

# **Selwyn District Charitable Trust**

## **Statement of Intent**

**For the three years commencing  
1 July 2019**

## **Introduction**

This Statement of Intent ("Sol") is prepared in accordance with Section 64(1) of the Local Government Act 2002.

The Sol specifies for Selwyn District Charitable Trust ("SDCT") the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the trust may be judged in relation to its objectives, amongst other requirements.

The Sol is reviewed annually by the Selwyn District Council and covers a three year period.

SDCT's registered office is at the offices of Selwyn District Council, Norman Kirk Drive, Rolleston.

Contact details for SDCT and its officers are:

C/- Selwyn District Council, Norman Kirk Drive, PO Box 90, Rolleston 7643  
Telephone 03-347 2800

SDCT is a council-controlled organisation ("CCO") for the purposes of the Local Government Act 2002.

## **Objectives**

SDCT is a trust for charitable purposes. It holds and distributes funds to support and encourage Selwyn District Council's provision of public services and amenities for the benefit of the public within the Selwyn District.

## **Nature and scope of activities**

The trust receives funds in the form of charitable donations. It holds, invests and makes the funds available for the following purposes within the Selwyn District:

- Water/Waste Water Facilities: the construction, maintenance, operation and upgrading of water and waste water facilities for the benefit of the public;
- Roading: the construction, maintenance, operation and upgrading of roading for the benefit of the public;
- Transport Facilities: the acquisition, construction, maintenance, operation and upgrading of public transport facilities;
- Parks/Reserves: the establishment, maintenance operation and upgrading of parks and reserves for the benefit of the public;
- Recreational Facilities: the construction, maintenance, operation and upgrading of swimming pools or other recreational or leisure-time occupation facilities for the benefit of the public;

- Community Facilities: the construction, maintenance, operation and upgrading of public libraries or other similar community facilities for the benefit of the public;
- Cultural Facilities: the construction, maintenance, operations and upgrading of cultural facilities for the benefit of the public; and
- Other Infrastructure: the construction or establishment of new infrastructure projects of a charitable nature, or the maintenance and operation of existing infrastructure facilities that are of benefit to the public.

### **Corporate Governance Statement**

The Council acts as trustee of the trust. The trustee will manage the affairs of the trust, including the receipt, investment and distribution of funds, in accordance with the terms of the trust deed. The trustee may delegate its powers to any person (including any committee, sub-committee or other decision making body) appointed by the trustee.

The trustee will:

- ensure that the full records and accounts are maintained for the trust fund;
- monitor the financial position of the trust fund; and
- approve the distribution strategy for the trust fund.

### **Information to be provided to Selwyn District Council**

#### *Annual statement of intent*

SDCT will provide an annual statement of intent in accordance with Section 64(1) of the Local Government Act 2002.

#### *Half yearly report*

SDCT will provide a half yearly report in accordance with Section 66(1) of the Local Government Act 2002. This will comply with PBE IPSAS and generally accepted accounting practice and include any other information the trustee considers appropriate.

#### *Annual report*

SDCT will provide an annual report including audited financial and performance statements in accordance with Section 67 of the Local Government Act 2002. Again this will comply with PBE IPSAS and generally accepted accounting practice and include any other information the trustees consider appropriate.

## **Accounting policies**

SDCT has adopted accounting policies that are consistent with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and generally accepted accounting practice. The policies are attached to this statement.

## **Performance targets and measures**

- The trust will aim to distribute all of the funds it receives in the year of receipt.
- The trust will aim to achieve investment returns in line with those achieved by Selwyn District Council.

## **Acquisition of shares in any company**

SDCT will not acquire shares or debt securities in any organisation.

## **Ratio of consolidated trust funds to total assets**

The purpose of the trust is to distribute funds and it is not anticipated that it will incur liabilities other than day to day creditors. As such, it is anticipated ratio of consolidated trust funds to total assets will be close to 100%.

## **Distributions**

The purpose of the trust is to distribute funds for charitable purposes up to the value of the trust fund.

## **Commercial value of shareholders investment**

The value of SDCT is equal to the value of the trust fund at any point in time.

## **Activities for which compensation is sought from any local authority**

Currently there are no activities for which compensation will be sought from any local authority.

## **Statement of Accounting Policies**

*For the year ended 30 June 2019*

### **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 will be applied in preparing the financial statements for the year ending 30 June 2019.

#### **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.