

MAYOR'S WELFARE FUND CHARITABLE TRUST

**ANNUAL
REPORT
2017-18**

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Statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue	1	358,269	323,704
Expenses	2	351,728	340,454
Net Surplus/(Deficit)		<u>6,541</u>	<u>(16,750)</u>
Other comprehensive income		-	-
Total comprehensive revenue and expense		<u>6,541</u>	<u>(16,750)</u>

Statement of changes in net assets/equity

FOR THE YEAR ENDED 30 JUNE 2018

	Reserve Funds \$
Balance at 1 July 2016	904,074
Total comprehensive revenue and expense	<u>(16,750)</u>
Balance at 30 June 2017/ 01 July 2017	<u>887,324</u>
Total comprehensive revenue and expense	<u>6,541</u>
Balance at 30 June 2018	<u>5</u> <u>893,865</u>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Cash flows from operating activities		
Operating Revenue	345,324	305,413
Interest received	12,936	14,846
Payments to suppliers	<u>(351,728)</u>	<u>(337,004)</u>
Net cash inflow/(outflow) from operating activities	9 6,532	(16,745)
Cash flows from investing activities		
Purchase of Investments	<u>93,132</u>	<u>35,270</u>
Net cash inflow/ (outflow) from investing activities	<u>93,132</u>	<u>35,270</u>
Cash flows from financing activities		
Net cash inflow/ (outflow) from financing activities	<u>-</u>	<u>-</u>
Net inflow/ (outflow) of cash	99,664	18,525
Cash and cash equivalents at the beginning of the period	122,654	104,129
Represented by:		
Cash and cash equivalents at the end of the period	3 <u><u>222,318</u></u>	<u><u>122,654</u></u>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of financial position

AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	3	222,318	122,655
Accrued revenue		50	40
Short term deposits invested with CCC		671,497	764,629
Total current assets		<u>893,865</u>	<u>887,324</u>
Net assets			
		<u>893,865</u>	<u>887,324</u>
Equity			
Accumulated comprehensive revenue and expense	5	<u>893,865</u>	<u>887,324</u>
Total equity		<u>893,865</u>	<u>887,324</u>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Vicki Buck

Vicki Buck
Chairperson
Mayor's Welfare Fund Committee
(on behalf of Christchurch City Council)

20 December 2018

Date

Arohanui Grace

Arohanui Grace
Community Governance Manager
Mayor's Welfare Fund

18 December 2018

Date

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2018

1. REVENUE

	2018	2017
	\$	\$
Interest	12,946	14,841
Grants and donations	345,323	308,863
Total revenue	<u>358,269</u>	<u>323,704</u>

Interest of \$12,946 (2017: \$14,730) was received from the Council.

Grants of \$150,000 (2017: \$150,000) were received from the Council.

Donations of \$61,300 (2017: \$71,701) were received from Christchurch City Holdings Ltd ("CCHL").

Donations of \$96,958 (2017: Nil) were received from Christchurch New Zealand Ltd.

Donations of \$25,537 were received from Glenn Livingstone as a Councillor (2017: \$27,920 received from Ali Jones and Jimmy Chen Councillors).

The trust was set up to provide relief. All revenue received apart from bank interest was to pay grants.

MAYOR'S WELFARE FUND CHARITABLE TRUST

2. EXPENSES

	2018	2017
	\$	\$
Operational Costs		
Bank Fee	66	95
Interest Expense	-	11
Other Expenses	15	51
	<u>81</u>	<u>157</u>
Donations		
Electricity	129,006	109,483
Rent and Rates	146,385	167,774
Furniture	269	1,186
Telephone	915	3,922
Child Care Subsidy & Child enrichment	12,564	10,505
Medical	31,213	25,462
Firewood	14,865	21,660
Clothing	539	400
Funerals	3,282	1,899
Sundry	12,609	7,122
Total Donation Expense	<u>351,647</u>	<u>349,413</u>
Less Refunded Grant Payments	-	(9,116)
Total Expenses	<u><u>351,728</u></u>	<u><u>340,454</u></u>

3. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
BNZ Account	137,632	-
ANZ Cheque Account	84,036	122,007
ANZ On Call Account	650	647
	<u>222,318</u>	<u>122,654</u>

4. FINANCIAL INSTRUMENTS

Financial instruments include bank deposits (see Note 3), and short-term deposits. The investment carries an average interest rate of 1.75% (2017: 1.85%).

Risk

The Trust has policies to manage the risks associated with financial instruments. The Trust is risk averse and seeks to minimize exposure from its treasury activities.

Interest rate risk

The Trust is exposed to interest rate risk on funds invested at both fixed and floating interest rates. The risk is managed by restricting investments to investment grade quality, pursuant to the Council's investment policy.

