

## INDEPENDENT AUDITOR'S REPORT

### *To the Board of 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 2022, and the statement of comprehensive revenue and expenses, statement of changes in net assets and cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 21 present fairly, in all material respects, the financial position of the Sport Manawatu Charitable Trust as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

#### **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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

#### **Restriction on Responsibility**

This report is made solely to the Board of Trustees ("the Board"), 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 Board 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 Board as a body, for our audit work, for this report, or for the opinion we have formed.

#### **The Board of Trustees' Responsibility for the Financial Statements**

The Board are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime and for such internal control as the Board's 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 Board are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the entity or to cease operations, or has 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

*CKS Audit*

**CKS Audit**  
20 September 2022

Sport Manawatu Charitable Trust

Financial Report

For the year ended

30 June 2022

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## Directory

### Board of Trustees

Shayne Harris (resigned 12 October 2021)

Nathan Hopcroft

Barbara Cameron (resigned 4 April 2022)

Danielle Wyness

Sandra Lynch

Rafea Naffa

Dean Taipana (joined 12 October 2021)

Jeremy Hapeta (joined 12 October 2021)

Kayla Whitelock (joined 12 October 2021)

Natasha Bailey (joined 12 October 2021)

Suzanne Charles (joined 12 October 2021)

Fenella Devlin (resigned 27 July 2021)

### Registered office

40 The Square

Palmerston North

New Zealand

### Nature of business

Developing sport and active recreation in the Manawatu region.

### Auditor

CKS Audit

### Charities Commission Registration number:

CC29800

## Statement of Comprehensive Revenue and Expenses

Sport Manawatu Charitable Trust

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Revenue from non-exchange transactions</b>			
Local Government grants		570,095	562,976
Sport NZ funding		965,076	756,296
Health grants		584,047	574,244
Other grants	5	148,667	114,453
		<u>2,267,885</u>	<u>2,007,969</u>
<b>Revenue from exchange transactions</b>			
Programmes		26,612	77,055
Interest income		13,025	11,224
Other operating income		128,718	117,394
		<u>168,355</u>	<u>205,673</u>
<b>Total revenue</b>		<u><b>2,436,240</b></u>	<u><b>2,213,642</b></u>
<b>Expenses</b>			
Staff costs		1,889,368	1,545,742
Administration and transport		240,732	288,925
Programmes		193,417	287,010
Interest expense		18,989	14,436
Depreciation	13	54,185	66,128
Loss on disposal of assets		0	11,955
<b>Total expenses</b>		<u><b>2,396,691</b></u>	<u><b>2,214,196</b></u>
<b>Total surplus / (deficit) for the year</b>		<u><b>39,549</b></u>	<u><b>(554)</b></u>
<i>Other comprehensive revenue and expenses</i>		-	-
<b>Total comprehensive revenue and expenses for the year</b>		<u><b>39,549</b></u>	<u><b>(554)</b></u>

These financial statements should be read in conjunction with the notes to the financial statements and the independent auditor's report.

**Statement of Changes in Net Assets**

Sport Manawatu Charitable Trust

For the year ended 30 June 2022

	Accumulated comprehensive revenue and expenses \$	Total equity \$
Opening balance 1 July 2020	1,289,377	1,289,377
Surplus/deficit for the year	(554)	(554)
<b>Closing equity 30 June 2021</b>	<b><u>1,288,823</u></b>	<b><u>1,288,823</u></b>
Opening balance 1 July 2021	1,288,823	1,288,823
Surplus/deficit for the year	39,549	39,549
<b>Closing equity 30 June 2022</b>	<b><u>1,328,372</u></b>	<b><u>1,328,372</u></b>

These financial statements should be read in conjunction with the notes to the financial statements and the independent auditor's report.

