

**Manawatu  
Wanganui Regional  
Disaster Relief Fund  
Trust**

**Financial Statements  
for the year ended  
30 June 2018**

**Manawatu-Wanganui Regional Disaster Relief Fund Trust**  
**Annual Report for the year ending 30 June 2018**

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It is with pleasure that I present the Annual Report for the Manawatu-Wanganui Regional Disaster Relief Fund Trust for the year ending 30 June 2018.

I am happy to report that the Trust has not had to react to a disaster event during this year, and consequently has not held a meeting.

Last year the Regional Chiefs agreed that the management of the Trust was to be transferred to Horizons Regional Council; this arrangement has now been in place for a year, and all accounting, including the preparation of the Annual Report is now completed by the team of Horizons Regional Council.

As of 30 June 2018, the Trust has a reserve of \$77,518, which includes interest earned during 2017-18 of \$2,158.



Bruce Gordon  
Chair

Dated: 4 September 2018

## **MANAWATU-WANGANUI REGIONAL DISASTER RELIEF FUND TRUST**

### **Statement of entity information for the year ended 30 June 2018**

**1. Reporting entity**

Manawatu-Wanganui Regional Disaster Relief Fund Trust (the Trust).

**2. Type of entity & legal basis**

The Trust is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by councils in the Manawatu-Wanganui region but is exempted under s.7(3) of the Local Government Act 2002 from being a Council Controlled Organisation. This exemption was renewed by way of resolution by all councils in the Manawatu-Wanganui region and is effective for a further 3 years from 25 August 2015. The Trust is a registered Charity (No CC23417) under the Charities Act 2005.

**3. The Trust's purpose or mission**

The primary objective of the Trust is to provide financial and other relief or assistance to meet the welfare and other needs of people who have suffered any damage or loss following a significant natural or man-made disaster in the Manawatu-Wanganui Region or elsewhere in New Zealand, and to seek public donations and to raise funds.

**4. Structure of the Trust's operations including governance arrangements**

A Board of eight trustees (representing each of the Councils in the region) oversees the governance of the Trust. The Trust has appointed the Chief Executive and staff of the Horizons Regional Council to undertake the roles of secretary and treasurer.

**5. Main sources of the Trust's cash and resources**

Public donations and grants from the Crown and local Councils is the main source of funding for the Trust.

**6. Statement of Service Performance**

The Trust is being maintained to provide finance and other relief assistance following a significant natural or man-made disaster. There have been no such events in 2018 and no further claims relating to the 2015 June flood event.



**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Actual 2018 \$	Actual 2017 \$
<b>Revenue</b>			
Interest		2,158	2,110
Council funding		0	0
Crown funding		0	0
Other grants and donations	3	2,034	5,969
Total revenue		4,192	8,079
<b>Expenses</b>			
Grants		0	0
Administration and miscellaneous		50	101
Audit fees		2,061	2,034
Total expenses		2,111	2,135
<b>Surplus (Deficit)</b>		2,081	5,944

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Actual 2018 \$	Actual 2017 \$
<b>Balance at 1 July</b>	73,437	67,493
Surplus (deficit) for the year	2,081	5,944
Total recognised revenue for the year ended 30 June	2,081	5,944
<b>Balance at 30 June</b>	<b>75,518</b>	<b>73,437</b>

*These statements should be read in conjunction with the Statement of Accounting Policies & accompanying notes*

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

		<b>Actual 2018</b>	<b>Actual 2017</b>
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash		11,317	11,189
Investments	2	66,095	64,118
Interest accrual		217	213
<b>Total Assets</b>		<b>77,629</b>	<b>75,520</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		2,111	2,083
<b>Total Liabilities</b>		<b>2,111</b>	<b>2,083</b>
<b>Total Assets less Total Liabilities</b>		<b>75,518</b>	<b>73,437</b>
<b>Trust Equity</b>			
Contributed Capital and accumulated surpluses		75,518	73,437
<b>Total Trust Equity</b>		<b>75,518</b>	<b>73,437</b>

