

# Annual Report

MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE  
TRUST

For the year ended 31 March 2019

Prepared by Campbell Tyson Limited

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## Directory

### **MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST** **For the year ended 31 March 2019**

#### **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 2019;
- the statement of comprehensive revenue and expense 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 6 to 15 present fairly, in all material respects, the financial position of Manukau Counties Community Facilities Charitable Trust as at 31 March 2019, 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'.

# Statement of Comprehensive Revenue and Expenses

## MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST For the year ended 31 March 2019

	NOTES	2019	2018
<b>Operating Revenue</b>			
Gaming Machine Income		4,228,579	4,720,983
Interest Received		93	180
<b>Total Operating Revenue</b>		<b>4,228,671</b>	<b>4,721,162</b>
<b>Gross Surplus/(Deficit)</b>			
		<b>4,228,671</b>	<b>4,721,162</b>
<b>Expenses</b>			
Authorised Expenses	2	2,188,249	2,393,709
Authorised Purpose Payments	2	1,847,304	2,182,239
Non Cash Expenditure	2	128,343	95,132
<b>Total Expenses</b>		<b>4,163,895</b>	<b>4,671,079</b>
<b>Operating Surplus/(Deficit) before Other Comprehensive Income</b>			
		<b>64,776</b>	<b>50,083</b>
<b>Other Comprehensive Income</b>			
Capital Gain on Disposal of Fixed Assets		500	-
Profit on Sale of Fixed Assets		2,992	3,803
<b>Total Other Comprehensive Income</b>		<b>3,492</b>	<b>3,803</b>
<b>Net Surplus/(Deficit) for the Year</b>			
		<b>68,268</b>	<b>53,886</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 2019

	2019	2018
<b>Equity</b>		
Opening Balance	177,483	123,597
<b>Increases/(Decreases)</b>		
Net Surplus for the Year	68,268	53,886
<b>Total Increases/(Decreases)</b>	<b>68,268</b>	<b>53,886</b>
<b>Total Equity</b>	<b>245,752</b>	<b>177,483</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 2019

	NOTES	31 MAR 2019	31 MAR 2018
<b>Equity</b>			
Retained Profits	4	82,272	78,687
Gaming Machines Reserve	3	163,479	98,796
<b>Total Equity</b>		<b>245,752</b>	<b>177,483</b>
<b>Assets</b>			
<b>Current Assets</b>			
GST Receivable		-	13,751
ASB Bank Limited - Call Account		16,684	55,592
ASB Bank Limited - Gaming Machine Account		85,161	54,033
<b>Total Current Assets</b>		<b>101,845</b>	<b>123,376</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	319,607	310,666
<b>Total Non-Current Assets</b>		<b>319,607</b>	<b>310,666</b>
<b>Total Assets</b>		<b>421,452</b>	<b>434,041</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
GST Payable		52,424	-
Trade Creditors		123,276	256,558
<b>Total Current Liabilities</b>		<b>175,700</b>	<b>256,558</b>
<b>Total Liabilities</b>		<b>175,700</b>	<b>256,558</b>
<b>Net Assets</b>		<b>245,752</b>	<b>177,483</b>

For and on behalf of the board:

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Robert B Pulman

\_\_\_\_\_  
Date

\_\_\_\_\_  
John L Sieprath

\_\_\_\_\_  
Date



## Statement of Cash Flows

### MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST

For the year ended 31 March 2019

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from providing goods or services, exchange transactions	4,180,435	4,720,983
Interest, dividends and other investment receipts	93	180
GST	(7,181)	(9,288)
Payments to suppliers	(2,200,031)	(2,344,761)
Donations or grants paid	(1,847,304)	(2,182,239)
<b>Total Cash Flows from Operating Activities</b>	<b>126,012</b>	<b>184,874</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Receipts from sale of property, plant and equipment	4,000	-
Payments to acquire property, plant and equipment	(137,791)	(159,553)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(133,791)</b>	<b>(159,553)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(7,779)</b>	<b>25,321</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	109,624	84,303
Cash and cash equivalents at end of period	101,845	109,624
Net change in cash for period	(7,779)	25,321

# Notes to the Financial Statements

## MANUKAU COUNTIES COMMUNITY FACILITIES CHARITABLE TRUST

For the year ended 31 March 2019

### 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.

#### 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

## 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.

	2019	2018
<b>2. Expenses</b>		
<b>Authorised Expenses</b>		
Accountancy Fees	5,950	5,750
Administration Fees	174,592	174,583
Advertising	-	185
Audit Fee	8,989	8,989
Audit Fee - Internal	36,822	37,066
Bad Debts Written Off	48,144	-
Bank Fees & Charges	1,453	1,487
Electronic Monitoring	60,291	66,399
Gaming Machine Duty	976,187	1,087,259
Insurance	21,634	21,503
Lease Charges - Gaming Machine Location	630,974	740,498
Legal Fees - Deductible	326	2,473
Licensing Fees	78,561	74,715
Problem Gambling Levy	63,452	70,672

