

# **Te Ahu Charitable Trust Annual Report**

**1 July 2010 – 30 June 2011**

**The Te Ahu Charitable Trust's VISION is to :**

"Create a landmark meeting place for our people and visitors that nurtures and shares the stories and culture of our community"

**The objectives of the Te Ahu Charitable Trust are to :**

- Deliver a sustainable community facility that will achieve the vision
- Produce a landmark building that extends a 'welcome' and reflects our 'sense of place and belonging'
- Place emphasis on reflecting our culture and the seven peoples of the Far North
- Provide facilities that will deliver appropriate and coordinated accommodation for stakeholders
- Minimise / prevent duplication of services and facilities
- Ensure the project avoids unnecessary expenditure and achieves best value

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## Message from the Chair



This report covers a year of impressive achievements by Te Ahu Charitable Trust.

The 2010-2011 financial year got off to a promising start when the trust entered a partnership and lease agreement with Te Rarawa Runanga – a move one newspaper hailed as a race relations milestone. Securing a lease over Runanga land next to the Far North Community Centre allowed contractors to finally begin preparing the site for construction of the Te Ahu centre. Since then, contractors have made amazing progress. Steel framing and concrete wall panels started going up in March and the roof of the centre's dramatic atrium was lowered into place in July. The Te Ahu Charitable Trust expects to complete the multi-functional centre before the end of 2011.

Other big achievements during the year were the completion of extensive refurbishments of the Far North Community Centre and Little Theatre at a cost of nearly \$2 million. The 36-year-old centre is virtually a new building now, boasting a new roof, ceiling and wall linings, a refitted kitchen and toilets and new lighting and electrical wiring. A spacious deck has also been added to the centre's buffet room, making it an excellent venue for wedding receptions and socials. A major upgrade of The Little Theatre at a cost of about \$500,000 included a new roof and ceiling, new electrical wiring, fire and security system and new carpets and seats. A new projection booth equipped with a \$114,000 state-of-the art digital projection system allows the 110-seat cinema to screen the latest movies as soon as they are released. The new Little Theatre is a wonderful asset for Kaitaia which hasn't had a cinema since the Princess Theatre burned down in 1990.

The Te Ahu Charitable Trust was pleased to secure a \$500,000 Pub Charities grant for archival facilities and a \$90,000 Oxford Trust grant for interactive, multi-media spaces that tell the many stories of the Far North. However, a \$1 million shortfall in expected development contributions forced it to rethink its project finances. It now plans to raise this money - which is needed to meet fit-out costs - from a community fundraising campaign.

The Trust welcomed new trustees to the Te Ahu governance team during the year. Well-known Kaitaia businessman Monty Knight and Ngati Kahu hapu development manager Charlie Larkins replaced Ian Bamber and Dixon Motu on the seven-member Trust in March. Monty's energy and people skills are already making him an asset to the Trust and he will lead the community fundraising campaign.

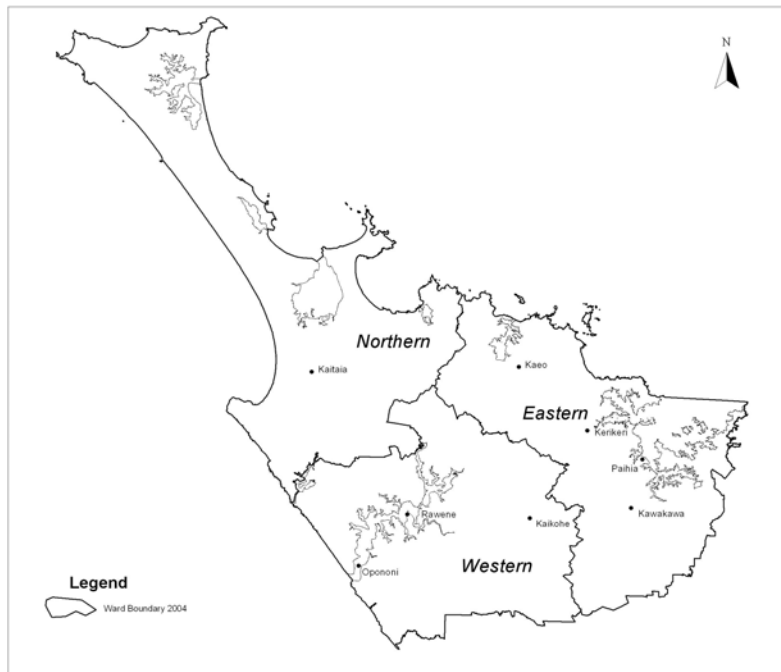
It has been four years since the Far North District Council formed a trust to oversee the building of a multi-functional community hall, theatre/cinema, library, museum, iSITE and council service centre in Kaitaia. This hasn't been an easy journey, but we are now making forward progress after searching for a way forward, I look forward to this magnificent project opening in the new year

