

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Sport Manawatu Charitable Trust

Report on the Financial Statements

We have audited the financial statements on pages 4 to 20 of the Sport Manawatu Charitable Trust which comprise the statement of financial position as at 30 June 2016, 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 a summary of significant accounting policies and other explanatory information.

The Responsibility of the Trustees' for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of financial statements in accordance with the Public Benefit Entity Standards - Reduced Disclosure Regime issued in New Zealand by the New Zealand Accounting Standards Board, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion, the financial statements on pages 4 to 20 present fairly, in all material respects, the financial position of Sport Manawatu Charitable Trust as at 30 June 2016 and its financial performance and its cash flows for the year.

Emphasis of Matter

We draw your attention to Note 4.7 in the financial statements which states that the Trustees have reviewed the sufficiency of the allowance made for Earthquake Strengthening costs when assessing the current value of the building and the Trustees consider that no impairment is required. Our opinion is not qualified in respect of this matter.

Cotton Kelly

Cotton Kelly

19 September 2016

Sport Manawatu Charitable Trust

Financial Report

For the year ended

30 June 2016

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Directory

Board of Trustees

Nolan King

Shayne Harris

Craig Purdy

Yvette McCausland-Durie

John Culling

Bryan Goldsack

Fenella Devlin

Nathan Hopcroft

Registered office

50 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 2016

	Notes	2016 \$
Revenue from non-exchange transactions	4	
Local Government grants		613,646
Sport NZ funding		669,099
Health grants		499,962
Other grants		114,503
Donations		157,206
		<u>2,054,416</u>
Revenue from exchange transactions	4	
Programmes		19,152
Interest income		38,971
Other operating income		150,479
		<u>208,602</u>
Total revenue		<u>2,263,018</u>
Expenses		
Staff costs		1,346,237
Administration and transport		326,192
Programmes		524,708
Audit fees	6	4,440
Depreciation	13	41,961
Total expenses		<u>2,243,538</u>
Total surplus/(deficit) for the year		<u>19,480</u>
<i>Other comprehensive revenue and expenses</i>		
Total comprehensive revenue and expenses		19,480
Total comprehensive revenue and expense for the year		<u>19,480</u>

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 2016

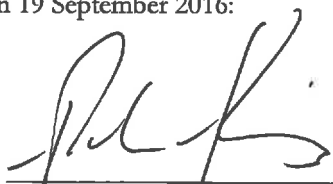
	Accumulated comprehensive revenue and expense	Total equity
	\$	\$
Opening balance 1 July 2015	1,514,540	1,514,540
Surplus/(Deficit) for the year	19,480	19,480
Closing equity 30 June 2016	1,534,020	1,534,020

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

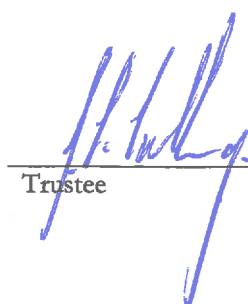
Statement of Financial Position
Sport Manawatu Charitable Trust
For the year ended 30 June 2016

	Notes	2016 \$
Current assets		
Cash and cash equivalents	7	864,548
Investments	8	206,950
Receivables and prepayments from exchange transactions	9	45,161
Receivables from non-exchange transactions	10	<u>166,287</u>
		<u>1,282,946</u>
Non-current assets		
Property, plant, and equipment	13	<u>734,034</u>
		<u>734,034</u>
Total assets		<u>2,016,980</u>
Current liabilities		
Trade and other creditors	11	99,355
Income in advance		44,093
Funds held on behalf		261,579
Employee entitlements	12	<u>77,933</u>
Total liabilities		<u>482,960</u>
Net assets		<u>1,534,020</u>
Equity		
Accumulated comprehensive revenue and expense		<u>1,534,020</u>
Total net assets attributable to the owners of the controlling entity		<u>1,534,020</u>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 19 September 2016:



 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 2016

	Notes	2016 \$
Cash flows from operating activities		
<i>Receipts</i>		
Sport NZ grants		690,000
Local government grants		613,646
Health provider grants		499,962
Other grants		114,628
Other non-exchange transactions		158,906
Functions and events		23,598
Exchange transactions		245,038
Interest received		39,445
Sport NZ Kiwi Sport funds held		115,618
		<u>2,500,841</u>
<i>Payments</i>		
Suppliers – programmes and events		316,862
Suppliers – other		467,300
Staff costs		1,304,005
GST		45,486
Sports Event Partnership Fund grants paid		219,098
		<u>2,352,751</u>
Net cash flows from operating activities		<u>148,090</u>
Cash flows from investing activities		
<i>Receipts</i>		
Withdrawal of short term investments		711,081
		<u>711,081</u>
<i>Payments</i>		
Purchase of fixed assets		53,956
Deposits into short term investments		731,928
		<u>785,884</u>
Net cash flows from investing activities		<u>(74,803)</u>
Cash flows from financing activities		
<i>Receipts</i>		
		<u>0</u>
<i>Payments</i>		
		<u>0</u>
		<u>0</u>
Net cash flows from financing activities		<u>0</u>
Net increase/(decrease) in cash and cash equivalents		73,287
Cash and cash equivalents at 1 July		791,261
Cash and cash equivalents at 30 June	7	<u>864,548</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 2016