Credit risk

Credit risk refers to the risk that a third party will default on its contractual obligations to the Trust, causing the Trust to incur loss. Financial instruments which potentially subject the Trust to credit risk consist principally of cash and short-term investments, and accounts receivable.

5. MOVEMENT IN RESERVE FUNDS

	MWF	Other Fund	Total Reserves
	\$	\$	\$
Closing balance 01 July 2016	887,070	17,004	904,074
Receipts/Donations	323,704	-	323,704
Trust Expenses & Distributions	(340,454)	-	(340,454)
Transfer	16,989	(16,989)	-
Closing balance 30 June 2017	887,309	15	887,324
Receipts/Donations	358,269	-	358,269
Trust Expenses & Distributions	(351,713)	(15)	(351,728)
Closing balance 30 June 2018	893,865	-	893,865

6. RELATED PARTIES

The Council is the ultimate controlling party of the Trust, and provides administrative services to the Trust at no cost to the Trust.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Grants of \$150,000 (2017: \$150,000) were received from the Council.

Donations of \$61,300 (2017: \$71,701) were received from Christchurch City Holdings Ltd ("CCHL").

Donations of \$96,958 (2017: Nil) were received from Christchurch New Zealand Ltd.

Donations of \$25,537 were received from Glenn Livingstone as a Councillor (2017: \$27,920 received from Ali Jones and Jimmy Chen Councillors).

The Council pays the annual audit fee on behalf of the Trust.

7. COMMITMENTS

There are no commitments outstanding at balance date (2017: nil).

8. CONTINGENCIES

There are no contingent liabilities or assets (2017: nil).

9. NOTES TO THE CASH FLOW STATEMENT

	2018	2017
	\$	\$
Reconciliation of surplus for the period to net cash flows from operating activities		
Net surplus/deficit for the period	6,541	(16,750)
Changes in net assets and liabilities		
(Increase) / decrease in receivables	(9)	5
Increase / (decrease) in payables	-	-
Net changes in net assets and liabilities	<u>(9)</u>	<u>5</u>
Net cash from operating activities	<u>6,532</u>	<u>(16,745)</u>

10. MAYOR'S WELFARE EARTHQUAKE RELIEF FUND

On 23 June 2016 the Council resolved to close the Mayor's Welfare Earthquake Relief Fund. During the 2018 Financial Year the fund has been closed down. This had no impact on the other activities of the Trust.

11. SUBSEQUENT EVENTS

There were no material events subsequent to year end.

Statement of Accounting Policies

REPORTING ENTITY

These are the financial statements of the Mayor's Welfare Fund Charitable Trust (the Trust), a Charitable Trust created by the Christchurch City Council (the Council) in 2011. A separate fund called the Mayor's Welfare Earthquake Relief Fund was established after the 2010 earthquake. This fund has been closed during the financial year.

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The financial statements of the Trust are for the year ended 30 June 2018. The financial statements were approved for issue by the Board of Trustees on 18 December.

BASIS OF FINANCIAL STATEMENT PREPARATION

The financial statements for the year ended 30 June 2018 have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with the Tier 2 PBE standards for periods beginning on or after 1 July 2014.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- the Trust is not publicly accountable; and
- the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

Where disclosure concessions have been applied by the Trust, these are discussed in the accounting policies affected.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements presented are in New Zealand dollars. The functional currency of the Trust is New Zealand dollars (NZ\$). All figures are rounded to the nearest dollar.

REVENUE

Grants/contributions/donations

Grants/Contributions/Donations received from the Council and other appointer organizations are the primary source of funding to the Trust and are restricted for the purpose of the Trust meeting its objectives as specified in the Trust Deed. These receipts are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the payment are not met. If there is such an obligation, the receipts are initially recorded as income received in advance, and recognised as revenue when conditions are satisfied.

Other revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

EXPENDITURE

Expenses are recognized as they are incurred.

INVESTMENTS

Investments are initially measured at fair value plus transaction costs.

After initial recognition, investments are classified as loans and receivables, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

At each balance date the Trust assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in

the statement of comprehensive revenue and expense.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and other short-term highly liquid investments with maturities of three months or less.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less impairment provision.

CREDITORS AND OTHER PAYABLES

Short - term creditors and other short term payables are recorded at their face value.

GOODS AND SERVICES TAX

The Trust is not registered for GST. The financial statements are prepared inclusive of GST.

Where GST is not recoverable as an input tax it is Recognized as part of the related asset and expense.

INCOME TAX

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements the Trust has made estimates and assumptions 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.

INDEPENDENT AUDITOR'S REPORT

