

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 2017, 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 2017, 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.

Emphasis of Matter

We draw your attention to Note 3.7 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.

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

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

PALMERSTON NORTH
13 September 2017

Sport Manawatu Charitable Trust

Financial Report

For the year ended

30 June 2017

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Board of Trustees

Nolan King

Shayne Harris

Craig Purdy

Tristine Emery

John Culling

Colleen Sheldon

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 2017

	Notes	2017 \$	2016 \$
Revenue from non-exchange transactions	3		
Local Government grants		416,500	613,646
Sport NZ funding		681,536	669,099
Health grants		589,424	499,962
Other grants	5	250,378	270,623
		<u>1,937,838</u>	<u>2,053,330</u>
Revenue from exchange transactions	3		
Programmes		172,712	20,238
Interest income		33,218	38,971
Other operating income		116,156	150,479
		<u>322,086</u>	<u>209,688</u>
Total revenue		<u>2,259,924</u>	<u>2,263,018</u>
 Expenses			
Staff costs		1,486,012	1,346,237
Administration and transport	6	286,740	330,632
Programmes		391,635	524,708
Depreciation	13	88,326	41,961
Total expenses		<u>2,252,713</u>	<u>2,243,538</u>
Total surplus / (deficit) for the year		<u>7,211</u>	<u>19,480</u>
 <i>Other comprehensive revenue and expenses</i>		0	0
Total comprehensive revenue and expenses for the year		<u>7,211</u>	<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 2017

	Accumulated comprehensive revenue and expenses	Total equity
	\$	\$
Opening balance 1 July 2015	1,514,540	1,514,540
Total comprehensive income	<u>19,480</u>	<u>19,480</u>
Closing equity 30 June 2016	<u>1,534,020</u>	<u>1,534,020</u>
Opening balance 1 July 2016	1,534,020	1,534,020
Total comprehensive income	<u>7,211</u>	<u>7,211</u>
Closing equity 30 June 2017	<u>1,541,231</u>	<u>1,541,231</u>

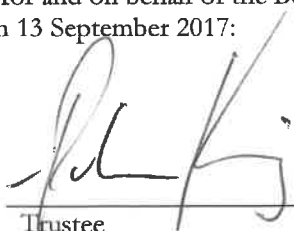
These financial statements should be read in conjunction with the notes to the financial statements and the Audit Report.



Statement of Financial Position
Sport Manawatu Charitable Trust
As at 30 June 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	7	930,842	864,548
Investments	8	211,087	206,950
Receivables and prepayments from exchange transactions	9	122,849	45,161
Receivables from non-exchange transactions	10	155,498	166,287
		<u>1,420,276</u>	<u>1,282,946</u>
Non-current assets			
Property, plant, and equipment	13	809,418	734,034
		<u>809,418</u>	<u>734,034</u>
Total assets		<u>2,229,694</u>	<u>2,016,980</u>
Current liabilities			
Trade and other creditors	11	112,807	99,355
Income in advance		36,193	44,093
Funds held on behalf	15	352,665	261,579
Finance leases	14	12,271	0
Employee entitlements	12	104,333	77,933
		<u>618,269</u>	<u>482,960</u>
Non-current liabilities			
Finance leases	14	70,194	0
		<u>70,194</u>	<u>0</u>
Total liabilities		<u>688,463</u>	<u>482,960</u>
Net assets		<u>1,541,231</u>	<u>1,534,020</u>
Equity			
Accumulated revenue and expenses		<u>1,541,231</u>	<u>1,534,020</u>
Total equity		<u>1,541,231</u>	<u>1,534,020</u>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 13 September 2017:



 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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
<i>Receipts</i>			
Sport NZ grants		670,600	690,000
Local government grants		396,815	613,646
Health provider grants		580,851	499,962
Other grants		254,240	273,534
Programmes		146,590	23,598
Other income		104,038	245,038
Interest received		30,307	39,445
		<u>2,183,441</u>	<u>2,385,223</u>
<i>Payments</i>			
Suppliers		693,393	784,162
Staff costs		1,458,799	1,304,005
Interest paid		1,188	0
GST		(14,960)	45,486
Funds held on behalf		(95,860)	103,480
		<u>2,042,560</u>	<u>2,237,133</u>
Net cash flows from operating activities		<u>148,881</u>	<u>148,090</u>
Cash flows from investing and financing activities			
<i>Receipts</i>			
Withdrawal of short term investments		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>
<i>Payments</i>			
Purchase of fixed assets		70,450	53,956
Deposits into short term investments		4,137	20,847
		<u>74,587</u>	<u>74,803</u>
Net cash flows from investing and financing activities		<u>(74,587)</u>	<u>(74,803)</u>
Net increase / (decrease) in cash and cash equivalents		66,294	73,287
Cash and cash equivalents at 1 July		<u>864,548</u>	<u>791,261</u>
Cash and cash equivalents at 30 June	7	<u>930,842</u>	<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 2017

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 2017.

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 13 September 2017.

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 2017

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 2017

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 2017

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 2017

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%
• Motor vehicles	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.

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.

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



Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2017

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.

3.9 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.

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.

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2017

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.

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.



Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2017

5 Other grants

	2017	2016
	\$	\$
Eastern Central Community Trust	106,120	106,120
Central Energy Trust	37,623	0
Water Safety New Zealand	36,138	45,000
New Zealand Community Trust	0	20,000
Lion Foundation	60,000	50,000
Other	10,497	49,503
	<u>250,378</u>	<u>270,623</u>

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 \$5,150 (2016: \$4,440).