**Statement of Financial Position**  
**Sport Manawatu Charitable Trust**  
**As at 30 June 2022**

	Notes	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	7	968,423	920,016
Investments	8	535,291	530,660
Receivables and prepayments from exchange transactions	9	21,036	30,388
Receivables from non-exchange transactions	10	271,725	264,144
		<u>1,796,475</u>	<u>1,745,208</u>
<b>Non-current assets</b>			
Property, plant, and equipment	13	268,605	203,040
		<u>268,605</u>	<u>203,040</u>
<b>Total assets</b>		<b><u>2,065,080</u></b>	<b><u>1,948,248</u></b>
<b>Current liabilities</b>			
Trade and other creditors	11	68,906	147,114
Income in advance		33,393	71,667
Funds held on behalf	15	313,673	181,655
Finance leases	14	48,109	75,962
Employee entitlements	12	111,471	103,133
		<u>575,552</u>	<u>579,531</u>
<b>Non-current liabilities</b>			
Finance leases	14	161,156	79,894
		<u>161,156</u>	<u>79,894</u>
<b>Total liabilities</b>		<b><u>736,708</u></b>	<b><u>659,425</u></b>
<b>Net assets</b>		<b><u>1,328,372</u></b>	<b><u>1,288,823</u></b>
<b>Equity</b>			
Accumulated revenue and expenses		<u>1,328,372</u>	<u>1,288,823</u>
<b>Total equity</b>		<b><u>1,328,372</u></b>	<b><u>1,288,823</u></b>

Signed for and on behalf of the Board of Trustees who authorised these financial statements for issue on 20 September 2022:

  
 \_\_\_\_\_  
 Trustee

  
 \_\_\_\_\_  
 Trustee

These financial statements should be read in conjunction with the notes to the financial statements and the independent auditor's report.



**Cash Flow Statement**  
**Sport Manawatu Charitable Trust**  
**For the year ended 30 June 2022**

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Sport NZ grants		948,583	776,484
Local government grants		566,186	585,913
Health provider grants		583,103	573,318
Other grants		114,188	25,407
Programmes		38,159	68,939
Other income		140,385	106,207
Interest received		9,666	14,351
		<u>2,400,270</u>	<u>2,150,619</u>
<i>Payments</i>			
Suppliers		559,308	497,693
Staff costs		1,881,409	1,537,434
Interest paid		18,989	14,436
GST		(24,900)	67,948
Wage subsidy repaid	11	0	165,881
Net funds held on behalf		<u>(152,593)</u>	<u>114,730</u>
		<u>2,282,213</u>	<u>2,398,122</u>
<b>Net cash flows from operating activities</b>		<b><u>118,057</u></b>	<b><u>(247,503)</u></b>
<b>Cash flows from investing activities</b>			
<i>Receipts</i>			
Disposal of fixed assets		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>
<i>Payments</i>			
Purchase of fixed assets		<u>25,621</u>	<u>24,313</u>
		<u>25,621</u>	<u>24,313</u>
<b>Net cash flows from investing activities</b>		<b><u>(25,621)</u></b>	<b><u>(24,313)</u></b>
<b>Cash flows from financing activities</b>			
<i>Receipts</i>			
		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>
<i>Payments</i>			
Finance leases		39,398	41,463
Deposits into term investments		4,631	210,905
		<u>44,029</u>	<u>252,368</u>
<b>Net cash flows from financing activities</b>		<b><u>(44,029)</u></b>	<b><u>(252,368)</u></b>
Net increase / (decrease) in cash and cash equivalents		48,407	(524,184)
Cash and cash equivalents at 1 July		<u>920,016</u>	<u>1,444,200</u>
Cash and cash equivalents at 30 June	7	<b><u>968,423</u></b>	<b><u>920,016</u></b>

These financial statements should be read in conjunction with the notes to the financial statements and the independent auditor's report.



## **Notes to the financial statements**

### **Sport Manawatu Charitable Trust**

**For the Year ended 30 June 2022**

#### **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 2022.

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 20 September 2022.

#### **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 Trust 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 2022

#### 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 both contract income from Government entities and 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 or contract, 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

##### *Programme 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

## Notes to the financial statements

### Sport Manawatu Charitable Trust

For the Year ended 30 June 2022

- 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.

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

## Notes to the financial statements

### Sport Manawatu Charitable Trust

For the Year ended 30 June 2022

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.

#### 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 2022

Depreciation is charged on a straight-line basis over the useful life of the asset. 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:

• Plant and equipment	9% - 67%
• Leased assets	27% - 33%
• Computer Hardware	30%
• Computer Software	40%
• 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 2022**

*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 2022**

**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**

	2022	2021
	\$	\$
Eastern Central Community Trust	106,000	106,120
New Zealand Community Trust	41,667	8,333
Nathan Hopcroft	1,000	0
	<u>148,667</u>	<u>114,453</u>



**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2022**

**6 Auditor's remuneration**

CKS Audit provides audit services to the organisation. No non-audit services are provided by CKS Audit.