Security Expenses	684	618
Service Contract	72,963	93,146
Staff Training & Welfare	7,226	8,364
<b>Total Authorised Expenses</b>	<b>2,188,249</b>	<b>2,393,709</b>

#### Authorised Purpose Payments

Donation - Aktive	4,959	-
Donation - Blind Sport	-	1,000
Donation - Brookby School	-	2,160
Donation - Bruce Pulman Park Trust	1,823,931	2,145,534
Donation - Clayton Park School	-	9,477
Donation - Cosgrove Primary School	9,720	-
Donation - Drury School	5,436	5,400
Donation - Franklin Gymsport Inc	4,216	4,160
Donation - Halberg Disability Sport Foundation	1,696	-
Donation - Hunua School	-	3,660
Donation - NZ Mens & Mixed Netball Association	9,510	-
Donation - Papakura City Football	-	696
Donation - Redhill School	-	11,070
Donation - Special Olympics - NZ	1,069	-
Donation - Sport Waitakere	-	4,402
Donation - Te Maunga Kohungahunga Kohanga Reo	652	-
Donation - Volleyball NZ	5,000	-
<b>Total Authorised Purpose Payments</b>	<b>1,866,189</b>	<b>2,187,558</b>

#### Authorised Purpose Payments Refunded

Donation Refunded - Bruce Pulman Park Trust	(16,902)	-
Donation Refunded - Clayton Park School	-	(675)
Donation Refunded - Cosgrove Primary School	(162)	-
Donation Refunded - Hunua School	-	(3,660)
Donation Refunded - Redhill School (previous year grant refund)	(1,508)	(984)
Donation Refunded - Volleyball NZ	(313)	-
<b>Total Authorised Purpose Payments Refunded</b>	<b>(18,885)</b>	<b>(5,319)</b>

Total Authorised Purpose Payments and Refunds	1,847,304	2,182,239
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#### Non Cash Expenses

Depreciation	117,588	87,260
Loss on Sale of Fixed Assets	10,755	7,871
<b>Total Non Cash Expenses</b>	<b>128,343</b>	<b>95,132</b>

Total Expenses	4,163,895	4,671,079
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	2019	2018
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### 3. Gaming Machines Reserve

#### Gaming Machines Reserve

Opening Balance	98,796	48,892
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Current Year Earnings	64,683	49,904
<b>Total Gaming Machines Reserve</b>	<b>163,479</b>	<b>98,796</b>

	2019	2018
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#### 4. Retained Profits

##### Retained Profits

Opening Balance	78,687	74,705
Current Year Earnings	3,585	3,983
<b>Total Retained Profits</b>	<b>82,272</b>	<b>78,687</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 (Chairperson), M Pulman, P Ginnen, J Bongard and N Hodgins. 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 \$1,823,931 (Last Year: \$2,145,534)

#### 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)  
 Forge 2, Papakura  
 Boodles, Papakura (Closed September 2018 - to be re-opened )  
 Coyote, Papakura

## 7. Property, Plant & Equipment

	Opening Book Value	Additions	Depreciation	Disposals	Closing Book Value
Property, Plant & Equipment 2019	\$	\$	\$	\$	\$
Boodles	46,553	16,950	14,711	2,010	46,782
Coyote	64,741	-	14,941	4,548	45,252
Forge 2	54,867	-	13,188	-	41,679
Pitch Bar & Sound	32,040	82,511	24,915	508	89,128
Shiraz Bar	112,464	38,330	49,832	4,197	96,766
<b>Total Property, Plant &amp; Equipment</b>	<b>310,666</b>	<b>137,791</b>	<b>117,588</b>	<b>11,263</b>	<b>319,607</b>

	Accumulated Cost	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2019	\$	\$	\$
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>

	Accumulated Cost	Accumulated Depreciation	Closing Book Value
Property, Plant & Equipment 2018	\$	\$	\$
Boodles	284,046	237,493	46,553
Coyote	278,555	213,813	64,741
Forge 2	274,630	219,763	54,867
Pitch Bar & Sound	294,009	261,969	32,040
Shiraz Bar	356,034	243,570	112,464
<b>Total Property, Plant &amp; Equipment</b>	<b>1,487,274</b>	<b>1,176,608</b>	<b>310,666</b>

**8. Capital Expenditure Commitments**

There are no liabilities in respect of capital expenditure at balance date other than those provided for in the accounts (Last Year: \$0).

**9. Contingent Liabilities**

There are contingent liabilities at balance date \$Nil (Last Year: \$0).

**10. Subsequent Events**

There are no subsequent event as balance date.