7 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2017	2016
	\$	\$
Cash at bank	104,393	252,608
Short-term investments with maturities of less than 3 months	826,448	611,940
Total cash and cash equivalents	<u>930,841</u>	<u>864,548</u>

8 Investments

	2017	2016
	\$	\$
Term investments – Maturing within 12 months of balance date	211,087	206,950
	<u>211,087</u>	<u>206,950</u>



Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2017

9 Receivables and prepayments from exchange transactions

	2017	2016
	\$	\$
Accounts receivable	95,351	38,803
Provision for doubtful debts impairment	(6,300)	(917)
Prepayments	3,778	4,167
Accrued income	30,020	3,108
	<u>122,849</u>	<u>45,161</u>

10 Receivables from non-exchange transactions

	2017	2016
	\$	\$
Accounts receivable	35,498	51,287
Accrued income	120,000	115,000
	<u>155,498</u>	<u>166,287</u>

11 Trade and other creditors

	2017	2016
	\$	\$
Accounts payable	75,418	85,750
Accrued expenditure	16,393	7,569
GST payable	20,996	6,036
	<u>112,807</u>	<u>99,355</u>

12 Employee entitlements

	2017	2016
	\$	\$
Annual leave entitlements	61,261	56,837
Accrued payroll expense	43,072	21,096
	<u>104,333</u>	<u>77,933</u>



Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2017

13 Property, plant, and equipment

2017	Cost / Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
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
Total	1,004,193	194,775	809,418

2016	Cost / Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Land	260,000	0	260,000
Buildings	397,700	12,300	385,400
Plant & equipment	80,238	36,407	43,831
Computer equipment	64,739	36,591	28,148
Furniture & fittings	37,806	21,151	16,655
Finance Lease Assets	0	0	0
Total	840,483	106,449	734,034

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

2017	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
	\$	\$	\$	\$	\$
Land	260,000	0	0	0	260,000
Buildings	385,400	0	0	12,300	373,100
Plant & equipment	43,831	64,757	0	50,538	58,050
Computer equipment	28,148	12,286	0	18,560	21,874
Furniture & fittings	16,655	545	0	4,718	12,482
Finance Lease Assets	0	86,122	0	2,210	83,912
Total	734,034	163,710	0	88,326	809,418

Notes to the financial statements
Sport Manawatu Charitable Trust
For the Year ended 30 June 2017

14 Finance leases

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

	2017	2016
	\$	\$
<i>Current</i>		
Motor vehicles	12,271	0
<i>Non-current</i>		
Motor vehicles	70,194	0
Total finance leases payable	<u>82,465</u>	<u>0</u>

Future minimum finance lease payments:

	2017	2016
	\$	\$
Not later than one year	19,898	0
Later than one year and no later than five years	84,332	0
Later than five years	0	0
Total finance leases payable	<u>104,230</u>	<u>0</u>

15 Funds held on behalf

	2017	2016
	\$	\$
PNCC Sports Event Partnership Fund	52,470	34,125
Sport NZ KiwiSport Fund	292,504	207,856
Other funds	7,691	19,598
	<u>352,665</u>	<u>261,579</u>

At 30 June 2017 \$103,928 of the KiwiSport funds had been allocated but had not been collected (2016: \$163,327).

16 Commitments, Contingencies, and Guarantees and Security

Capital commitments

At balance date Sport Manawatu had no major capital commitments.



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Operating commitments

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

	2017	2016
	\$	\$
Video engagement platform purchase	0	37,623
Computer equipment purchase	1,768	10,862
Sports House feasibility study agreement	0	31,500
Regional Sports Facility Plan agreement	10,000	88,000
Total major operating commitments	<u>11,768</u>	<u>167,985</u>

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:

	2017	2016
	\$	\$
Not later than one year	39,659	67,369
Later than one year and no later than five years	3,333	42,007
Later than five years	0	0
Total operating leases payable	<u>42,992</u>	<u>109,376</u>

Contingencies

There are no contingent assets or liabilities at reporting date.

Guarantees and security

For the purpose of processing the Sport Manawatu payroll online a letter of credit to the value of \$60,000 is held by SmartPayroll Limited.

The Bank of New Zealand Limited holds a registered first mortgage over the Sport Manawatu property situated at 50 Queens Street, Palmerston North.

17 Related party transactions

Related Party	Description of the Transaction	2017 Value of transaction	2017 Amount outstanding	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.	9,800	2,900	8,000	6,000



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Shayne Harris	Trustee of Sport Manawatu who is an employee of Manawatu District Council (MDC). Sport Manawatu receives grants from MDC.	90,000	7,742	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.	0	0	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.	0	0	5,000	0
Nathan Hopcroft	Trustee of Sport Manawatu who is a committee member of Manawatu Golf Club, which receives grants from Sport Manawatu.	0	0	12,000	0
Colleen Sheldon	Trustee of Sport Manawatu who is a councillor of Horizons Regional Council (HRC). Sport Manawatu receives grants from HRC.	10,300	0	15,000	0
Stuart Robinson	Employee of Sport Manawatu who is a board member of Netball Manawatu (NM). Sport Manawatu provides office space to, and pays grants to NM.	9,118	3,500	0	0
Brad Cassidy	Employee of Sport Manawatu who was a board member of Manawatu Rugby League (MRL). Sport Manawatu provided office space to, and pays grants to MRL.	0	0	3,600	0
Nici Kinloch	Employee of Sport Manawatu who is the sister of Craig Purdy, a trustee of Sport Manawatu.	0	0	0	0
Angela Rainham	Ex-employee of Sport Manawatu who was a board member of Hockey Manawatu, which receives grants from Sport Manawatu.	0	0	33,257	20,979
Angela Rainham	Ex-employee of Sport Manawatu who was contracted to complete funder reporting.	0	0	600	300



Notes to the financial statements
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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, General Manager – Regional Leadership, 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:

	2017	2016
Total remuneration	379,305	\$357,327
Number of persons	4	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.