A handwritten signature in black ink, which appears to read 'Wayne Brown'.

Wayne Brown  
CHAIR

## Location

The Te Ahu Charitable Trust is located in Kaitia, in the Northern ward of the Far North District Council.



## Te Ahu Charitable Trust– Contact Details

Te Ahu Charitable Trust  
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Kaitia 0441

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E Mail: [info@teahu.org.nz](mailto:info@teahu.org.nz)  
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# Representation

As at 30 June 2011

## CHAIR

### WAYNE BROWN – Council Trustee



PHONE 09 401 5211  
EMAIL [info@teahu.org.nz](mailto:info@teahu.org.nz)

Wayne Brown, our Mayor is an engineer and a Fellow of both IPENZ and Institute of Directors.

Wayne's relevant project experience includes converting the Christchurch Railway Station into an eight screen Hoyts cinema complex with a Science Alive Museum attached.

Wayne's engineering business started in Kerikeri and grew across Northland and Auckland

### KEVIN ROBINSON Te Runanga o Te Rarawa (CEO)

PHONE 09 408 1971  
EMAIL [info@teahu.org.nz](mailto:info@teahu.org.nz)

Kevin Robinson is the Chief Executive Officer for Te Runanga o Te Rarawa.

Kevin has been involved in Maori development, at a hapu, iwi, regional and national echelon. This experience has enabled him to work at the marae level through to working with heads of departments and companies. As a result he has gained a greater understanding of the needs and dilemma's Maori face within both urban and rural communities.

### PHIL CROSS Far North Regional Museum

PHONE 09 408 0927  
EMAIL [info@teahu.org.nz](mailto:info@teahu.org.nz)

Philip Richard Cross (Phil Cross) was born in May 1941, educated at St Peters College, Mt Eden, Auckland.

Phil originally transferred to Kaitaia in January 1971 to manage the Kaitaia Branch of the ASB Bank Ltd. Over the course of his past banking career he has had the opportunity to manage a number of the Bank's branches in the Northland region.

Phil retired from banking after 40 years of continuous service then started his successful tour business "Far North Outback Adventures".

Currently Phil's community obligations are Chairman of the Far North Regional Museum Trust Board.

## **MARY – JANE ARDLEY Council Trustee**

PHONE 09 408 2010  
EMAIL [info@teahu.org.nz](mailto:info@teahu.org.nz)

Mary-Jane originates from California, USA and has lived in the Far North for the last 32 years, she has two children who were born and raised in Kaitaia, while they were young she worked as a Teacher Aide at Paparore School.

Mary Jane has strong ties to her local community as both her and her partner have owned and operated the Beachcomber Restaurant in Kaitaia for nearly 32 years, she is also an active member of two environmental groups:

- The Bushlands Trust which is dedicated to the replanting and preservation of the Sweetwater Lakes;
- Waipapakauri Coastal Care which is attempting to replant and stabilise the sand dunes around the Waipapakauri ramp.