Bruce Gordon  
Chairperson



*These statements should be read in conjunction with the Statement of Accounting Policies & accompanying notes*



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Actual 2018	Actual 2017
<b>Cash flows from operating activities</b>	<u>\$</u>	<u>\$</u>
Council funding received	0	0
Crown funding received	0	0
Other grants/donations received	0	92
Interest received	2,154	2,121
Grants paid	0	0
General operating expenses	(50)	(101)
Net cash flow from operating activities	<u>2,104</u>	<u>2,112</u>
<b>Cash flows from investing activities</b>		
Maturity of term investments	176,794	171,506
Purchase of term investments	(178,770)	(173,413)
Net cash flow from investing activities	<u>(1,976)</u>	<u>(1,907)</u>
Net increase/(decrease) in cash for the year	<u>128</u>	<u>205</u>
Bank accounts and cash at beginning of the year	11,189	10,984
<b>Bank accounts and cash at end of the year</b>	<u><b>11,317</b></u>	<u><b>11,189</b></u>

*These statements should be read in conjunction with the Statement of Accounting Policies & accompanying notes*

# MANAWATU-WANGANUI REGIONAL DISASTER RELIEF FUND TRUST

## Statement of accounting policies for the year ended 30 June 2018

### 1. 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 expenses of less than \$2 million.

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.

### 2. Goods and Services Tax

The Trust is not registered for GST. No GST was payable on revenue and no GST was claimable for expenses.

### 3. Significant Accounting Policies

#### 3.1. Revenue

*Grants* – Council, government and other non-government 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 grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

*Interest* – interest revenue is recorded as it is earned during the year.

#### 3.2. Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts and deposits held at call with banks.

#### 3.3. Debtors

Debtors are initially recorded at the amount owing. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

#### 3.4. Investments

Investments comprise investments in term deposits with banks.

#### 3.5. Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

#### **4. Changes in Accounting Policies**

There have been no changes in the trust's accounting policies since the date of the last audited financial statements.

## **MANAWATU-WANGANUI REGIONAL DISASTER RELIEF FUND TRUST**

### **Notes to the Financial Statements**

#### **1 Related party transactions**

The Trust received a payment of \$2,034 from related parties toward the audit (see note 3) (\$5,969: 2017).

There were no distributions made to related parties in 2018. (Nil: 2017).

#### **2 Funds held for specific purposes**

The investments balance of \$66,095 includes \$5,000 which can only be used for a specified purpose as outlined when received by the Trust. (\$64,118; \$5,000: 2017)

#### **3 Grants received**

During the year the Trust received grants totaling \$2,034 from the Councils in the region to pay the annual audit fee for the year ended 30 June 2017. (\$5,877: 2017). As the payments were made directly and not through the Trust, the sum is not included in the cashflow statement.

#### **4 Events after balance date**

There have been no events after balance date.

#### **5 Contingent Liabilities**

The Trust has no contingent liabilities at balance date.



## Independent Auditor's Report

### To the readers of the Manawatu-Wanganui Regional Disaster Relief Fund Trust's financial statements for the year ended 30 June 2018

The Auditor-General is the auditor of the Manawatu-Wanganui Regional Disaster Relief Fund Trust (the Trust). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on his behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 3 to 7, that comprise the statement of financial position as at 30 June 2018, statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion:

- the financial statements of the Trust on pages 3 to 7:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting- Accrual (Public Sector) Standard.

Our audit was completed on 4 September 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the trust and our responsibilities relating to the financial statements we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our



responsibilities under those standards are further described in the responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Trustees for the financial statements**

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare 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. The Trust are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to wind-up the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustee's responsibilities arise from clause 13.2 of the Trust Deed of the Trust.

### **Responsibilities of the auditor 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We 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.

- We 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 Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees 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.
- We 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 Trustees 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.

Our responsibilities arise from the Public Audit Act 2001.

## **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included on pages 1 to 2, but does not include the financial statements, and our auditor's report thereon.

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. In doing so, we 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 our work, 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.



## **Independence**

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive, flowing style.

Andrew Clark  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