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 2016.

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 19 September 2016.

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 Effect of first-time adoption of PBE standards on accounting policies and disclosures

This is the first set of financial statements that is presented in accordance with PBE standards. The Group have previously reported in accordance with Financial Reporting Standards (FRS), and Statements of Standard Accounting Practice (SSAP). During transition a Tier 2 entity is not required to include comparative financial information. Rather it may opt to attach the previous years audited financial statements, which Sport Manawatu has elected to do.

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under FRS and SSAP as outlined below. The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

PBE IPSAS 1 - Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent FRS and SSAP standards. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

Receivables from exchange and non-exchange transactions:

In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions, and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 17 – Property, Plant, and Equipment

In adopting PBE IPSAS 17 Sport Manawatu have taken the option to move from the revaluation method to deemed cost method effective from 1 July 2015. There was no financial impact from this change.

PBE IPSAS 23 - Revenue from Non-Exchange Transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under FRS and SSAP standards. The application of this standard affected the accounting for funding and grants revenue.

In the previous financial year, grants received in relation to the provision of a service were recognised as revenue on a percentage of completion basis. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as they are received, unless the grant meets the definition of and recognition criteria for a liability.

Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that require an entity to use the grant as specified or return of the grant if the entity does not perform as specified.

4 Summary of accounting policies

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

4.1 Basis of measurement

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

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

4.2 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.

4.3 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.

4.4 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:

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

- 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.

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.

Notes to the financial statements

Sport Manawatu Charitable Trust

For the Year ended 30 June 2016

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.

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.

4.5 *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.

4.6 *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.

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

4.7 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.

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 10% - 67%
- 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.

As highlighted in Note 3 above in adopting PBE IPSAS 17 Sport Manawatu have taken the option to move from the revaluation method to deemed cost method effective from 1 July 2015. The value of the Sports House building at deemed cost was based on a registered valuation that was completed on 30 June 2014. The valuation at that time took into account a provision to allow for seismic strengthening to bring the building up to minimum building compliance. Sport Manawatu has reviewed the sufficiency of the allowance made and considers no further impairment is required at balance date.

4.8 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

4.9 Employee benefits

Wages, salaries, and annual leave

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.

4.10 Income Tax

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

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

4.11 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.

4.12 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.

5 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:

Operating lease commitments

The organisation has entered into a number of vehicle leases.

The organisation has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the vehicles, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

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 4.8.

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.

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 \$4,440.

7 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2016
	\$
Cash at bank	252,608
Short-term investments with maturities of less than 3 months	611,940
Total cash and cash equivalents	<u>864,548</u>

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

8 Investments

	2016
	\$
Term investments – Maturing within 12 months of balance date	206,950
	<u>206,950</u>

9 Receivables and Prepayments from Exchange Transactions

	2016
	\$
Accounts receivable	37,886
Prepayments	4,167
Accrued income	3,108
	<u>45,161</u>

10 Receivables from Non-exchange Transactions

	2016
	\$
Accounts receivable	51,287
Accrued income	115,000
	<u>166,287</u>

11 Trade and other creditors

	2016
	\$
Accounts payables	78,484
Accrued expenditure	7,569
GST payable	6,036
Other creditors	7,266
	<u>99,355</u>

12 Employee entitlements

	2016
	\$
Annual leave entitlements	56,837
Accrued payroll expense	21,096
	<u>77,933</u>

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

13 Property, plant, and equipment

2016	Land	Buildings	Computer Equipment	Furniture & Fittings	Plant & Equipment	Total
	\$	\$	\$	\$	\$	\$
Cost/Valuation	260,000	397,700	64,739	37,806	80,238	840,483
Accumulated depreciation	0	12,300	36,591	21,151	36,407	106,449
Net book value	<u>260,000</u>	<u>385,400</u>	<u>28,148</u>	<u>16,655</u>	<u>43,831</u>	<u>734,034</u>

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

2016	Land	Buildings	Computer Equipment	Furniture & Fittings	Plant & Equipment	Total
	\$	\$	\$	\$	\$	\$
Opening balance	260,000	397,700	22,255	11,019	31,065	722,039
Additions	0	0	18,160	10,222	25,574	53,956
Disposals	0	0	0	0	0	0
Depreciation	0	12,300	12,267	4,586	12,808	41,961
Closing balance	<u>260,000</u>	<u>385,400</u>	<u>28,148</u>	<u>16,655</u>	<u>43,831</u>	<u>734,034</u>

14 Commitments and Contingencies

At balance date Sport Manawatu had no major capital commitments.

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

	2016
	\$
Video engagement platform purchase	37,623
Computer equipment purchase	10,862
Allocated Kiwi Sport grants awaiting collection	163,327
Sports House feasibility study agreement	31,500
Regional Sports Facility Plan agreement	<u>88,000</u>
	<u>331,312</u>

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

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

	2016
	\$
Not later than one year	67,369
Later than one year and no later than five years	42,007
Later than five years	0
	<u>109,376</u>

There are no contingent assets or liabilities at reporting date.

15 Related party transactions

Related Party	Description of the Transaction	2016 Value of transaction \$	2016 Amount outstanding \$
Nolan King	Trustee of Sport Manawatu who is a trustee of Longburn Adventist College, which receives grants from Sport Manawatu.	8,000	6,000
Shayne Harris	Trustee of Sport Manawatu who is an employee of Manawatu District Council (MDC). Sport Manawatu receives grants from MDC.	89,423	0
Craig Purdy	Trustee of Sport Manawatu who is a board member of Manawatu Rugby League (MRL). Sport Manawatu provides office space to, and pays grants to MRL.	3,600	0
Craig Purdy	Trustee of Sport Manawatu who is a trustee of Palmerston North Boys High School, which receives grants from Sport Manawatu.	5,000	0
Nathan Hopcroft	Trustee of Sport Manawatu who is a board member of Manawatu Golf Club, which receives grants from Sport Manawatu.	12,000	0
Brad Cassidy	Employee of Sport Manawatu who is a board member of Manawatu Rugby League (MRL). Sport Manawatu provides office space to, and pays grants to MRL.	3,600	0

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

Angela Rainham	Ex-employee of Sport Manawatu who is a board member of Hockey Manawatu, which receives grants from Sport Manawatu.	33,257	20,979
Angela Rainham	Ex-employee of Sport Manawatu contracted to complete funder reporting.	600	300

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, Corporate Services Manager, Active Communities Manager, and the Operations 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:

	2016
Total remuneration	\$357,327
Number of persons	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.

16 Restated opening balance sheet

Sport Manawatu has taken advantage of a number of the concessions allowed by FRS 47 – First Time Adoption of PBE standards by entities other than those previously applying NZ IFRSs.

As disclosed in Note 3 above there is no requirement include comparative information on transition, rather Sport Manawatu is required to provide a reconciliation between the 2015 audited statement of financial position and the opening statement of financial position under PBE IPSAS standards and explain the significant differences in accounting policies.

As disclosed in Note 3, the change from revaluation to cost method in disclosing land and buildings has removed the requirement for the revaluation reserve to be separately disclosed which has, as a result been absorbed into accumulated revenue and expense.

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2016

	2015 1 July \$	2015 30 June \$
Current assets		
Cash at bank	137,466	137,466
Bank investments	798,043	798,043
Accrued income	118,582	118,582
Accounts receivable	166,270	166,270
Payments in advance	3,761	3,761
	<u>1,224,122</u>	<u>1,224,122</u>
Non-current assets		
Property, plant, and equipment	722,039	722,039
	<u>722,039</u>	<u>722,039</u>
Total assets	<u>1,946,161</u>	<u>1,946,161</u>
Current liabilities		
Accounts payable	63,010	63,010
Receipts in advance	26,100	26,100
Funds held on behalf	205,234	205,234
Sundry accruals	28,031	28,031
Employee entitlements	47,073	47,073
GST payable	62,173	62,173
Total liabilities	<u>431,621</u>	<u>431,621</u>
Net assets	<u>1,514,540</u>	<u>1,514,540</u>
Equity		
Asset revaluation reserve	0	455,072
Accumulated comprehensive revenue and expense	1,514,540	1,059,468
Total net assets attributable to the owners of the controlling entity	<u>1,514,540</u>	<u>1,514,540</u>

17 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.

INDEPENDENT AUDITOR'S REPORT

*To the Trustees of Sport Manawatu Charitable Trust***Report on the Financial Statements**

We have audited the financial statements of Sport Manawatu Charitable Trust on pages 2 to 7, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion, the financial statements on pages 2 to 7 present fairly, in all material respects, the financial position of Sport Manawatu Charitable Trust as at 30 June 2015 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Cotton Kelly
9 September 2015

Sport Manawatu Charitable Trust

Financial Statements

For the Year Ended 30 June 2015

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Statement of Financial Performance

Statement of Movements in Equity

Statement of Financial Position

Notes to the Financial Statements

Sport Manawatu Charitable Trust
Statement of Financial Performance
for the Year Ended 30 June 2015

	Note	This Year \$	Last Year \$
Income			
Sport NZ		620,000	620,000
ECCT		101,120	101,120
Contracts		1,217,498	1,105,356
Sponsorships		31,938	29,424
Administration		45,492	44,393
Interest Income		28,135	39,698
Programmes		73,542	46,020
TOTAL INCOME		2,117,725	1,986,011
EXPENSES			
Personnel		1,238,647	1,182,361
Administration & Transport	1	305,786	343,350
Programmes		446,005	459,683
Audit Fees		4,535	4,100
TOTAL EXPENSES		1,994,973	1,989,494
NET (DEFICIT)/SURPLUS before depreciation and asset disposals		122,752	(3,483)
Depreciation as per Schedule		29,929	29,123
Loss on disposal of assets		0	3,179
NET (DEFICIT)/SURPLUS		92,823	(35,785)

These Accounts should be read in conjunction with the Accounting Policies and Notes to the Accounts and the Audit Report

Sport Manawatu Charitable Trust
Statement of Movements in Equity
for the Year Ended 30 June 2015


	This Year \$	Last Year \$
OPENING BALANCE AS AT 1 July 2014	1,421,717	1,575,851
Add/Less		
Net (Deficit)/Surplus	<u>92,823</u>	<u>(35,785)</u>
Total recognised revenue and expenses	92,823	(35,785)
Asset Revaluation Reserve	0	(118,349)
BALANCE AS AT 30 June 2015	<u>1,514,540</u>	<u>1,421,717</u>

These Accounts should be read in conjunction with the Accounting Policies and Notes to the Accounts and the Audit Report




Sport Manawatu Charitable Trust
Statement of Financial Position
as at 30 June 2015

	Note	This Year \$	Last Year \$
ASSETS			
Current Assets			
Cash at Bank		137,466	176,050
Bank Investments		798,043	965,789
Accrued Income		118,582	0
Accounts Receivable	1	166,270	105,091
Payments in Advance		3,761	3,683
		<u>1,224,122</u>	<u>1,250,613</u>
Non-Current Assets			
Fixed Assets (as per attached schedule)	2	722,039	735,644
TOTAL ASSETS		<u>1,946,161</u>	<u>1,986,257</u>
LIABILITIES			
Current Liabilities			
Accounts Payable		63,010	197,364
Receipts in Advance	6	26,100	36,621
Funds Held on Behalf	7	205,234	195,380
Sundry Accruals		28,031	20,526
Employee Entitlements		47,073	49,625
GST Payable		62,173	65,024
TOTAL LIABILITIES		<u>431,621</u>	<u>564,540</u>
NET ASSETS/(LIABILITIES)		<u>1,514,540</u>	<u>1,421,717</u>
Represented by:			
Asset Revaluation Reserve		455,072	455,072
Retained Earnings		1,059,468	966,645
Total Equity		<u>1,514,540</u>	<u>1,421,717</u>



 Chairperson



 Trustee

Date 8/9/15

These Accounts should be read in conjunction with the Accounting Policies and Notes to the Accounts and the Audit Report



Sport Manawatu Charitable Trust

Notes to the Financial Statements for the Year Ended 30 June 2015

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Sport Manawatu Charitable Trust is a charitable trust incorporated under the Charitable Trusts Act 1957. It is also a registered charity under the Charities Act 2005 and is registered with Charities Services.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by Sport Manawatu Charitable Trust.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

(a) Differential Reporting

Sport Manawatu Charitable Trust is a qualifying entity for differential reporting purposes. The grounds upon which Sport Manawatu Charitable Trust so qualifies are:

* Sport Manawatu Charitable Trust is not publicly accountable as defined in "The Framework For Differential Reporting"; and

* Sport Manawatu Charitable Trust is not large as, in the last two reporting periods, the total revenue has not exceeded \$20 million and the total assets have not exceeded \$10 million in carrying value.

The financial statements have been prepared taking advantage of all available differential reporting concessions except that GST exclusive accounting has been adopted.

