

Selwyn District Charitable Trust

Annual Report

for the year ended
30 June 2018

Table of contents

Entity Information..... 2

Statement of financial performance..... 3

Statement of financial position 4

Statement of cash flows 4

Statement of accounting policies 5

Notes to the financial statements 6

Audit report 9

Entity Information

for the year ended 30 June 2018

Legal Name

Selwyn District Charitable Trust (the Trust).

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charities Act 2005 by the declaration of Charitable Trust Deed dated 25 June 2009. The Trust is controlled by Selwyn District Council and is a council controlled organisation as defined in Section 6 of the Local Government Act 2002. The Trust commenced trading on 28 August 2011.

The Trust's purpose or mission

The primary objective of the Selwyn District Charitable Trust is to distribute or apply the Trust Fund to support and encourage Council provision of public services and amenities for the benefit of the public within the Selwyn District.

Structure of the Trust's operations, including governance arrangements

The Trustee being the Selwyn District Council acting in its capacity as trustee oversees the governance of the Trust.

Main sources of the Trust's cash and resources

Donations received from the public is the primary source of funding to the Trust.

Statement of financial performance

for the year ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
Revenue			
Grants and donations	1	109,230	293,159
Interest revenue		105	298
Total revenue		109,335	293,457
Expenses			
Distributions	2	109,335	293,457
Total expenses		109,335	293,457
Surplus / (deficit) before taxation		-	-
Income tax expense		-	-
Surplus / (deficit) after taxation		-	-

For and on behalf of the Trust:


 John Morten (Acting Mayor)
 On behalf of Selwyn District Council
 24 September 2018


 David Ward
 On behalf of Selwyn District Council
 24 September 2018

Statement of financial position

as at 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
Trust equity			
Contributed capital		100	100
Total trust equity		100	100
<i>Represented by:</i>			
Current assets			
Bank accounts and cash	3	62,887	126,750
Total current assets		62,887	126,750
Current liabilities			
Creditors and accrued expenses	4	62,787	126,650
Total current liabilities		62,787	126,650
Total assets less total liabilities		100	100

Statement of cash flows

for the year ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from grants and donations		109,230	293,159
Interest revenue received		105	298
<i>Cash was applied to:</i>			
Distributions		(173,197)	(262,113)
Net cash flows from operating activities	5	(63,862)	31,345
Net cash flows from investing activities		-	-
<i>Cash was provided from:</i>			
Capital injection from Selwyn District Council		-	-
Net cash flows from financing activities		-	-
Net increase / (decrease) in cash for the year		(63,862)	31,345
Add opening bank accounts and cash		126,750	95,405
Closing bank accounts and cash		62,887	126,750

Statement of accounting policies

for the year ended 30 June 2018

Basis of preparation

The Board has 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.

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.

Goods and services tax (GST)

The Trust is not registered for GST. All amounts in the financial statements are recorded inclusive of GST.

Significant accounting policies

The following significant accounting policies have been applied in preparing the financial statements for the year ended 30 June 2018 and the comparative information presented for the year ended 30 June 2017.

Revenue

Grants and donations

Donations and Council, government, and non-government 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 consideration”). 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 revenue

Interest revenue is recorded as it is earned during the year.

Bank accounts and cash

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

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.

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Income tax

The Trust is a registered charity under the Charities Act 2005 and is exempt from income tax.

Tier 2 PBE Accounting Standards applied

The trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

Notes to the financial statements

Note 1: Grants and donations revenue

	30 June 2018 \$	30 June 2017 \$
Dunsandel community centre	29,255	157,667
Knights Road Fire	1,535	-
Tai Tapu community centre	39,820	15,000
West Melton community centre	21,270	81,211
Lakeside hall	12,350	39,281
Springston hall	5,000	-
Total grants and donations revenue	109,230	293,159

Note 2: Distributions

	30 June 2018 \$	30 June 2017 \$
Dunsandel community centre	29,319	157,890
Knights Road Fire	1,535	-
Tai Tapu community centre	39,834	15,037
West Melton community centre	21,278	81,222
Lakeside hall	12,369	39,309
Springston hall	5,000	-
Total distributions	109,335	293,457

Note 3: Bank accounts and cash

	30 June 2018 \$	30 June 2017 \$
Cash at bank and on hand	62,887	126,750
Total bank accounts and cash	62,887	126,750

Note 4: Creditors and accrued expenses

	30 June 2018 \$	30 June 2017 \$
Selwyn District Council	62,787	126,650
Total creditors and accrued expenses	62,787	126,650

Note 5: Reconciliation of net surplus / (deficit) after tax to net cash flows from operating activities

	30 June 2018 \$	30 June 2017 \$
Surplus / (deficit) after tax	-	-
<i>Add / (less) movements in working capital items:</i>		
Trade and other receivables	-	-
Trade and other payables	(63,862)	31,345
Total movements in working capital items	(63,862)	31,345
<i>Add / (less) items classified as investing or financing activities:</i>		
Capital injection from Selwyn District Council	-	-
Net cash inflow / (outflow) from operating activities	(63,862)	31,345

Note 6: Statement of commitments

The trust has no capital commitments as at 30 June 2018 (2017: \$nil).

Note 7: Statement of contingencies

The trust has no contingent assets or liabilities as at 30 June 2018 (2017: \$nil).

Note 8: Related party transactions*Transactions with Selwyn District Council:*

During the reporting period the trust entered into the following transactions with Selwyn District Council:

	30 June 2018	30 June 2017
Donations paid to the Council	\$ 173,197	\$ 262,113
Donations payable to the Council	\$ 62,787	\$ 126,650

In addition to the above transactions, Selwyn District Council has provided accounting services to the Trust at no cost, will pay the audit fees on behalf of the Trust totalling \$4,555 (2017: \$4,487) and meet other operating costs of the trust totalling \$50 (2017: \$50).

Note 9: Events after the balance date

There were no significant events subsequent to balance date (2017: \$nil).

Note 10: Statement of service performance

The following is a review of the performance of the Trust compared with the performance targets set out in the Trust's Statement of Intent:

- The Trust aims to distribute all the funds it receives in the year of receipt.

During the period the Trust received a total of \$109,230 (2017: \$293,159) in donation revenue. The Trust has distributed \$173,197 (2017: \$262,113) to the Selwyn District Council during the year. The donations received by the Trust during the year are to be used for the benefit of residents impacted by the Knights Road Fire, the Lakeside Hall Springston Hall, and Dunsandel, Tai Tapu, and West Melton Community Centres.

At year end there was \$62,787 (2017: \$126,650) payable to Selwyn District Council.

- The Trust aims to achieve investment returns in line with those achieved by the Council.

The Trust earns interest on donations received at the prevailing interest rates in the Trust's current accounts. Funds were distributed to the Council on a regular basis during the current and prior year to ensure that appropriate investment returns are received on balances held prior to being used for their intended purpose.

Independent Auditor's Report

To the readers of Selwyn District Charitable Trust's financial statements and performance information for the year ended 30 June 2018

The Auditor-General is the auditor of Selwyn District Charitable Trust (the Trust). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 2 to 7, that comprise the statement of financial position as at 30 June 2018, the statement of financial performance and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on page 8.

In our opinion:

- the financial statements of the Trust on pages 2 to 7:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) standard; and
- the performance information of the Trust on page 8 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2018.

Our audit was completed on 24 September 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements and the performance information

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Local Government Act 2002 and the Trust Deed.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand