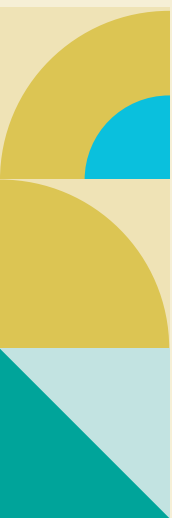


Model performance report

**Te Motu Regional Economic
Development Trust**
2023/24

Model performance report prepared under the
*Reporting Requirements for Tier 3 Public Sector
Entities (Tier 3 (PS) standard)*





June 2024

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FOREWORD

I am pleased to introduce the 2024 update to our model performance report for Tier 3 public sector reporting entities. This model performance report is prepared using the *Reporting requirements for Tier 3 Public Sector Entities (Tier 3 (PS) standard)*. This standard supersedes the standard *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) (PBE SFR-A(PS))* and must be applied for reporting periods that begin on or after 1 April 2024.

Because Tier 3 entities may choose to apply this standard for accounting periods ending after 15 June 2023, we have prepared this model performance report using the new standard. For model financial statements prepared under the previous Tier 3 standard, refer to the [2018/19 Te Motu Regional Economic Development Trust model financial statements](#).

This model performance report is based on a small council-controlled organisation (CCO), that is not exempt from the requirements of the Local Government Act 2002 (the LGA) and that is not a council-controlled trading organisation.

While this model performance report is based on a small CCO, other public sector public benefit entities (PBEs) that apply the Tier 3 (PS) standard might also find the model useful.

Focus

We have designed the model performance report to help guide small entities to prepare financial statements that comply with the Tier 3 (PS) standard. This model might contribute to an efficient financial statement audit.

The financial statements included in this model are only part of what a CCO's annual report is required to include. Sections 67 to 69 of the LGA set out the other legislative requirements for a CCO's annual report. Other entities will need to consider the legislative requirements that apply for their own annual report (such as those arising from the Crown Entities Act 2004).

Future updates

We will continue to update this model performance report to reflect evolving good practice in presenting financial statements that meet the needs of users as well as any revised requirements from changes in the Tier 3 (PS) standard.

We welcome any feedback on the application of this model to Tier 3 entities or any other comments that might help with future updates of our model performance report. Please pass any feedback or comments to your Audit New Zealand Manager or Director.

Acknowledgements

I would like to thank the Audit New Zealand staff who have contributed to this model performance report.



Stephen Walker
Executive Director
June 2024

ABOUT THE MODEL PERFORMANCE REPORT

Objective

The main objective of this model is to guide small entities in preparing a performance report that complies with the Tier 3 (PS) standard.

The model has been prepared using a fictitious non-company CCO, Te Motu Regional Economic Development Trust (the Trust). The Trust has not been exempted from the requirements of the LGA and is not a council-controlled trading organisation.

Although this model is based on a CCO that is a trust, elements of the model are applicable to entities that operate in a different sector or that have a different legal nature (such as incorporated societies or companies).

The model is prepared on the basis that the Trust is a public sector PBE and is eligible to apply the Tier 3 (PS) standard.

Tier 3 Criteria

A PBE may elect to report in accordance with Tier 3 PBE Reporting requirements if it: (a) does not have public accountability (as defined); and (b) has total expenses less than a set threshold.

In February 2024, the XRB issued amendments to XRB A 1, *Application of the Accounting Standards Framework*.¹ The amended XRB A 1 increases the PBE size threshold for tier 3 PBEs from “total expenses of less than \$2m” to “total expenses less than \$5m”. Application of the amendments is required for accounting periods that end on or after 28 March 2024.

Main updates to the model

The following table explains the main updates to the model since we last published it in 2019. The updates primarily incorporate the most significant differences between the new Tier 3 (PS) standard and the previous PBE SFR-A(PS). They also include the transition disclosures required by the Tier 3 (PS) standard.

Page number	Note number	Description of change
13, 16, 22	15	We have updated the accounting policy and financial statements to reflect the new revenue recognition model under the Tier 3 (PS) standard. Revenue can now be deferred when there is a “documented expectation” instead of when there is a “use or return condition”.
27	Appendix 1	In the Tier 3 (PS) standard entities are now able to revalue their property, plant and equipment, investment property, and publicly traded financial investments without needing to apply the applicable Tier 2 Standard. We provide an example of this in Appendix 1.
9		We have increased the number of minimum categories for presentation on the face of the statement of financial performance. The Tier 3 (PS) standard includes more categories, which are more clearly defined.
11, 24	18	The Tier 3 (PS) standard requires entities to disclose more information about restricted and discretionary reserves. The enhanced disclosures will increase transparency over the resources available to an entity and its future plans.

¹ [Updated PBE Tier Sizes » XRB](#)

Content

Included in the model are:

- entity information;
- a statement of financial performance;
- a statement of financial position;
- a statement of cash flows;
- a statement of accounting policies; and
- notes to the performance report.

The model does not cover all possible financial reporting transactions or disclosures that could arise because it would be impractical to do so. However, we have included a wide range of transactions, disclosures, accounting policies, and notes in these model financial statements, including those that are commonly found in the CCO sector. Because not all disclosures or accounting policies will be material to every entity, preparers of financial statements should consider the concept of materiality when deciding which disclosures they should or should not include in their financial statements.

The model does not deal with the underlying accounting treatment nor does it address all the possible recognition, measurement, presentation, and disclosure requirements of the Tier 3 (PS) standard. Entities should not use the model as a substitute for referring to the requirements of the Tier 3 (PS) standard applicable to their specific circumstances.

Examples of some of the specific recognition, measurement, presentation and disclosure requirements of the Tier 3 (PS) standard that have been scoped out of this model include (but are not limited to):

- transactions as an agent of another entity;
- investments held at current market value;
- property, plant and equipment held at current market values (but Appendix 1 provides an example of this);
- investment property; and
- controlled entities;

We provide references to specific requirements of the Tier 3 (PS) standard in the left margin of the model.

The model does not include all the information that sections 67 to 69 of the LGA requires a CCO's annual report to disclose. In particular, the model does not include the non-financial performance information required under section 68 of the LGA and under A13 of the Tier 3 (PS) standard. Other entities will need to consider the legislative requirements for their annual report (such as those arising from the Crown Entities Act 2004).

Statement of service performance

Public sector entities that are required by legislation to provide a statement of service performance (no matter what they call it – for example, “statement of performance”) shall prepare a statement of service performance that meets both the performance reporting requirements of that legislation and of section 4 of the Tier 3 (PS) standard. A statement of service performance is optional for other entities (A13).

Because performance reporting is specific to each entity, we have not included a statement of service performance in this model performance report. Guidance on good practice performance reporting can be found on the [OAG website](#).

One of the main changes under the Tier 3 (PS) standard is aligning the terminology related to service performance reporting with PBE FRS 48 more closely. The Tier 3 (PS) standard also provides more guidance on service performance reporting. Because this model performance report does not include performance information, Tier 3 entities will need to consider whether the changes to the standard apply to them and, where applicable, ensure that they meet the disclosure and presentation requirements.

Transactions not covered by the Tier 3 (PS) standard

Because of the simple nature of the Tier 3 (PS) standard, entities might enter into transactions that the standard does not specifically cover. In these instances, an entity should use its judgement to determine an appropriate accounting policy for those transactions that will result in the financial statements providing relevant and faithfully representative information. When determining an appropriate accounting policy, an entity shall refer to, and consider the applicability of, the following in descending order:

- a) how the Tier 3 (PS) standard deals with similar or related transactions or events;
- b) the relevant requirements in the Tier 2 PBE standards dealing with the same, similar or related transactions or events; and
- c) the definitions and concepts in the *PBE Conceptual Framework* to the extent that they do not conflict with the Tier 3 (PS) standard.

A12(a), A18	<p>TE MOTU REGIONAL ECONOMIC DEVELOPMENT TRUST</p> <p>ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2024²</p>
A39(a)	<p>Legal name</p> <p>Te Motu Regional Economic Development Trust (the Trust).</p>
A39(a)	<p>Type of entity and legal basis</p> <p>The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by Te Motu Regional Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.</p>
A39(b)	<p>The Trust's purpose or mission</p> <p>The primary objective of the Trust is to encourage, promote, and support the establishment and growth of business investment and employment opportunities in the Te Motu region.</p>
A39(c),(e)	<p>Structure of the Trust's operations</p> <p>The Trust does not have any separate operating units, divisions, or branches and does not have any subsidiaries or other controlled entities for financial reporting purposes.</p>
A39(d),(e)	<p>The Trust's governance arrangements</p> <p>The Trust comprises a Board of five Trustees who oversee the governance of the Trust, a chief executive who is responsible for the day-to-day operations of the Trust and reporting to the Trustees, and eight other full-time staff who support the chief executive in delivering against the Trust's objectives. The Trustees are appointed by Te Motu Regional Council.</p>

2 The entity information section is a required component of the performance report prepared in accordance with the Tier 3 (PS) standard (A12). This component shall be clearly identified (A15). Section 3 of the Tier 3 (PS) standard specifies what information about the entity is required. This information will need to be relevant to each entity's particular circumstances. The amount of detail will depend on the size of the entity and the complexity of its operations (A41).

A12(b),A18,A20 **TE MOTU REGIONAL ECONOMIC DEVELOPMENT TRUST**
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024^{3,4}

A17,A21,A22	Notes	Actual 2024 \$	Budget ⁵ 2024 \$	Actual ⁶ 2023 \$
A63-A70	Revenue			
A63(a)	Donations, koha, bequests and other fundraising revenue	44,530	23,000	38,480
A63(b)	General funding received from central or local government	<u>1</u> 1,400,000	1,400,000	1,275,000
A63(c)	Grants from non-government organisations	15,000	20,000	0
A63(d)	Capital grants	5,000	5,000	0
A63(e)	Revenue from service delivery grants/contracts (central or local government)	<u>2</u> 436,448	415,000	336,370
A63(f)	Revenue from service delivery grants/contracts (non-government)	<u>2</u> 67,470	60,000	64,970
A63(g)	Interest, dividends and other investment revenue	7,234	4,500	7,001
A631(h)	Other revenue	<u>3</u> 5,518	1,500	6,876
A56	Total revenue	1,981,200	1,929,000	1,728,697
A89-A100	Expenses			
A89(a)	Expenses related to fundraising	1,678	2,000	3,458
A89(b)	Employee remuneration and other related expenses	<u>4</u> 934,098	920,000	828,349
A89(c)	Other expenses related to service delivery	<u>5</u> 749,574	740,000	633,476
A89(d)	Grants and donations	15,000	15,000	13,500
A89(e)	Other expenses	<u>6</u> 260,169	252,000	233,386
A56	Total expenses	1,960,519	1,929,000	1,712,169
A56	Surplus/(deficit) before tax	20,681	0	16,528
A57	Income tax expense	<u>7</u> 0	0	0
A56	Surplus/(deficit) after tax	20,681	0	16,528

Good practice Explanations of major variances against budget are provided in Note 23.

3 The categories in this template apply terminology used in the *Reporting Requirements for Tier 3 Public Sector Entities*, issued by the XRB. Entities may describe the categories using terminology appropriate for the entity, provided that they still maintain the separate categories (A67 and A91).

4 Entities may further disaggregate the revenue and expense categories or present additional categories where doing so is necessary to provide users with an understanding of the entity's main revenue sources and expenses of the entity (A69 and A96). Alternatively further breakdowns or disaggregation of the revenue categories presented may be provided in the notes to the performance report if an entity considers that this is useful information. The objective is to provide a breakdown that gives the most useful information to users of the performance report (A70 and A97)).

5 Entities required by law to publish their budget are required to report budgeted information in an additional column alongside their actual results as comparative information. Other entities may choose to, but are not required to, report budgeted information (or plans) alongside their actual results (A22). The Trust is required under clause 10(b) of schedule 8, part 4 of the Local Government Act 2002 to include forecast financial statements in its statement of intent, and as a result, must report against these forecasts in its performance report.

6 Entities shall include comparative information for the previous year in the statement of service performance, statement of financial performance, statement of financial position, statement of cash flows, and any associated notes unless the Tier 3 (PS) standard specifically allows otherwise. Entities shall also provide comparative information for the disclosures about related parties in the notes (A21).

A12(c),A18,A20 **TE MOTU REGIONAL ECONOMIC DEVELOPMENT TRUST**
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024^{7,8}

A17,A21,A22		Notes	Actual 2024 \$	Budget 2024 \$	Actual 2023 \$
	Assets				
A106	Current assets⁹				
A108(a), A109	Cash and short-term deposits ¹⁰	<u>8</u>	152,183	214,150	127,400
A108(b), A110, A111	Debtors and prepayments	<u>9</u>	73,766	84,597	113,311
A108(c), A112	Inventory	<u>10</u>	155,350	162,100	151,270
A108(e), A114	Investments ¹¹	<u>11</u>	20,132	20,000	18,756
	Total current assets		401,431	480,847	410,737
A106	Non-current assets				
A108(d), A113	Property, plant and equipment	<u>12</u>	249,744	262,300	264,544
A108(e), A114	Investments ¹¹	<u>11</u>	74,000	76,000	80,000
A115, A116	Other non-current assets		6,868	5,000	2,944
	Total non-current assets		330,612	343,300	347,488
A106	Total assets		732,043	824,147	758,225
	Liabilities				
A106, A162	Current liabilities¹²				
A154(a)	Bank overdraft	<u>8</u>	2,687	0	0
A154(b), A155, A156	Creditors and accrued expenses	<u>13</u>	106,110	109,850	120,310
A154(c), A157	Employee costs payable	<u>14</u>	27,400	26,045	24,280
A154(d), A163	Deferred revenue	<u>15</u>	51,562	110,000	32,317
A154(e), A158	Loans	<u>16</u>	7,313	8,350	10,000
	Total current liabilities		195,072	254,245	186,907
A106, A162	Non-current liabilities				
A154(e), A158	Loans	<u>16</u>	29,000	22,750	25,000
A164	Lease make-good provision	<u>17</u>	35,238	35,100	34,266
	Total non-current liabilities		64,238	57,850	59,266
A106	Total liabilities		259,310	312,095	246,173
A106	Total assets less total liabilities (net assets)		472,733	512,052	512,052

7 The categories in this template are based on minimum required categories for assets (A108) and liabilities (A154) as specified in the *Reporting Requirements for Tier 3 Public Sector Entities* issued by the XRB. An entity only needs to report these minimum categories separately when the category is applicable and significant to the entity (A115 and A159). The minimum categories may be described using terminology appropriate for the entity and need not use the titles used in this template, provided that the separate categories are still maintained (A116 and A160).

8 Entities may present additional categories to those applied in this template (based on minimum required categories for assets and liabilities included in paragraphs A108 and A154 respectively) in the statement of financial position, where doing so is necessary to provide users with an improved understanding of the assets of the entity. Too many categories can make it difficult for users to understand the overall picture. Therefore, entities should limit the number of additional categories they use to those that are really necessary (A119 and A164).

9 Current assets are those assets that an entity intends to be convert to cash within 12 months of the balance date - for example, debtors expected to be collected within a few months after balance date, or inventory that it expects to sell or use within the next year (A118). Entities shall classify assets they do not intend to be convert to cash within 12 months of balance date as non-current.

10 Cash and short-term deposits and cash comprise petty cash, cheque or savings accounts, and deposits held at call or with a maturity of three months or less from the date of commencement (A109).

11 Investments are shares, terms deposits (with a maturity of more than three months from the date of commencement), bonds, units in unit trusts, or similar financial instruments held by an entity (A114).

12 Current liabilities are those liabilities due to be paid within 12 months of the balance date (A130). Liabilities not due to be paid within 12 months of the balance date shall be classified as non-current.

A12(c),A18,A20 **TE MOTU REGIONAL ECONOMIC DEVELOPMENT TRUST**
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (cont)

A17,A21,A22		Actual 2024	Budget 2024	Actual 2023
	Notes	\$	\$	\$
A172	Accumulated funds^{13,14,15}			
A175(a), A177	Contributed capital	18	83,200	83,200
A175(c)	Discretionary reserves	18	5,000	0
A175(b), A178	Accumulated surpluses (or deficits)	18	384,533	428,852
A106	Total Trust equity		472,733	512,052

Good practice Explanations of major variances against budget are provided in Note [23](#).

