

# Annual Report

MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE  
TRUST

For the year ended 31 March 2020

Prepared by Campbell Tyson Limited

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## Directory

### **MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST** **For the year ended 31 March 2020**

#### **Nature of Business**

Charitable Trust

#### **Purpose**

Make grants to organisations (including schools or other charities)

#### **Charities Registration Number**

CC24466

#### **Trust Formation Date**

28 July 1994

#### **Trustees**

Robert B Pulman  
John L Sieprath  
Kenneth J Robinson

#### **Chartered Accountant**

Campbell Tyson Limited  
Level 2  
1 Wesley Street  
Pukekohe 2120

#### **Auditor**

RSM Hayes Audit  
Chartered Accountants  
Level 1, 1 Broadway  
Newmarket  
Auckland

#### **Bankers**

ASB Bank Limited

#### **IRD Number**

063-044-326

## Independent Auditor's Report

### To the trustees of Manukau Counties Community Facilities Charitable Trust

#### Opinion

We have audited the financial statements of Manukau Counties Community Facilities Charitable Trust ("the Trust"), which comprise:

- the statement of financial position as at 31 March 2020;
- the statement of comprehensive revenue and expenses for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 7 to 16 present fairly, in all material respects, the financial position of Manukau Counties Community Facilities Charitable Trust as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the 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, the Manukau Counties Community Facilities Charitable Trust.

#### Other information

The trustees are responsible for the other information. The other information comprises the Directory on page 3 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the trustees for the financial statements

The trustees 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 those charged with governance 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 the 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 the Trust or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

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

### Who we report to

This report is made solely to the trustees, as a body. Our audit 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 trust and the trustees as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'RSM'.

**RSM Hayes Audit**  
Auckland

3 August 2020

## Approval of Financial Report

MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST

For the year ended 31 March 2020

The Trustees are pleased to present the approved financial report including the historical financial statements of MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST for year ended 31 March 2020.

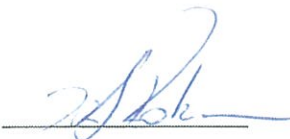
APPROVED

For and on behalf of the Trustees:



Robert B Pulman

Date 31<sup>st</sup> July 2020



Kenneth J Robinson

Date 31-07-2020

## Statement of Comprehensive Revenue and Expenses

### MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST For the year ended 31 March 2020

	NOTES	2020	2019
<b>Operating Revenue</b>			
Gaming Machine Income		3,711,740	4,228,579
Interest Received		167	93
<b>Total Operating Revenue</b>		<b>3,711,907</b>	<b>4,228,671</b>
<b>Gross Surplus/(Deficit)</b>			
		<b>3,711,907</b>	<b>4,228,671</b>
<b>Expenses</b>			
Authorised Expenses	2	1,889,244	2,188,249
Authorised Purpose Payments	2	1,496,084	1,847,304
Non Cash Expenditure	2	138,103	128,343
<b>Total Expenses</b>		<b>3,523,430</b>	<b>4,163,895</b>
<b>Operating Surplus/(Deficit) before Other Comprehensive Income</b>			
		<b>188,476</b>	<b>64,776</b>
<b>Other Comprehensive Income</b>			
Capital Gain on Disposal of Fixed Assets		-	500
Profit on Sale of Fixed Assets		12,391	2,992
<b>Total Other Comprehensive Income</b>		<b>12,391</b>	<b>3,492</b>
<b>Net Surplus/(Deficit) for the Year</b>			
		<b>200,867</b>	<b>68,268</b>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report.

## Statement of Changes in Net Assets

### MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST

For the year ended 31 March 2020

	2020	2019
<b>Equity</b>		
Opening Balance	245,752	177,483
<b>Increases/(Decreases)</b>		
Net Surplus for the Year	200,867	68,268
<b>Total Increases/(Decreases)</b>	<b>200,867</b>	<b>68,268</b>
<b>Total Equity</b>	<b>446,619</b>	<b>245,752</b>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report.