Currently Mary Jane is the Chairperson for Vision Far North and is actively involved with Friends of Kaitaia Airport.

Mary Jane believes that the Te Ahu development is a very exciting time for the Far North, as it will attract more visitors as well as being a reflection of the people who live within the community and believes the Te Ahu development will unite the Far North as a Community and give it the confidence to succeed in the future.

## **MIKE MITCALFE Council Trustee**

PHONE  
E MAIL [info@teahu.org.nz](mailto:info@teahu.org.nz)

Mike and his wife Pam have lived in the Far North for most of their lives, raising 3 children and being heavily involved in the community over the years on a variety of levels.

Their business, Stonecraft Construction, employs 20 local people, resourcing them to serve the community in their main interest areas.

Youth work, music, sports, community projects, the Arts, surfing and business have given Mike a broad range of experience and skill to bring to the Te Ahu trust.

## **MONTY KNIGHT Council Trustee – Appointed March 2011**

PHONE  
E MAIL [info@teahu.org.nz](mailto:info@teahu.org.nz)

Kaitaia Businessman and Far North District Councillor, Monty Knight was born and educated in Kaitaia. His business interests include retail shops and a vineyard and winery.

He was inducted into the Northland Chamber of Commerce Business Hall of fame in 2010. Monty is a passionate supporter of the Far North and Northland, and rates the Te Ahu project as having iconic status.

## **CHARLIE LARKINS Council Trustee – Appointed March 2011**

PHONE

E MAIL

[info@teahu.org.nz](mailto:info@teahu.org.nz)

My name is Charlie Larkins, I whakapapa to nga Iwi o, Ngati Kahu, Te Rarawa, Ngai Takoto and Ngati Kahu Ki Whaingaroa, my Hapu is Ngai Tohianga and my Marae is Oturu. I am Vice chairman of our Marae and the Marae delegate to Te Runanga-a- Iwi O Ngati Kahu and also Treasurer for the same. I am married to Carolyn (Buffy) Liddicoat, and we have 2 Children, Juanita and Bob and 6 grandchildren. I have lived in Kaitaia all my life. I worked with and took over the family upholstery business when my father retired. I have worked for our marae and done voluntary work for 2yrs for Te Runanga- a- Iwi O Ngati Kahu, then was employed by them to do Iwi registration and manager of Iwi and Hapu development for approx 5yrs. I am still involved in Iwi work and enjoy working with the other Te Ahu trustees in building an asset for Kaitaia. I am also working with the Far North Regional Museum. I work with these groups to enhance Iwi Maori relationships with other Iwi (Pakeha/Dalmatian and others). I have the support of my Iwi, Hapu and marae, and last but very importantly my wife and my whanau.

## **IAN BAMBER Council Trustee – term ended March 2011**

PHONE

EMAIL

[info@teahu.org.nz](mailto:info@teahu.org.nz)

Ian has been in the Far North virtually all his life moving here at just a few years old.

Working in the Public Service between 1975 and 2004, Ian is now a farmer with forestry interests.

Ian has a certificate in company directing from the NZ Institute of Directors.

From 2000 to 2004 Ian was the National President of the Public Service Association and oversaw the introduction of a new constitution and organizational strategy and increased membership by 10,000 members (27%)

## **DIXON MOTU Council Trustee – term ended March 2011**

PHONE

E MAIL

[info@teahu.org.nz](mailto:info@teahu.org.nz)

Dixon is a true local, he was born at Kaitaia Hospital and raised in Pukepoto where he still resides with his family. Both Dixon and his wife are the proud parents of 7 children and 34 grandchildren.

Dixon, is a Kaumatua of Te Rarawa Marae and feels a strong connection with his local community, during 1996 – 2000 he provided Whanau and Youth Counselling Services for Child Youth and Families.

Currently Dixon is an active member of the Ministers

Fraternal in Kaitaia he has also been a member of the Ratana Church (Kai Ako) his entire life and is an active teacher within the church.

# Independent Auditor's Report

**To the readers of  
Te Ahu Charitable Trust's  
financial statements and statement of service performance  
for the year ended 30 June 2011**

The Auditor-General is the auditor of the Te Ahu Charitable Trust (the Trust). The Auditor-General has appointed me, John Scott, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 13 to 23, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, and statement of movements in equity for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Trust on pages 24 and 25.

## Opinion

In our opinion:

- the financial statements of the Trust on pages 13 to 23:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Trust's:
    - financial position as at 30 June 2011; and
    - financial performance for the year ended on that date; and
- the statement of service performance of the Trust on pages 24 and 25:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Trust's service performance achievements measured against the performance targets adopted for the year ended 30 June 2011.

Our audit was completed on 29 September 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

## Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control

relevant to the Trust's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Trustees**

The Trustees are responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position and financial performance; and
- fairly reflect its service performance achievements.

The Trustees are also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Trustees' responsibilities arise from the Local Government Act 2002 and Trust Deed.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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



John Scott  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

# Statement of Compliance

## Compliance

The Board of Trustees of the Te Ahu Charitable Trust are responsible for preparing this report and financial statements and confirm that all statutory requirements of the Local Government Act 2002 have been complied with.

In our view this Annual Report fairly reflects the financial position, performance and operating results of the Trust for the year ended 30 June 2011.

## Responsibility

The Board of Trustees of the Te Ahu Charitable Trust accept responsibility for the preparation of the annual financial statements and the statement of service performance and the judgements used in them.

The Board of Trustees of the Te Ahu Charitable Trust accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Board of Trustees of the Te Ahu Charitable Trust, the annual financial statements for the year ended 30 June 2011 fairly reflect the financial position, performance and operations of the Te Ahu Charitable Trust.



MAYOR – FAR NORTH DISTRICT COUNCIL AND CHAIR – TE AHU CHARITABLE TRUST

# Statement of Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2011

## Reporting Entity

The Te Ahu Charitable Trust (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 a Council Controlled Organisation and a subsidiary of Far North District Council under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

Te Ahu Charitable Trust's primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return.

Te Ahu Charitable Trust has designated itself a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements are for the year to 30 June 2011 and were authorised by Te Ahu Charitable Trust subject to audit amendment. The financial statements were authorised for issue on 29 September 2011.

## Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and part 3 of Schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The Trust qualifies for Differential Reporting under the size criteria. All available reporting exemptions have been taken.

In preparation of these financial statements, Te Ahu Charitable Trust has adopted the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to the financial statements.

The financial statements are presented in New Zealand Dollars (NZD) and are rounded to the nearest dollar (\$'s).

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

### **Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted**

**NZ IAS 24 *Related Party Disclosures (Revised 2009)*** replaces NZ IAS 24 *Related Party Disclosures (Issued 2004)*. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Trust has elected not to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

### **Financial reporting requirements for public benefit entities frozen.**

In May 2011 the ASRB and FRFB agreed on a "position statement" that all NZIFRSs with a mandatory effective date for annual periods beginning or after 1 January 2012 will be applicable to profit-orientated entities only.

The result is that the financial reporting requirements for public benefit entities are effectively frozen from 2012 year ends onwards. This exemption from new pronouncements is provided in light of pending changes to the Statutory Financial Reporting Framework in New Zealand.

## Specific Accounting Policies

### (a) Criteria for Direct and Indirect Costs

“Direct Costs” are those costs directly attributable to a significant activity.

“Indirect Costs” are those costs that cannot be identified in an economically feasible manner, with a specific significant activity.

### (b) Equity

Equity is the community’s interest in the Trust , and is measured as the difference between total assets and liabilities.

### (c) Trade and other receivables:

Trade and other receivables are stated at expected realisable value, less any provision for impairment.

### (d) Revenue:

#### *Sale of Goods*

Revenue from the sale of goods is recognised in the Statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the buyer.

#### *Government Grants*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and Te Ahu Charitable Trust will comply with all attached conditions.

#### *Other grants and bequests*

Other grants and bequests are recognised as revenue when control over the assets is obtained or when all conditions have been met. If the conditions of a grant received have not been met the grant is held as revenue received in advance and recognised as revenue when the conditions are met. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue when control over the asset is obtained.

#### *Third party/agency income*

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

#### *Interest*

Interest income is recognised using the effective interest method.

### (e) Trade and other payables:

A liability is recognised when the service has been provided or the goods received or when it has been established that the rewards of ownership have been transferred from the seller/provider to the Trust and when it is certain that an obligation to pay arises.

### (f) Cash and Cash Equivalents

Cash and cash equivalents includes cash in 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 within borrowings in current liabilities in the Statement of Financial Position.

### (g) Financial Assets

Te Ahu Charitable Trust classifies its investments in the following categories:

- i) Financial assets or financial liabilities at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if held for the purpose of selling in the short term or if so designated by management. Te Ahu Charitable Trust does not have any financial assets that meet this definition.

## ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognized are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

## iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Te Ahu Charitable Trust does not have any financial assets that meet this definition.

## iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Te Ahu Charitable Trust does not have any financial assets that meet this definition.

## **(h) Goods and Services Tax (GST)**

All items in the financial statements are exclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part or receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST

## **(i) Financial Instruments**

The Trust undertakes financial instrument arrangement as part of its normal operations. These financial instruments include cash and bank balances, receivables and payables. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit.

Te Ahu Charitable Trust does not enter into forward contracts or interest rate swaps.

## **(j) Critical accounting estimates and assumptions**

In preparing these financial statements, Te Ahu Charitable Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **(k) Property, Plant and Equipment**

Property, Plant & Equipment consists of operational Assets

These include land, buildings, improvements, plant and equipment, and motor vehicles.

## **(l) Revaluations**

The Te Ahu Trust accounts for revaluations of property, plant and equipment on a class of asset basis.

All assets are either valued at historical cost or at fair value, based on periodic valuations by independent valuers, less subsequent depreciation.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

#### ADDITIONS:

Additions between valuations are recorded at cost

#### DEPRECIATION

Depreciation is provided for on a straight-line basis on all Property, Plant & 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. Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual.

Improvements to leased assets are depreciated over the shorter of the unexpired period of the leases and the estimated useful lives of the improvements. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Land is not depreciated.

#### DISPOSALS

Gains and losses are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

#### SUBSEQUENT COSTS

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

#### ASSETS UNDER CONSTRUCTION:

Assets under construction are held as Work in Progress and not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

#### IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reviewed for indicators of impairment as at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognized in the surplus or deficit.

# Te Ahu Charitable Trust Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Actual 2011 \$'s	Actual 2010 \$'s
<b>OPERATIONS</b>			
<b>Income</b>			
Donations	2	1,605,116	116
Council Contribution		4,240,251	541,416
Interest Income		27,576	0
Other Income	1	79,778	0
<b>Total Operating Income</b>		<b>5,952,720</b>	<b>541,532</b>
<b>Expenditure</b>			
Architecture & Concept Design		3,580	0
Strategic Funding Advice		0	77,212
Construction		40,146	5,303
Administrative Support Costs		48,013	15,842
<b>Total Operations Expenditure</b>	3	<b>91,739</b>	<b>98,357</b>
<b>NET OPERATING SURPLUS BEFORE TAX</b>		<b>5,860,981</b>	<b>443,175</b>
Tax Expense		0	0
<b>NET OPERATING SURPLUS</b>		<b>5,860,981</b>	<b>443,175</b>
<b>Other Comprehensive Income</b>		0	0
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>5,860,981</b>	<b>443,175</b>

The Statement of Accounting Policies (pages 13 to 16) and the Notes to the Financial Statements (page 20 to page 23) form an integral part of these Financial Statements.