(b) Accounts Receivable

Accounts Receivable are stated at their estimated net realisable value - less the provision for doubtful debts.

(c) Fixed Assets & Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Fixed assets, except for the building are depreciated so as to charge their cost or other acquisition value over their estimated useful life on a diminishing value basis. The building is depreciated on the straight line basis. From 1 July 2011 all new fixed assets will be depreciated over their useful life on a straight line basis.

Depreciation rates used are;

	Pre 01/07/2011	Post 01/07/2011
Furniture & Fittings	20% DV	20% SL
Computers Systems	30% DV	30% SL
Plant & Equipment	10% DV	10% SL
Buildings	3% SL	3% SL

(d) Taxation

The Trust qualifies for an exemption from income tax in terms of section CW41-43 of the Income Tax Act 2007 as it is a registered charity.

Sport Manawatu Charitable Trust

Notes to the Financial Statements

for the Year Ended 30 June 2015

(d) Goods & Services Tax

The Statement of Financial Performance has been prepared so that all items are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of accounts receivable and accounts payable.

(e) Income & Expenses

The administration and transport expense figure includes bad debts written off \$0 (2014, \$984).

(f) Funds held on Behalf

Sport Manawatu administrates the Kiwisport Regional Partnership Fund on behalf of Sport NZ.

(g) Building revaluation

Land and buildings are required to be revalued on a three year cycle. The last revaluation took place on 30 June 2014.

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.

2. PROPERTY, PLANT & EQUIPMENT

2013-2014

Asset	Cost Price/ Valuation	Depreciation	Accum Dep'n	Book Value 30/06/14
Land	260,000			260,000
Buildings	410,000	20,550	0	410,000
Computer System	44,619	4,003	13,096	31,523
Plant & Equipment	42,936	2,220	20,112	22,824
Furniture & Fittings	24,947	2,350	13,650	11,297
TOTAL	782,502	29,123	46,858	735,644

2014-2015

Asset	Cost Price/ Valuation	Depreciation	Accum Dep'n	Book Value 30/06/15
Land	260,000			260,000
Buildings	410,000	12,300	12,300	397,700
Computer System	46,579	11,227	24,324	22,255
Plant & Equipment	54,664	3,488	23,600	31,064
Furniture & Fittings	27,584	2,914	16,564	11,020
TOTAL	798,827	29,929	76,788	722,039

The property situated at 50 Queen Street owned by Sport Manawatu disclosed as land and buildings has been on the market for 7 years.

3. COMMITMENTS

At balance date Sport Manawatu Charitable Trust has entered into the following operating commitments:

	<u>Less than 1 yr</u>	<u>1-2 yrs</u>	<u>2-5yrs</u>
Motor Vehicles	52,941	36,775	8,963
Office Contracts	10,594	10,594	9,711
2014/15 Totals	63,535	47,369	18,674



Sport Manawatu Charitable Trust

Notes to the Financial Statements for the Year Ended 30 June 2015

4. CONTINGENT LIABILITIES

At balance date Sport Manawatu Charitable Trust was not aware of any contingent liabilities. (2014, nil)

5. OTHER GRANTS

Sport Manawatu Charitable Trust had not received any other grants, other than those disclosed, at balance date. (2014, nil)

6. GRANTS RECEIVED IN ADVANCE

	This Year	Last Year
	\$	\$
PNCC RSARS Implementation	26,100	36,621
	<u>26,100</u>	<u>36,621</u>

7. FUNDS HELD ON BEHALF

	This Year	Last Year
	\$	\$
Sport NZ - Kiwisport Funding	92,239	122,095
MCAT	3,545	3,117
Water Safety Programme	25,187	0
National Cycling Event	17,557	19,421
PNCC Retention Funding	23,555	27,547
Sport NZ Pathway to Podium	43,151	23,200
	<u>205,234</u>	<u>195,380</u>

8. RELATED PARTIES

Sport Manawatu has identified the following as related party transactions:

- 1) Kelly Johnston (Active Communities Manager) is a board member of Bike Manawatu who Sport Manawatu provides office space to.
- 2) Lorraine Vincent is the Manawatu District Council Chief Executive and was a Trustee of Sport Manawatu (resigned September 2014). Manawatu District Council has a service contract with Sport Manawatu.
- 3) Angela Rainham (Community Sports Manager) is a board member of Hockey Manawatu who receives grants from Sport Manawatu.
- 4) Sport Manawatu has provided office space to sports obtaining Kiwisport funding.

9. CAPITAL COMMITMENTS

At balance date Sport Manawatu Charitable Trust had not entered into any capital commitments. (2014, nil).