Total amount recognised as an audit expense was \$6,500 (2021: \$6,000).

**7 Cash and cash equivalents**

Cash and cash equivalents include the following components:

	2022	2021
	\$	\$
Cash at bank	135,725	90,774
Short-term investments with maturities of less than 3 months	832,698	829,242
Total cash and cash equivalents	<u>968,423</u>	<u>920,016</u>

**8 Investments**

	2022	2021
	\$	\$
Investments – Maturing within 12 months of balance date	535,291	530,660
	<u>535,291</u>	<u>530,660</u>

**9 Receivables and prepayments from exchange transactions**

	2022	2021
	\$	\$
Accounts receivable	11,610	24,411
Provision for doubtful debts impairment	(546)	(105)
Prepayments	5,413	4,883
Accrued income	4,559	1,199
	<u>21,036</u>	<u>30,388</u>

**Notes to the financial statements**

Sport Manawatu Charitable Trust

For the Year ended 30 June 2022

**10 Receivables from non-exchange transactions**

	2022	2021
	\$	\$
Accounts receivable	120,309	128,394
Accrued income	151,416	135,750
	<u>271,725</u>	<u>264,144</u>

**11 Trade and other creditors**

	2022	2021
	\$	\$
Accounts payable	36,899	139,630
Accrued expenditure	9,043	9,421
GST payable	22,963	(1,937)
	<u>68,905</u>	<u>147,114</u>

**12 Employee entitlements**

	2022	2021
	\$	\$
Annual leave entitlements	85,052	84,890
Accrued payroll expense	26,419	18,243
	<u>111,471</u>	<u>103,133</u>

**13 Categories of Financial Assets and Liabilities**

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

**Financial assets measured at amortised cost**

	2022	2021
	\$	\$
Cash and cash equivalents	968,423	920,016
Investments	535,291	530,660
Receivables from exchange transactions	16,169	25,611
Receivables from non-exchange transactions	271,725	264,144
Total Financial assets measured at amortised cost	<u>1,791,608</u>	<u>1,740,431</u>

**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2022**

**Financial liabilities measured at amortised cost**

	2022	2021
	\$	\$
Accounts payable	45,942	149,051
Employee entitlements	111,471	103,133
Finance leases	209,265	155,856
Total Financial liabilities measured at amortised cost	<u>366,678</u>	<u>408,040</u>

**14 Property, plant, and equipment**

2022	Cost / Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Plant & equipment	46,774	23,111	23,663
Computer equipment	65,380	43,362	22,018
Furniture & fittings	24,651	12,698	11,953
Finance Lease Assets	227,895	16,924	210,971
Total	<u>364,700</u>	<u>96,095</u>	<u>268,605</u>

2021	Cost / Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Plant & equipment	33,698	18,367	15,331
Computer equipment	52,835	29,332	23,503
Furniture & fittings	24,651	8,889	15,762
Finance Lease Assets	237,355	88,911	148,444
Total	<u>348,539</u>	<u>145,499</u>	<u>203,040</u>

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

2022	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
	\$	\$	\$	\$	\$
Plant & equipment	15,331	13,076	0	4,744	23,663
Computer equipment	23,503	12,545	0	14,030	22,018
Furniture & fittings	15,762	0	0	3,809	11,953
Finance Lease Assets	148,444	202,722	108,593	31,602	210,971
Total	<u>203,040</u>	<u>228,343</u>	<u>108,593</u>	<u>54,185</u>	<u>268,605</u>

**Notes to the financial statements**  
**Sport Manawatu Charitable Trust**  
**For the Year ended 30 June 2022**

**15 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:

	2022	2021
	\$	\$
<i>Current</i>		
Motor vehicles	43,535	66,012
Photocopier	4,574	9,950
Total current	<u>48,109</u>	<u>75,962</u>
<i>Non-current</i>		
Motor vehicles	140,918	79,016
Photocopier	20,238	878
Total non-current	<u>161,156</u>	<u>79,894</u>
Total finance leases payable	<u>209,265</u>	<u>155,856</u>

