INVERCARGILL CITY CHARITABLE TRUST

STATEMENT OF INTENT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021

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INTRODUCTION

This Statement of Intent for 2020/21 is submitted by the Trustees of the Trust. It sets out the Trust's overall intentions and objectives for the year ending 30 June 2021 and the two succeeding financial years.

OBJECTIVES

The objectives of the Trust is to fund both capital and income for the furtherance of the following charitable purposes and objectives within the Invercargill City Council and Invercargill District:

- The provision of public amenities for the general benefit of the people of the Invercargill City and District.
- The provision of libraries, reading rooms, lectures and classes for instruction.
- The provision of and development of athletic sports, wholesome recreations and amenities, rewards for acts of courage and self-sacrifice.
- The provision of any other act or deed which would be deemed to be of charitable purpose in accordance with the provisions of section 38 of the Charitable Trusts Act 1957.

KEY PRIORITIES

- Future of Rugby Park Stadium.
    - Invercargill City Charitable Trust acquired Rugby Park Stadium in July 2016. A grant of $400k was provided by ICC in relation to the purchase of Rugby Park Stadium. At the time of acquisition, Rugby Park Stadium was valued at $16.7m.
    - Current valuation of Rugby Park Stadium is $17.5m (as at 30 June 2019).
    - Rugby Park Stadium incurs depreciation costs of approximately $440k each year.
    - ICCT have received a grant of $100k from ICC for the past three years.
    - ICCT need to determine clear responsibility for the maintenance of Rugby Park Stadium and what its long-term strategic contribution to the city should be.
        - ICCT need the Council to determine the future direction of Rugby Park Stadium.

- Future of the Southland Buskers Festival.
    - Seek feedback from Great South with regard the future of the Southland Buskers Festival.

NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Invercargill City Charitable Trusts' activities are to facilitate funding for charitable activities and amenities within the Invercargill City and District for the benefit of its residents.

PERFORMANCE TARGETS

FINANCIAL

Listed below are the Trust's forecasted returns.

$000s	2021	2022	2023
Revenue – Buskers Festival	65	70	70
Expenditure – Buskers Festival	65	70	70
Buskers Festival Surplus / (Deficit)	0	0	0
Revenue – Rugby Park	100	100	100
Expenditure – Rugby Park	100	100	100
Depreciation	440	440	440
Rugby Park Surplus / (Deficit)	(440)	(440)	(440)
Revenue – Other	25	30	30
Expenditure – Other	25	30	30
Other Surplus / (Deficit)	0	0	0
ICCT Surplus / (Deficit)	**(440)**	**(440)**	**(440)**

ICCT currently have three distinct areas of revenue and expenditure, these are the Southland Buskers Festival, Rugby Park Stadium and other revenue, being recoveries audit fees and interest.

The above forecast has been separated into the three separate areas to show revenue and expenditure associated with each activity.

SERVICE PERFORMANCE

Outputs	Strategies to achieve Outputs	Target
Determining the future of Rugby Park Stadium	• Consult with Council with regard the future direction of Rugby Park Stadium	Clear strategy with regard future of Rugby Park Stadium
Continue to promote, support and fund the annual Southland Buskers Festival	• Provide funding, and/or apply for funding to cover the expense relating to putting on the Southland Buskers Festival	Provide enough funding to cover all costs related to the Southland Buskers Festival
	• To market and advertise the Southland Buskers Festival	Increase in attendance numbers to the Southland Buskers Festival

INFORMATION TO BE REPORTED

The following information will be available to the Council based on an annual balance date of 30 June:

DRAFT STATEMENT OF INTENT

On or before 1 March each year the Trustee's will deliver to the Council a draft Statement of Intent that fulfils the requirements of Section 64 of the Local Government Act 2002.

COMPLETED STATEMENT OF INTENT

On or before 30 June each year the Trustee's shall deliver to the Council a completed Statement of Intent which fulfils the requirements of Section 64 of the Local Government Act 2002.

HALF YEARLY REPORT

Within two months after the end of the first half of each financial year the Trustee's shall deliver to the Council an unaudited report containing the following information as a minimum in respect of the half-year under review:

a) A revenue statement disclosing actual revenue and expenditure with comparative figures from the previous half yearly report.
b) A statement of financial position at the end of the half year.
c) A statement of cash flows.
d) A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on Invercargill City Charitable Trust performance including an estimate of the financial result for the year based on that outlook.

ANNUAL REPORT

Within three months of the end of each financial year the Trustee's shall deliver to the Council an annual report and audited financial statements in respect of that financial year containing the following information as a minimum:

a) A Trustee's report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives.
b) A revenue statement disclosing actual revenue and expenditure and comparative figures.
c) A statement of financial position at the end of the year.
d) A statement of cash flows.
e) An auditor's report on the above statements and on the measurement of performance in relation to objectives.

GOVERNANCE

The Trustees of Invercargill City Charitable Trust are appointed by the Invercargill City Council to oversee the governance of the Trust and will act in accordance with the guidelines set by the Council.

The Trustee's acknowledge their fiduciary responsibilities however the day to day management of the Trust is delegated to the management team.

The Trustees hold regular meetings at which management reports are received and discussed.

The Trust insures all its Trustee's and Executive Officers against liabilities to other parties that may arise from their positions.

STATEMENT OF ACCOUNTING POLICIES

GENERAL INFORMATION

The Invercargill City Charitable Trust Board ("the Trust") was first incorporated under the Charitable Trusts Act 1957 on 16 October, 1984, and is domiciled in New Zealand. The Invercargill City Charitable Trust Board was registered with Charities Services on 30 June, 2008, registration number CC32606.

BASIS OF PREPARATION

The Trustees have elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined), and has total annual expenses of less than $2 million.

The financial statements are presented in New Zealand Dollars (NZD), and all transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The Board of Trustees do not have the power to amend the financial statements once issued.

SPECIFIC ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

SUBSIDIES AND GRANTS REVENUE

Subsidies and grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the subsidy or grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

EXPENDITURE

All expenditure is recognised in the Statement of Financial Performance in the period in which it is incurred.

GRANTS PAID

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Trustees have no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Trustee's decision.

BANK ACCOUNTS AND CASH

Bank accounts and cash include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.
Bank overdrafts are shown as borrowings under current liabilities in the Statement of Financial Position.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at fair value, less accumulated depreciation and impairment losses.

Additions
The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves, in respect of those assets (disposed of), are transferred to accumulated funds.

Subsequent Costs
Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or services potential associated with the item will flow to the Trust and the cost of the item can be reliably measured.

Revaluation
Property, plant and equipment are revalued with sufficient regularity (at least every three years) to ensure that the carrying amount does not differ materially from the fair value.

Revaluation movements are accounted for on an asset class basis.

The net revaluation results are credited or debited to other comprehensive revenue, and are accumulated to an asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue, but is instead recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value is recognised in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue.

Depreciation
Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year.