## Statement of Financial Position

### MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
<b>Equity</b>			
Retained Profits	4	82,758	82,272
Gaming Machines Reserve	3	363,861	163,479
<b>Total Equity</b>		<b>446,619</b>	<b>245,752</b>
<b>Assets</b>			
<b>Current Assets</b>			
ASB Bank Limited - Call Account		81,851	16,684
ASB Bank Limited - Gaming Machine Account		50,372	85,161
<b>Total Current Assets</b>		<b>132,223</b>	<b>101,845</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	474,390	319,607
<b>Total Non-Current Assets</b>		<b>474,390</b>	<b>319,607</b>
<b>Total Assets</b>		<b>606,613</b>	<b>421,452</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
GST Payable		57,766	52,424
Trade Creditors		102,228	123,276
<b>Total Current Liabilities</b>		<b>159,994</b>	<b>175,700</b>
<b>Total Liabilities</b>		<b>159,994</b>	<b>175,700</b>
<b>Net Assets</b>		<b>446,619</b>	<b>245,752</b>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report.

## Statement of Cash Flows

### MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST

For the year ended 31 March 2020

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Receipts from providing goods or services, exchange transactions	3,711,740	4,180,435
Interest, dividends and other investment receipts	167	93
GST	5,342	(7,181)
Payments to suppliers	(1,910,292)	(2,200,031)
Donations or grants paid	(1,496,084)	(1,847,304)
<b>Total Cash Flows from Operating Activities</b>	<b>310,873</b>	<b>126,012</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Receipts from sale of property, plant and equipment	540	4,000
Payments to acquire property, plant and equipment	(281,035)	(137,791)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(280,495)</b>	<b>(133,791)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>30,378</b>	<b>(7,779)</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	101,845	109,624
Cash and cash equivalents at end of period	132,223	101,845
Net change in cash for period	30,378	(7,779)

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report.

## Notes to the Financial Statements

### MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST For the year ended 31 March 2020

#### 1. Statement of Accounting Policies

##### Reporting Entity

The entity is a Charitable Trust established by Trust Deed dated 28 July 1994, registered under the Charitable Trusts Act 1957.

The financial statements of MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST are general purpose financial statements which have been prepared according to Generally Accepted Accounting Practice in New Zealand (NZGAAP).

The Trust qualifies and has elected to prepare financial statements as a Tier 2 reporting entity as total expenditure was more than \$2 million but less than \$30 million, and the group is not considered publicly accountable.

##### Basis of Preparation

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ)

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the trust, with the exception that certain assets as specified below have been revalued. The information is presented in New Zealand dollars rounded to the nearest dollar.

##### Historical Cost

These financial statements have been prepared on a historical cost basis, (except for certain assets which have been revalued as identified in specific accounting policies below). The financial statements are presented in New Zealand dollars (NZ\$) and all values are truncated, so the line items may not agree to the total.

##### Gaming Income

Gaming machine income is recognised net of cash disbursements from gaming machines. Income is recognised when received or receivable on an accrual basis.

##### Expenses

Expenses for authorised payments are incurred in accordance with the rules set under the Gambling Act 2003. Authorised expenditure is approved by the board and is recognised when incurred.

##### Other Expenses

Expenses incurred in running the Trust is recognised when goods or services have been received by the Trust. Expenses are recognised on an accrual basis.

##### Income Tax

The Charitable Trust is exempt from taxation as it is a Charitable Trust registered with the Charities Commission under the Charities Act 2005.

### Goods and Services Tax

Revenues and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

### Gaming Machines Reserve

Gaming Machine Funds are held in reserve for appropriation by the Trust in accordance with the licence conditions granted by the Department of Internal Affairs.

### Cash Flow Statement Policy

Investing activities are those activities relating to the acquisition and disposal of property, plant & equipment and other long term assets. Financing activities are those activities that change the equity and borrowings of the Trust. Operating activities are those relating to the principal revenue generating activities of the trust and includes all transactions and other events that are not investing or financing activities. Cash flows from movements in investments are classified as operating activities

### Property, Plant & Equipment

Property, Plant & Equipment are recognised at cost less aggregate depreciation. Depreciation has been calculated based on the assets useful life. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

Depreciation rates are by class of assets:

Gaming Machines - 39.6% to 48% DV

Plant and Equipment - 8% to 60% DV

Furniture and Fittings - 20% to 24% DV

### Significant Estimates and Judgements

In preparing these financial statements, estimates and judgement have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and judgement that have a significant risk of causing a material change within the next financial year are discussed below.