Future minimum finance lease payments:

	2022	2021
	\$	\$
Not later than one year	66,409	85,855
Later than one year and no later than five years	189,125	89,958
Later than five years	0	0
Total finance leases payable	<u>255,534</u>	<u>175,813</u>

**16 Funds held on behalf**

	2021	2021
	\$	\$
PNCC Sports Event Partnership Fund	206,181	96,437
Sport NZ Tu Manawa Active Aotearoa Fund	102,960	83,491
Other funds	4,532	1,727
	<u>313,673</u>	<u>181,655</u>

At 30 June 2022 \$87,895 (2021: \$72,848) of the Tu Manawa Active Aotearoa funds had been allocated but not collected.

## Notes to the financial statements

### Sport Manawatu Charitable Trust

For the Year ended 30 June 2022

#### 17 Commitments, Contingencies, and Guarantees and Security

##### *Capital commitments*

At balance date Sport Manawatu had the following major capital commitments.

	2022	2021
	\$	\$
Website refresh	20,000	0
Total major capital commitments	<u>20,000</u>	<u>0</u>

##### *Operating commitments*

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

	2022	2021
	\$	\$
	0	0
Total major operating commitments	<u>0</u>	<u>0</u>

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

	2022	2021
	\$	\$
Not later than one year	84,595	59,696
Later than one year and no later than five years	95,199	4,560
Later than five years	0	0
Total operating leases payable	<u>179,794</u>	<u>64,256</u>

##### *Contingencies*

There are no contingent assets or liabilities at reporting date.

##### *Guarantees and security*

There are no guarantees or securities at reporting date.

## Notes to the financial statements

### Sport Manawatu Charitable Trust

For the Year ended 30 June 2022

#### 18 Related party transactions

Related Party	Description of the Transaction	2022 Value of transaction	2022 Amount outstanding	2021 Value of transaction \$	2021 Amount outstanding \$
Rafea Naffa	Trustee of Sport Manawatu who is an organising committee member for the Ethkick tournament, which receives grants from Sport Manawatu.	6,500	0	0	0
Shayne Harris	Trustee of Sport Manawatu until 12 October 2021 who is an employee of Manawatu District Council (MDC). Sport Manawatu receives grants from MDC.	96,658	6,658	96,658	6,658
Sandra Lynch	Trustee of Sport Manawatu who is an employee of Manawatu Badminton. Sport Manawatu receives photocopier recovery and office lease recovery from Manawatu Badminton.	209	43	2,057	0
Sandra Lynch	Trustee of Sport Manawatu who is an employee of Manawatu Badminton, which receives grants from Sport Manawatu.	36,688	0	0	0
Stuart Robinson	Employee of Sport Manawatu who is a committee member of Palmerston North Squash Club. Sport Manawatu hire meeting rooms from Palmerston North Squash Club.	1,322	0	0	0
Stuart Robinson	Employee of Sport Manawatu who is a committee member of Palmerston North Squash Club, which receives grants from Sport Manawatu.	0	0	38,362	0
Tania Lennon	Employee of Sport Manawatu who is a board member of Parafed Manawatu, which receives grants from Sport Manawatu.	2,326	0	23,000	0
Tania Lennon	Employee of Sport Manawatu who is a board member of Parafed Manawatu. Sport Manawatu receives salary recovery, office lease recovery, and management fees from Parafed Manawatu.	54,726	4,555	35,462	16,496

## Notes to the financial statements

### Sport Manawatu Charitable Trust

For the Year ended 30 June 2022

Nathan Hopcroft	Trustee of Sport Manawatu donated to Sport Manawatu.	1,000	0	0	0
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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, General Manager Business, General Manager Operations, and General Manager Partnerships. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	2022	2021
Total remuneration	324,813	451,925
Number of persons	3	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.

#### 19 Events after the reporting date

After the reporting date the Board of Trustees resolved to establish an Innovation Fund from the reserves held by the organisation. The Innovation Fund will allow the Board of Trustees to support opportunities under the active capability uplift strategic priority that aims to provide innovative solutions and options to our communities that guide play, active recreation, and sport to remain relevant and fit for purpose for the future.

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.