Lease	234	936
EFTPOS Fees	539	336
Entertainment	1,221	1,287
Event Expenses	2,452	4,061
Freight & Courier	179	399
Furniture, Fittings & Fixtures	-	240
General Expenses	1,824	4,425
Licences & Fees	1,711	998
Pest Control	1,365	210
Office Expenses	-	399
Power & Light	19,825	11,962
Printing & Stationery	2,027	3,839
Repairs & Maintenance	45,517	47,276
Security Expenses	5,271	5,996
Subscriptions	1,409	407
Technical Literature	-	5,623
Travel - National	-	407
Venue Booking System	3,112	3,146
Waste & Recycling	5,416	5,435
Website	475	760
Total Costs related to providing goods or services	287,555	337,509

7 Other Expenses

	2020	2019
	\$	\$
Accountancy Fees	10,290	13,120
Audit Fee	9,297	9,297
Bank Fees & Charges	901	973
Insurance	22,898	19,860
Interest - Bank Overdraft	-	1
Land Lease Te Rarawa	14,750	14,750
Land Lease FNDC	45,000	45,000
Rates	19,848	15,100
Telephone & Internet	2,462	2,444
Total Other Expenses	125,446	120,545

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 2020

8 Depreciation

	2020	2019
Depreciation	\$ 441,933	\$ 514,930
Total Depreciation	441,933	514,930

9 Cash & Bank Balances

Bank Account Balances

	2020	2019
Cash at Bank - ASB Cheque Account	194,584	191,564
Cash at Bank - ASB Cinema Account	90,160	95,432
Cash at Bank - ASB Cafe Account	4,186	17,114
Cash at Bank - ASB Operations Account	147,658	58,687
Total Cash & Bank Balances	436,588	362,797

10 Trade Receivable

Trade Debtors - Accounts Receivable

	2020	2019
Trade Debtors - Accounts Receivable	\$ 21,696	\$ 47,942
Total Trade Receivable	21,696	47,942

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 Property, Plant & Equipment

	Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
Property, Plant & Equipment 2020	\$	\$	\$	\$
Buildings	7,584,806	3,747	237,333	7,351,220
Fixtures & Fittings	1,296,415	37,514	201,754	1,132,175
Site Works	11,066	-	1,636	9,430
Heritage Assets	858,633	-	-	858,633
Plant & Equipment	4,337	2,326	1,210	5,453
Total Property, Plant & Equipment	9,755,257	43,587	441,933	9,356,911

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

[Handwritten signatures]

Te Ahu Charitable Trust

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

For the Year Ended 30 June 2020

	Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
	\$	\$	\$	\$
Property, Plant & Equipment 2019				
Buildings	7,815,639	6,175	237,008	7,584,806
Fixtures & Fittings	1,569,324	2,552	275,459	1,296,417
Site Works	12,701	-	1,636	11,065
Heritage Assets	858,633	-	-	858,633
Plant & Equipment	5,163	-	826	4,337
Total Property, Plant & Equipment	10,261,460	8,727	514,929	9,755,258

12 Trust Capital

	2020	2019
	\$	\$
Opening Balance	10,122,271	10,553,908
Less:		
Net Deficit	366,230	431,601
Total Trust Capital	9,756,041	10,122,307

13 Related Parties

	2020	2019
	\$	\$
Grant from FNDC	110,000	110,000
Total Related Parties	110,000	110,000

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

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 2020

14 The effects of COVID-19 on the Te Ahu Charitable Trust

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency.

From this, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April and remained in lockdown at Alert Level 3, thereafter, until 13 May.

During this period, Te Ahu Charitable Trust closed their all of their operations.

The effect on our operations is reflected in these financial statements based on the information available to the date these financial statements are signed.

At this time, it is difficult to determine the full on-going effect of COVID-19 and therefore some material uncertainties remain.

There could also be other matters that affect Te Ahu Charitable Trust going forward that we are not yet aware of.

We have also disclosed in the financial statements our significant assumptions and judgements regarding the future potential impacts that may have a material impact on the trust.

These uncertainties may have a material impact on the trust going forward.

The main impacts on Te Ahu Charitable Trust's financial statements due to COVID-19 are explained below:

Sales revenue

Revenues from Cafe, Cinema and Venues for Hire were effectively nil over the period of lockdown and slowly came back on stream as we were able to open again as alert levels dropped.

Operating expenses

As a result of COVID-19, Te Ahu Charitable Trust did not incur any significant additional expenditure but did however carry staff on full normal pay through the lockdown which was supported by the respective Covid-19 Wage Subsidies that were available.

15 Commitments

Te Rununga o Te Rarawa Lease

This represents the lease of land from Te Rununga o Te Rarawa for a period of 40 years. (2019: 41 years)

The annual lease payment is \$14,750 (2019 \$14,750)

Far North District Council

This represents the lease of land from Far North District Council for a period of 29 years. (2019: 30 years)

The annual lease payment is \$45,000 (2019 \$45,000).

	2020	2019
	\$	\$
Te Rununga o Te Rarawa Lease		
This represents the lease of land from Te Rununga o Te Rarawa for a period of 40 years. (2019: 41 years)	590,000	604,750
The annual lease payment is \$14,750 (2019 \$14,750)		
Far North District Council		
This represents the lease of land from Far North District Council for a period of 29 years. (2019: 30 years)	1,305,000	1,347,000
The annual lease payment is \$45,000 (2019 \$45,000).		

16 Contingent Liabilities and Guarantees

The trust has no contingent liabilities and no guarantees as at 30 June 2020 (2019: Contingent Liabilities Nil, Guarantees 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 (2019: Nil).