

## INDEPENDENT AUDITOR'S REPORT

### To the Trustees of Sport Manawatu Charitable Trust

#### Opinion

We have audited the financial statements of Sport Manawatu Charitable Trust, which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Sport Manawatu Charitable Trust as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) issued by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Sport Manawatu Charitable Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Sport Manawatu Charitable Trust.

#### Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible on behalf of Sport Manawatu Charitable Trust for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR), and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

[https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)

**Restriction on Responsibility**

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Cotton Kelly*

**Cotton Kelly**

PALMERSTON NORTH  
4 September 2018

Sport Manawatu Charitable Trust

Financial Report

For the year ended

30 June 2018

**Contents**

Directory 3

Statement of Comprehensive Revenue and Expenses 4

Statement of Changes in Net Assets 5

Statement of Financial Position 6

Cash Flow Statement 7

Notes to the Financial Statements 8

## Directory

### Board of Trustees

Nolan King

Shayne Harris

Craig Purdy

Tristine Emery

Barbara Cameron

Colleen Sheldon

Fenella Devlin

Nathan Hopcroft

John Culling (resigned 5 September 2017)

### Registered office

47 Queen Street

Palmerston North

New Zealand

### Nature of business

Developing sport and active recreation in the Manawatu region.

### Auditor

Cotton Kelly

### Charities Commission Registration number:

CC29800

**Statement of Comprehensive Revenue and Expenses**  
**Sport Manawatu Charitable Trust**  
**For the year ended 30 June 2018**

	Notes	2018 \$	2017 \$
<b>Revenue from non-exchange transactions</b>			
Local Government grants		417,700	416,500
Sport NZ funding		673,514	681,536
Health grants		554,220	589,424
Other grants	5	252,942	250,378
		<u>1,898,376</u>	<u>1,937,838</u>
<b>Revenue from exchange transactions</b>			
Programmes		94,949	172,712
Interest income		34,145	33,218
Other operating income		166,262	116,156
		<u>295,356</u>	<u>322,086</u>
<b>Total revenue</b>		<b><u>2,193,732</u></b>	<b><u>2,259,924</u></b>
<b>Expenses</b>			
Staff costs		1,593,100	1,486,012
Administration and transport		271,823	285,552
Programmes		283,704	391,635
Interest expense		17,204	1,188
Depreciation	13	65,493	88,326
Loss on disposal of assets	13	354,430	0
<b>Total expenses</b>		<b><u>2,585,754</u></b>	<b><u>2,252,713</u></b>
<b>Total surplus / (deficit) for the year</b>		<b><u>(392,022)</u></b>	<b><u>7,211</u></b>
<b><i>Other comprehensive revenue and expenses</i></b>			
<b>Total comprehensive revenue and expenses for the year</b>		<b><u>(392,022)</u></b>	<b><u>7,211</u></b>

These financial statements should be read in conjunction with the notes to the financial statements and the Audit Report.

**Statement of Changes in Net Assets**  
**Sport Manawatu Charitable Trust**  
**For the year ended 30 June 2018**

	<b>Accumulated comprehensive revenue and expenses</b>	<b>Total equity</b>
	\$	\$
Opening balance 1 July 2016	1,534,020	1,534,020
Total comprehensive income	<u>7,211</u>	<u>7,211</u>
<b>Closing equity 30 June 2017</b>	<b><u>1,541,231</u></b>	<b><u>1,541,231</u></b>
Opening balance 1 July 2017	1,541,231	1,541,231
Total comprehensive income	<u>(392,022)</u>	<u>(392,022)</u>
<b>Closing equity 30 June 2018</b>	<b><u>1,149,209</u></b>	<b><u>1,149,209</u></b>


These financial statements should be read in conjunction with the notes to the financial statements and the Audit Report.




**Statement of Financial Position**  
**Sport Manawatu Charitable Trust**  
**As at 30 June 2018**

	Notes	2018 \$	2017 \$
<b>Current assets</b>			
Cash and cash equivalents	7	752,185	930,842
Investments	8	704,923	211,087
Receivables and prepayments from exchange transactions	9	141,390	122,849
Receivables from non-exchange transactions	10	143,345	155,498
		<u>1,741,843</u>	<u>1,420,276</u>
<b>Non-current assets</b>			
Property, plant, and equipment	13	306,283	809,418
		<u>306,283</u>	<u>809,418</u>
<b>Total assets</b>		<u><b>2,048,126</b></u>	<u><b>2,229,694</b></u>
<b>Current liabilities</b>			
Trade and other creditors	11	83,911	112,807
Income in advance		61,747	36,193
Funds held on behalf	15	415,336	352,665
Finance leases	14	41,590	12,271
Employee entitlements	12	96,577	104,333
		<u>699,161</u>	<u>618,269</u>
<b>Non-current liabilities</b>			
Finance leases	14	199,756	70,194
		<u>199,756</u>	<u>70,194</u>
<b>Total liabilities</b>		<u><b>898,917</b></u>	<u><b>688,463</b></u>
<b>Net assets</b>		<u><b>1,149,209</b></u>	<u><b>1,541,231</b></u>
<b>Equity</b>			
Accumulated revenue and expenses		<u>1,149,209</u>	<u>1,541,231</u>
<b>Total equity</b>		<u><b>1,149,209</b></u>	<u><b>1,541,231</b></u>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 4 September 2018:

  
 \_\_\_\_\_  
 Trustee

  
 \_\_\_\_\_  
 Trustee

These financial statements should be read in conjunction with the notes to the financial statements and the Audit Report.



**Cash Flow Statement**  
**Sport Manawatu Charitable Trust**  
**For the year ended 30 June 2018**

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Sport NZ grants		652,777	670,600
Local government grants		421,536	396,815
Health provider grants		553,837	580,851
Other grants		291,899	254,240
Programmes		107,965	146,590
Other income		169,627	104,038
Interest received		34,237	30,307
		<u>2,231,878</u>	<u>2,183,441</u>
<i>Payments</i>			
Suppliers		662,877	693,393
Staff costs		1,586,664	1,458,799
Interest paid		17,203	1,188
GST		(14,767)	(14,960)
Funds held on behalf		(62,671)	(95,860)
		<u>2,189,306</u>	<u>2,042,560</u>
<b>Net cash flows from operating activities</b>		<b><u>42,572</u></b>	<b><u>140,881</u></b>
<b>Cash flows from investing and financing activities</b>			
<i>Receipts</i>			
Disposal of fixed assets		287,500	0
		<u>287,500</u>	<u>0</u>
<i>Payments</i>			
Purchase of fixed assets		14,893	70,450
Deposits into term investments		493,836	4,137
		<u>508,729</u>	<u>74,587</u>
<b>Net cash flows from investing and financing activities</b>		<b><u>(221,229)</u></b>	<b><u>(74,587)</u></b>
Net increase / (decrease) in cash and cash equivalents		(178,657)	66,294
Cash and cash equivalents at 1 July		930,842	864,548
Cash and cash equivalents at 30 June	7	<u>752,185</u>	<u>930,842</u>

These financial statements should be read in conjunction with the notes to the financial statements and the Audit Report.



## **Notes to the financial statements**

### **Sport Manawatu Charitable Trust**

**For the Year ended 30 June 2018**

#### **1 Reporting entity**

The reporting entity is Sport Manawatu Charitable Trust (Sport Manawatu). Sport Manawatu is domiciled in New Zealand and is a charitable organisation registered under the Charitable Trusts Act 1957, and the Charities Act 2005.

The financial statements of Sport Manawatu are presented for the year ended 30 June 2018.

These financial statements and the accompanying notes summarise the financial results of the activities carried out by Sport Manawatu, which develops sport and active recreation in the wider Manawatu area.

These financial statements have been approved and were authorised for issue by the Board of Trustees on 4 September 2018.

#### **2 Statement of compliance**

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

#### **3 Summary of accounting policies**

##### *Changes in Accounting Policies*

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in the previous years.

The significant accounting policies used in the preparation of these financial statements are:

##### *3.1 Basis of measurement*

These financial statements have been prepared on the basis of historical cost.