# Te Ahu Charitable Trust Statement of Financial Position

AS AT 30 JUNE 2011

	NOTE	Actual 2011 \$'s	Actual 2010 \$'s
<b>EQUITY</b>			
Retained Earnings		7,613,647	1,752,667
<b>Equity</b>	6	<b>7,613,647</b>	<b>1,752,667</b>
represented by:			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	4	1,098,507	0
Trade & Other Receivables	5	137,371	0
Related Party Receivables		0	2,141,763
<b>Current Assets</b>		<b>1,235,878</b>	<b>2,141,763</b>
Less:			
<b>CURRENT LIABILITIES</b>			
Related Party Payables		0	1,842,340
Borrowings	10	95	0
Trade & Other Payables	7	1,515,052	167,091
<b>Current Liabilities</b>		<b>1,515,147</b>	<b>2,009,431</b>
Add:			
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	13	7,892,916	1,620,335
<b>Non Current Assets</b>		<b>7,892,916</b>	<b>1,620,335</b>
<b>Net Assets</b>		<b>7,613,647</b>	<b>1,752,667</b>

The Statement of Accounting Policies (pages 13 to 16) and the Notes to the Financial Statements (pages 20 to 23) form an integral part of these Financial Statements.

MAYOR Far North District Council and CHAIR Te Ahu Charitable Trust



# Te Ahu Charitable Trust Statement of Movements in Equity

FOR THE YEAR ENDED 30 JUNE 2011

		Actual 2011 \$'s	Actual 2010 \$'s
<b>OPENING BALANCE</b>		<b>1,752,667</b>	<b>1,309,493</b>
Comprehensive Income		5,860,981	443,174
<b>CLOSING BALANCE</b>	<b>6</b>	<b>7,613,647</b>	<b>1,752,667</b>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

1. OTHER INCOME		
	2011	2010
	\$'s	\$'s
Insurance proceeds	79,778	0
<b>Other Expenses</b>	<b>79,778</b>	<b>0</b>

2. DONATIONS		
	2011	2010
	\$'s	\$'s
Pub Charity	500,000	0
Oxford Sports Trust	45,000	0
Lottery Commission	500,000	0
Northern Community Board	60,000	0
Kaitaia Community Forest Trust	500,000	0
Other Donations	116	116
<b>Other Expenses</b>	<b>1,605,116</b>	<b>116</b>

3. OTHER EXPENDITURE		
	2011	2010
	\$'s	\$'s
Architecture & Concept Design	3,580	0
Strategic Funding Advice	0	77,212
Construction	40,146	5,303
Administrative Support Costs	39,527	6,772
Audit fees	8,486	9,070
<b>Total Other Expenses</b>	<b>91,739</b>	<b>98,357</b>

4. CASH & CASH EQUIVALENTS		
	2011	2010
	\$'s	\$'s
Cash at Bank & on hand	1,098,507	0
<b>Net Cash &amp; Cash Equivalents</b>	<b>1,098,507</b>	<b>0</b>

5. DEBTORS & OTHER RECEIVABLES		
	2011	2010
	\$'s	\$'s
Gross Debtors & Other Receivables	137,371	0
<b>Total Debtors &amp; Other Receivables</b>	<b>137,371</b>	<b>0</b>

The Debtor relates to GST receivable from the IRD and is therefore not treated as impaired

6. EQUITY		
	2011	2010
	\$'s	\$'s
Opening Balance	1,752,667	1,309,493
Retained Earnings	5,860,981	443,174
<b>Balance as at 30 June</b>	<b>7,613,647</b>	<b>1,752,667</b>

## 7. TRADE & OTHER PAYABLES

	2011	2010
	\$'s	\$'s
<b>Current Portion</b>		
Trade & Other Payables	1,470,052	167,091
Income in advance	45,000	0
<b>Balance as at 30 June</b>	<b>1,515,052</b>	<b>167,091</b>

## 8. TAXATION

Te Ahu Charitable Trust are registered with the Charities Commission and are, therefore, exempt from income tax.