### Going Concern

On 27 March 2020 a nationwide lock down was put in place in response to the COVID-19 virus. Gaming facilities, as operated by the Trust, were deemed to be non-essential businesses and were unable to operate during Alert Levels Three and Four. As a result of this closure the Trust expects a reduction in turnover for the next financial year.

During April and May 2020, gaming proceeds reduced compared to the same period in the previous year. The Trust was able to decrease expenditure compared to the same period in the prior year as a response to maintain a prudent level of spending in light of economic conditions at the time. The key reason for this is that the Trust has reduced the amount of authorised purpose expenditure.

When lockdown restrictions were lifted and societal conditions returned to normal in June 2020, operations resumed. Overall at the end of June 2020, the Trust is operating ahead of its 2021 budget.

The lockdown is expected to have an ongoing effect on the overall economy and as a result the Trust's earnings for the 2021 Financial Year is expected to be lower than previous years. The Trustee's believe that the impact on the Trust's equity is expected to be negligible as the Trust has the ability to reduce its cost base significantly in proportion to revenue derived. Subsequent to year end the government has made an amendment to the Gaming Regulations Act 2004 as part of their COVID-19 response bill to temporarily remove the 40% minimum authorised purpose expenditure threshold for the 2020 and 2021 financial years, allowing the Trust increased discretion to delay distributions for authorised purpose expenditure.

Taking the above in consideration, the Trustees believe that the going concern assumption is valid as they believe the Trust should be able to sustain operations for at least 12 months from the date of these financial statements being authorised for issue.

## Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

	2020	2019
<b>2. Expenses</b>		
<b>Authorised Expenses</b>		
Accountancy Fees	6,000	5,950
Administration Fees	137,358	174,592
Advertising	1,671	-
Audit Fee	9,135	8,989
Audit Fee - Internal	24,293	36,822
Bad Debts Written Off	-	48,144
Bank Fees & Charges	1,134	1,453
Electronic Monitoring	47,062	60,291
Freight & Cartage	12,544	-
Gaming Machine Duty	853,639	976,187
Insurance	22,964	21,634
Lease Charges - Gaming Machine Location	577,517	630,974
Legal Fees - Deductible	-	326
Licensing Fees	69,480	78,561
Problem Gambling Levy	39,011	63,452
Security Expenses	(16)	684
Service Contract	83,807	72,963
Staff Training & Welfare	3,646	7,226
<b>Total Authorised Expenses</b>	<b>1,889,244</b>	<b>2,188,249</b>
<b>Authorised Purpose Payments</b>		
Donation - Aktive	5,000	4,959
Donation - Athletics NZ	2,000	-
Donation - Brookby School	2,727	-
Donation - Bruce Pulman Park Trust	1,461,195	1,823,931
Donation - Cosgrove Primary School	-	9,720
Donation - Drury School	5,958	5,436
Donation - Franklin Gymsport Inc	4,240	4,216
Donation - Halberg Disability Sport Foundation	-	1,696
Donation - Manukau Auckland Volleyball	5,000	-
Donation - Marching Auckland	4,500	-
Donation - NZ Mens & Mixed Netball Association	-	9,510
Donation - Special Olympics - NZ	756	1,069
Donation - Te Maunga Kohungahunga Kohanga Reo	-	652

	2020	2019
Donation - Volleyball NZ	5,000	5,000
<b>Total Authorised Purpose Payments</b>	<b>1,496,376</b>	<b>1,866,189</b>
<b>Authorised Purpose Payments Refunded</b>		
Donation Refunded - Brookby School	(293)	-
Donation Refunded - Bruce Pulman Park Trust	-	(16,902)
Donation Refunded - Cosgrove Primary School	-	(162)
Donation Refunded - Redhill School (previous year grant refund)	-	(1,508)
Donation Refunded - Volleyball NZ	-	(313)
<b>Total Authorised Purpose Payments Refunded</b>	<b>(293)</b>	<b>(18,885)</b>
Total Authorised Purpose Payments and Refunds	1,496,084	1,847,304
<b>Non Cash Expenses</b>		
Depreciation	138,103	117,588
Loss on Sale of Fixed Assets	-	10,755
<b>Total Non Cash Expenses</b>	<b>138,103</b>	<b>128,343</b>
Total Expenses	3,523,430	4,163,895
	2020	2019