##### *3.2 Functional and presentational currency*

The financial statements are presented in New Zealand dollars (\$), which is the organisations functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

*3.3 Revenue*

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the organisation and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

**Revenue from non-exchange transactions**

*Donations*

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programme or services, or donations in-kind. Donations in-kind include donations received for services, goods, and volunteer time, and is recognised in revenue and expense when the service or good is received. Donations in-kind are measured at their fair value as at the date of acquisition, ascertained by reference to the expected cost that would be otherwise incurred by Sport Manawatu.

*Grant revenue*

Grant revenue includes grants given by other charitable organisations, philanthropic organisations, and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

**Revenue from exchange transactions**

*Event income*

Entrance fees for functions and events are recorded as revenue when the function or event takes place.

*Interest income*

Interest revenue is recognised as it accrues, using the effective interest method.

*3.4 Financial instruments*

Financial assets and financial liabilities are recognised when the organisation becomes a party to the contractual provisions of the financial instrument.

The organisation derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the organisation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the organisation has transferred substantially all the risks and rewards of the asset;
- or
- the organisation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**Financial Assets**

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The organisations financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The organisations financial assets include: cash and cash equivalents, short-term investments, receivables from non-exchange transactions, and receivables from exchange transactions.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

*Financial assets at fair value through surplus or deficit*

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. The organisations investments equities fall into this category of financial instruments.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The organisations cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

**Impairment of financial assets**

The organisation assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

In determining whether there is any objective evidence of impairment, the organisation first assesses whether there is objective evidence of impairment of financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the organisation determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

### **Financial liabilities**

The organisations financial liabilities include trade and other creditors (excluding GST and PAYE), employee entitlements, and deferred income (in respect to grants whose conditions are yet to be complied with).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

#### *3.5 Cash and cash equivalents*

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### *3.6 Short term investments*

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

#### *3.7 Property, plant, and equipment*

Items of property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

## Notes to the financial statements

### Sport Manawatu Charitable Trust

For the Year ended 30 June 2018

Depreciation is charged on a straight line basis over the useful life of the asset. Land is not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

• Buildings:	3%
• Plant and equipment	9% - 67%
• Leased assets	27% - 33%
• Computer Hardware	30%
• Furniture & Fittings	20%

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

#### 3.8 Leases

##### *Classification and treatment*

Leases in terms of which Sport Manawatu assumes substantially all the risks and rewards of ownership are classified as finance leases.

##### *Finance leases*

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

##### *Operating leases*

Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

##### *Determining whether an arrangement contains a lease*

At the inception of an arrangement Sport Manawatu determines whether such an arrangement is, or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific asset(s), and
- The arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, Sport Manawatu separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair value. If Sport Manawatu concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and liability are recognised at an equal amount to fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using Sport Manawatu's incremental borrowing rate.

## Notes to the financial statements

### Sport Manawatu Charitable Trust

For the Year ended 30 June 2018

#### 3.9 Employee benefits

Liabilities for wages, salaries, and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

#### 3.10 Income tax

Due to its charitable status, the organisation is exempt from income tax.

#### 3.11 Goods and services tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

#### 3.12 Equity

Equity is measured as the difference between total assets and total liabilities. Equity is made up of the organisations accumulated surplus or deficit since its formation.

## 4 Significant accounting judgements, estimates, and assumptions

The preparation of the organisations financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the organisations accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:



**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The organisation based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the organisation. Such changes are reflected in the assumptions when they occur.

**Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

The estimated useful lives of the asset classes held by the organisation are listed in Note 3.7.

**Provision for doubtful debts**

The estimation of the provision for doubtful debts at year end is based on reviewing the accounts receivable ledger and establishing a provision for those overdue accounts that are recorded as greater than 90 days overdue, and that are believed to be unrecoverable.

**5 Other grants**

	<b>2018</b>	<b>2017</b>
	\$	\$
Eastern Central Community Trust	106,120	106,120
Central Energy Trust	0	37,623
Water Safety New Zealand	0	36,138
New Zealand Community Trust	34,107	0
ACC	78,818	0
Lion Foundation	18,897	60,000
Other	15,000	10,497
	<u>252,942</u>	<u>250,378</u>





**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**6 Auditor's remuneration**

Cotton Kelly provides audit services to the organisation. No non-audit services are provided by Cotton Kelly.

Total amount recognised as an audit expense was \$6,000 (2017: \$5,150).

**7 Cash and cash equivalents**

Cash and cash equivalents include the following components:

	2018	2017
	\$	\$
Cash at bank	147,634	104,393
Short-term investments with maturities of less than 3 months	604,551	826,448
Total cash and cash equivalents	<u>752,185</u>	<u>930,841</u>

**8 Investments**

	2018	2017
	\$	\$
Term investments – Maturing within 12 months of balance date	704,923	211,087
	<u>704,923</u>	<u>211,087</u>

**9 Receivables and prepayments from exchange transactions**

	2018	2017
	\$	\$
Accounts receivable	106,821	95,351
Provision for doubtful debts impairment	(1,282)	(6,300)
Prepayments	3,923	3,778
Accrued income	31,928	30,020
	<u>141,390</u>	<u>122,849</u>



**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**10 Receivables from non-exchange transactions**

	2018	2017
	\$	\$
Accounts receivable	23,345	35,498
Accrued income	120,000	120,000
	<u>143,345</u>	<u>155,498</u>

**11 Trade and other creditors**

	2018	2017
	\$	\$
Accounts payable	35,376	75,418
Accrued expenditure	12,771	16,393
GST payable	35,764	20,996
	<u>83,911</u>	<u>112,807</u>

**12 Employee entitlements**

	2018	2017
	\$	\$
Annual leave entitlements	67,697	61,261
Accrued payroll expense	28,880	43,072
	<u>96,577</u>	<u>104,333</u>



**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**13 Property, plant, and equipment**

<b>2018</b>	<b>Cost / Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	0	0	0
Buildings	0	0	0
Plant & equipment	104,641	67,523	37,118
Computer equipment	61,796	47,106	14,690
Furniture & fittings	43,216	30,463	12,753
Finance Lease Assets	275,393	33,671	241,722
<b>Total</b>	<b>485,046</b>	<b>178,763</b>	<b>306,283</b>

<b>2017</b>	<b>Cost / Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	260,000	0	260,000
Buildings	397,700	24,600	373,100
Plant & equipment	144,995	86,945	58,050
Computer equipment	77,025	55,151	21,874
Furniture & fittings	38,351	25,869	12,482
Finance Lease Assets	86,122	2,210	83,912
<b>Total</b>	<b>1,004,193</b>	<b>194,775</b>	<b>809,418</b>

Reconciliation of the carrying amount at the beginning and end of the period:

<b>2018</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	260,000	0	260,000	0	0
Buildings	373,100	0	362,850	10,250	0
Plant & equipment	58,050	5,097	18,275	7,754	37,118
Computer equipment	21,874	4,932	682	11,433	14,691
Furniture & fittings	12,482	4,864	0	4,594	12,752
Finance Lease Assets	83,912	189,271	0	31,461	241,722
<b>Total</b>	<b>809,418</b>	<b>204,164</b>	<b>641,807</b>	<b>65,492</b>	<b>306,283</b>

On the 10 April 2018 the Sports House building and land situated at 50 Queen Street was sold. This sale also resulted in various items of plant & equipment becoming obsolete.

**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**14 Finance leases**

Sport Manawatu has entered into finance leases for vehicles and a photocopier. As at the reporting date, Sport Manawatu has entered into the following non-cancellable finance leases:

	2018	2017
	\$	\$
<i>Current</i>		
Motor vehicles	34,329	12,271
Photocopier	7,261	0
Total current	<u>41,590</u>	<u>12,271</u>
<i>Non-current</i>		
Motor vehicles	171,906	70,194
Photocopier	27,850	0
Total non-current	<u>199,756</u>	<u>70,194</u>
Total finance leases payable	<u>241,346</u>	<u>82,465</u>

Future minimum finance lease payments:

	2018	2017
	\$	\$
Not later than one year	63,903	19,898
Later than one year and no later than five years	233,290	84,332
Later than five years	0	0
Total finance leases payable	<u>297,193</u>	<u>104,230</u>

**15 Funds held on behalf**

	2018	2017
	\$	\$
PNCC Sports Event Partnership Fund	83,279	52,470
Sport NZ KiwiSport Fund	305,936	292,504
Other funds	26,121	7,691
	<u>415,336</u>	<u>352,665</u>

At 30 June 2018 \$194,672 of the KiwiSport funds had been allocated but had not been collected (2017: \$103,928).



**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**16 Commitments, Contingencies, and Guarantees and Security**

*Capital commitments*

At balance date Sport Manawatu had no major capital commitments. However, during the financial year Sport Manawatu entered into a memorandum of understanding with Palmerston North City Council to investigate the option of building a new Sports House situated at CET Arena Manawatu.

*Operating commitments*

At balance date Sport Manawatu had the following major operating commitments:

	2018	2017
	\$	\$
GRx database redesign	14,490	0
Computer equipment purchase	0	1,768
Regional Sports Facility Plan agreement	0	10,000
Total major operating commitments	<u>14,490</u>	<u>11,768</u>

Sport Manawatu has entered into operating leases for premises, photocopier/printer, telecommunications equipment, and a storage facility. As at the reporting date, Sport Manawatu has entered into the following non-cancellable operating leases:

	2018	2017
	\$	\$
Not later than one year	117,323	39,659
Later than one year and no later than five years	192,243	3,333
Later than five years	0	0
Total operating leases payable	<u>309,566</u>	<u>42,992</u>

*Contingencies*

There are no contingent assets or liabilities at reporting date.

*Guarantees and security*

The security held by the Bank of New Zealand over the building situated at 50 Queen Street was discharged on 10 April 2018 upon the sale of the building.



**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

**17 Related party transactions**

<b>Related Party</b>	<b>Description of the Transaction</b>	<b>2018 Value of transaction</b>	<b>2018 Amount outstanding</b>	<b>2017 Value of transaction \$</b>	<b>2017 Amount outstanding \$</b>
Nolan King	Trustee of Sport Manawatu who is a trustee of Longburn Adventist College, which receives grants from Sport Manawatu.	8,000	5,333	9,800	2,900
Shayne Harris	Trustee of Sport Manawatu who is an employee of Manawatu District Council (MDC). Sport Manawatu receives grants from MDC.	90,000	0	90,000	7,742
Craig Purdy	Trustee of Sport Manawatu who is a trustee of Palmerston North Boys High School, which receives grants from Sport Manawatu.	2,500	2,500	0	0
Nathan Hopcroft	Trustee of Sport Manawatu who, until February 2018, was a committee member of Manawatu Golf Club, which receives grants from Sport Manawatu.	20,000	0	0	0
Colleen Sheldon	Trustee of Sport Manawatu who is a councillor of Horizons Regional Council (HRC). Sport Manawatu receives grants from HRC.	15,000	3,750	10,300	0
Colleen Sheldon	Trustee of Sport Manawatu who is a committee member of Kiwi Canoe Polo Club, which receives grants from Sport Manawatu.	8,031	0	0	0
Stuart Robinson	Employee of Sport Manawatu who was a board member of Netball Manawatu (NM), resigned 18 May 2018. Sport Manawatu provides office space to, and pays grants to NM.	6,083	0	9,118	3,500



**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2018**

Nici Kinloch	Was an employee of Sport Manawatu who is the sister of Craig Purdy, a trustee of Sport Manawatu.	0	0	0	0
Barbara Cameron	Trustee of Sport Manawatu who is a councillor of Manawatu District Council (MDC). Sport Manawatu receives grants from MDC.	90,000	0	0	0
Barbara Cameron	Trustee of Sport Manawatu who is a board member of MidCentral District Health Board (MCDHB). Sport Manawatu receives grants from MCDHB.	554,220	44,488	0	0

**Key Management Personnel**

As at balance date the key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees, Chief Executive Officer, Business Improvement Manager, Active Communities Manager, Support Services Manager, the Communications and Marketing Manager, and the People and Capability Manager. No remuneration is paid to members of the Board of Trustees. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2018	2017
Total remuneration	515,813	379,305
Number of persons	6	4

**Remuneration and compensation provided to close family members of key management personnel**

During the reporting period no remuneration or compensation was provided by the organisation to employees who are close family members of key management personnel.

**18 Events after the reporting date**

The Board of Trustees and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of Sport Manawatu.