## 9. RELATED PARTIES

	2011	2010
	\$'s	\$'s
Administration grant paid		0
Administration Grant not drawn		0
Funds held on behalf of Te Ahu Trust	0	2,141,647
Funding owed to related party	0	1,842,224
Funding from FNDC	4,240,251	541,416
FNDC provision for Te Ahu project	3,991,492	7,658,583

A lease agreement between Te Runanga O Te Rarawa and the Te Ahu Charitable trust was signed in July 2010. This is a land lease for the period of 25 years with a right of renewal for a further 25 years. The terms to give effect to the lease are still being negotiated.

## 10. BORROWINGS

	2011	2010
	\$'s	\$'s
<b>Current Portion</b>		
Bank Overdraft	95	0
<b>Total Current Portion</b>	<b>95</b>	<b>0</b>

## 11. EVENTS AFTER BALANCE SHEET DATE

Subsequent to 30 June 2011, the ASB Grant was received to the value of \$3m.

## 12. CAPITAL COMMITMENTS

	2011	2010
	\$'s	\$'s
Capital Commitments at 30 June	4,309,576	420,499

### 13. PROPERTY, PLANT & EQUIPMENT

2011	Cost / revaluation 1-Jul-10	Accumulated depreciation and impairment charges 1-Jul-10	Carrying Amount 1-Jul-10	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation Surplus	Cost / revaluation 30 June-11	Accumulated depreciation and impairment charges 30 June-11	Carrying Amount 30 June- 11
Work In Progress	1,620,335	0	1,620,335	6,272,581	0	0	0	0	0	7,892,916		7,892,916
<b>Total Assets</b>	<b>1,620,335</b>	<b>0</b>	<b>1,620,335</b>	<b>6,272,581</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,892,916</b>		<b>7,892,916</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>1,620,335</b>	<b>0</b>	<b>1,620,335</b>	<b>6,272,581</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,892,916</b>		<b>7,892,916</b>

### 13. PROPERTY, PLANT & EQUIPMENT

2010	Cost / revaluation 1-Jul-09	Accumulated depreciation and impairment charges 1-Jul-09	Carrying Amount 1-Jul-09	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation Surplus	Cost / revaluation 30 June-10	Accumulated depreciation and impairment charges 30 June-10	Carrying Amount 30 June- 10
Work In Progress	811,941	0	811,941	808,394	0	0	0	0	0	1,620,335	0	1,620,335
<b>Total Assets</b>	<b>811,941</b>	<b>0</b>	<b>811,941</b>	<b>808,394</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,620,335</b>	<b>0</b>	<b>1,620,335</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>811,941</b>	<b>0</b>	<b>811,941</b>	<b>808,394</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,620,335</b>	<b>0</b>	<b>1,620,335</b>

# Statement of Service Performance

This section of the annual report provides information required under Schedule 10 (28) of the Local Government Act 2002 i.e. for each council controlled organisation -

- A report on the extent to which the local authority's significant policies in regard to ownership and control of the organisation (as set out in the Council's long-term council community plan) have been implemented or attained in the year;
- A comparison between the nature and scope of the activities intended to be provided by the organisation (as set out in the Council's long-term council community plan) and those actually provided in the year;
- A comparison between actual performance and key performance measures and targets set out in the Council's long-term council community plan.

Te Ahu Charitable Trust (the "Trust") was originally established by the Far North District Council on the 19<sup>th</sup> February 2007 for the purpose of building a multi purpose centre in Kaitaia. The objectives of the Trust are:

"to establish provide maintain resource and manage a multi purpose community facility building to be located in Kaitaia and intended to house a local museum, public library, visitor information centre and/or gallery and art display areas, for the benefit, use and enjoyment of the Kaitaia and surrounding communities." (The "Objectives").