### 3. Gaming Machines Reserve

	2020	2019
<b>Gaming Machines Reserve</b>		
Opening Balance	163,479	98,796
Current Year Earnings	200,381	64,683
<b>Total Gaming Machines Reserve</b>	<b>363,861</b>	<b>163,479</b>
	2020	2019

### 4. Retained Profits

	2020	2019
<b>Retained Profits</b>		
Opening Balance	82,272	78,687
Current Year Earnings	486	3,585
<b>Total Retained Profits</b>	<b>82,758</b>	<b>82,272</b>

### 5. Related Party

The Bruce Pulman Park Trust, where the bulk of the gaming funds have been distributed, is administered by a Board of Trustees, R B Pulman, L Auton, M Pulman, J Bongard, P Ginnen (Resigned), N Hodgins (Resigned) and G Troup (appointed and acting Chairperson). R B Pulman is also trustee of the Manukau Counties Community Facilities Charitable Trust.

Authorised Purpose Payments made to the Bruce Pulman Park Trust were \$1,461,195 (Last Year: \$1,823,931)

## 6. Gaming Venues

Gaming machines are located in the following venues:

Shiraz Bar, Meadowland

Pitch Bar & Sound, Papakura (Closed December 2018 - to be re-opened July 2020)

Forge 2, Papakura

2 Turkeys, Papakura(Previously Boodles) (Closed September 2018 - re-opened November 2019)

Coyote, Papakura

## 7. Property, Plant & Equipment

	Opening Book Value	Additions	Disposals	Depreciation	Closing Book Value
Property, Plant & Equipment 2020	\$	\$	\$	\$	\$
2 Turkeys (Boodles)	46,782	221,904	428	40,112	228,146
Coyote	107,224	26,279	-	38,737	94,766
Forge 2	41,679	33,402	-	19,842	55,239
Pitch Bar & Sound	27,157	-	-	5,889	21,267
Shiraz Bar	96,766	11,950	221	33,522	74,972
<b>Total Property, Plant &amp; Equipment</b>	<b>319,607</b>	<b>293,535</b>	<b>649</b>	<b>138,102</b>	<b>474,390</b>

	Accumulated Cost	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2020	\$	\$	\$
2 Turkeys (Boodles)	467,867	239,720	228,146
Coyote	355,080	260,315	94,766
Forge 2	308,032	252,794	55,239
Pitch Bar & Sound	275,785	254,518	21,267
Shiraz Bar	374,418	299,446	74,972
<b>Total Property, Plant &amp; Equipment</b>	<b>1,781,182</b>	<b>1,306,792</b>	<b>474,390</b>

	Accumulated Cost	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2019	\$	\$	\$
2 Turkeys (Boodles)	287,641	240,859	46,782
Coyote	250,316	205,064	45,252
Forge 2	274,630	232,952	41,679
Pitch Bar & Sound	354,270	265,142	89,128

Shiraz Bar	370,298	273,532	96,766
<b>Total Property, Plant &amp; Equipment</b>	<b>1,537,155</b>	<b>1,217,548</b>	<b>319,607</b>

#### 8. Capital Expenditure Commitments

There are no liabilities in respect of capital expenditure at balance date. (Last Year: \$0).

#### 9. Contingent Liabilities

There are no contingent liabilities at balance date. (Last Year: \$0).

#### 10. Subsequent Events

As noted in the going concern note on page 12, on 27 March 2020 a nationwide lock down was put in place in response to the Covid-19 virus. Gaming facilities, as operated by the Trust, were deemed to be non-essential businesses and were unable to operate during Alert Levels Three and Four. This meant that the Trust was closed for 7 weeks from the end of March to mid May 2020. Since then the Trust and respective venue operators have been able to resume operations as the nation is currently operating under Alert level 1.

There are no other subsequent events post balance date. (Last Year: nil)