To further the Objectives, the Trust will:

1. liaise with and seek funding assistance from central and regional government and any other appropriate organisations
2. set particular project targets from time to time as the project progresses and monitor their achievement
3. select and engage suitably qualified personnel and organisations to perform services for the Trust.
4. facilitate and promote community involvement and approval of the project develop an open, cooperative and harmonious relationship with Council and other stakeholders
5. as the project has developed, the role and objectives of the Trust have been extended to include the housing of the local government service centre, archives, cinema and community centre.

The Trust also has the following objectives as a Council Controlled Organisation under the Local Government Act 2002:

1. To achieve the objectives of Council to the extent that they are consistent with the Trust Deed
2. To be a good employer
3. To exhibit a sense of social and environmental responsibility by having regard to the interests of the Kaitaia and surrounding communities

## Other Performance Measures

The Trust shall use the following measures to assess its performance in the 2011/12 financial year:

1. Successful achievement of the outcomes specified in the Trust Deed.
2. Achievement of an unqualified audit and delivery of all reports to the standards and by the due dates specified in this statement of intent.

These measures have been met. The building of the Te Ahu Centre continues in line with the project plan and is due to open in December 2011.

An unqualified audit report has been received for the year ended 30 June 2011.

**PERFORMANCE TARGETS OF TE AHU CHARITABLE TRUST FOR THE THREE YEARS  
COMMENCING 1 JULY 2011**

The following performance targets have been set for the 2011/12 financial year, and the two years following:

<b>RELATIONSHIP WITH FNDC, AND OTHER GOVERNANCE ISSUES:</b>			
	<b>Objective</b>	<b>Performance Target</b>	<b>Achievement</b>
1	To ensure that the financial targets and strategic direction of Te Ahu Charitable Trust (TACT) are in line with the requirements of FNDC.	A draft SOI for TACT will be submitted for approval to FNDC by 1 March each year.	The draft SOI was submitted to Council on 1 March and was approved at the Council meeting of 31 March 2011.  <b>Target Met</b>
		A completed SOI will be submitted to FNDC by 30 June each year.	A final SOI was approved by Council and signed on 11 June 2011  <b>Target Met</b>
2	To ensure that FNDC is kept informed of all significant matters relating to its subsidiaries.	At least two progress reports be made to FNDC in the financial year (in addition to reporting on specific issues), with at least one presentation be made to Councillors.	Financial updates were presented to Council for the months February to May 2011. Updates on physical progress are made by the Mayor in his role as Chair of the Te Ahu Charitable Trust.  <b>Target Met</b>
3	To ensure that TACT Trustees add value to the Trust and that their conduct is according to generally accepted standards.	The Trust will review the training needs of individual Trustees, and ensure training is provided where required.	No training needs were identified during the year.  <b>Not Applicable</b>
4	To ensure that TACT performs within budget and provides additional funding from external funding sources to supplement the funds provided by FNDC.	TACT will remain within budget.	The Te Ahu Charitable Trust continues to progress the build process and is within the agreed budget.  <b>Target Met</b>

## Glossary

<b>Annual Report</b>	A document that the Trust prepares each year, which provides the public with information on the performance of the trust during the past year (both in financial and non-financial terms).
<b>ASRB</b>	Accounting Standards Review Board
<b>Authority</b>	Power, responsibility.
<b>Community</b>	A network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identity (for example, a hapu, voluntary organisations or society), or an administrative community (such as a district).
<b>Council Controlled Organisation (CCO)</b>	An organisation where the Council has 50% or more of the voting rights.
<b>Consultation</b>	Listening to what people think about an issue.
<b>FRSB</b>	Financial Reporting Standards Board
<b>Grant</b>	Money given to a group for a particular purpose.
<b>Mayor</b>	The leader of Council, elected from across the district.
<b>Trust</b>	Money or property looked after by an organisation.

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