A186 The Board approved and authorised to issue the performance report on the 28 September 2024.

[Signature of individual(s) with the authority to approve the performance report]

[Name and title of individual(s) who approved the performance report]

13 Paragraph A175 of the Tier 3 (PS) standard requires entities to report the following categories of accumulated funds separately, where they are applicable to the entity:

- a) capital contributed by owners
- b) accumulated surpluses or deficits; and
- c) reserves:
 - a. restricted and discretionary reserves
 - b. property, plant and equipment revaluation reserve
 - c. investment revaluation reserve; and
 - d. other reserves.

The Trust has not elected to measure its property, plant and equipment and investments at current value. As such, the example disclosure does not include any property, plant and equipment reserve or investment revaluation reserve. Additional categories of accumulated funds would be required if these asset classes were held at current valuation. Appendix 1 includes an example of the additional disclosures for property, plant and equipment revaluations.

14 When an entity elects to apply the requirements of a Tier 2 PBE standard to a specific type of transaction, in accordance with the requirements set out in Appendix D of the Tier 3 (PS) standard it may be required to present additional categories of accumulated funds balances based on the requirements of the Tier 2 PBE standard applied (A176).

15 The minimum categories specified in A175 of the Tier 3 (PS) standard and applied in this template may be described using terminology appropriate for the entity and need not use the titles used in paragraph A175, provided that the separate categories are still maintained (A181).

A12(d),A19,A20 **TE MOTU REGIONAL ECONOMIC DEVELOPMENT TRUST**
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

A17,A21,A22	Note	Actual 2024 \$	Budget 2024 \$	Actual 2023 \$
A190,A194-A198	Cash flows from operating activities			
	Operating receipts (money deposited into the bank account)			
A194	Donations, koha, bequests and other fundraising receipts from the public or non-government	24,530	23,000	38,480
A194	Grants from non-government organisations	15,000	20,000	0
A194	General funding received from central or local government	1,417,245	1,510,000	1,307,317
A194	Capital grants received	5,000	5,000	0
A194	Funding from government service delivery grants/contracts	436,448	415,000	336,370
A194	Funding from non-government service delivery grants/contracts	124,724	60,000	79,533
A194	Interest, dividends, and other investment receipts	7,234	4,500	7,001
A194	Other cash received	3,234	1,500	6,876
A190	<i>Total receipts</i>	2,033,415	2,039,000	1,775,577
A190,A199-A202	Less operating payments (money withdrawn from your bank account)			
A194	Payments related to fundraising	(1,678)	(2,000)	(3,458)
A194	Employee remuneration and other related payments	(930,978)	(925,000)	(831,629)
A194	Payments related to service delivery	(848,515)	(737,000)	(615,914)
A194	Grants and donations paid	(15,000)	(15,000)	(13,500)
A194	Other payments	(157,246)	(172,000)	(149,166)
A190	<i>Total payments</i>	(1,953,417)	(1,851,000)	(1,613,667)
	Net cash flows from operating activities	79,998	188,000	161,910
A190,A199-A202	Cash flows from other activities			
	Cash was received from:			
A199	Sale of property, plant and equipment	4,768	0	0
A199	Sale of investments	337,935	315,000	319,056
A199	Cash received from loans borrowed from other parties	1,313	1,313	0
A199	Cash received from owners (capital contributions)	0	0	0
	Cash was applied to:			
A199	Payments to acquire property, plant and equipment	(68,607)	(53,200)	(64,200)
A199	Payments to purchase investments	(333,311)	(331,300)	(365,000)
A199	Repayment of loans borrowed from other parties	0	0	0
A199	Capital repaid to owners	0	0	0
A190	<i>Net cash flows from other activities</i>	(57,902)	(68,187)	(110,144)
A190	Net increase/ (decrease) in cash	22,096	119,813	51,766
A190,A203	Opening cash	127,400	94,337	75,634
A190,A203	Closing cash¹⁶	149,496	214,150	127,400

Good practice Explanations of major variances against budget are provided in Note **23**.

¹⁶ Cash is the same amount reported as "cash and short-term deposits" less "bank overdrafts" in the statement of financial position. It includes petty cash, cheque or savings accounts, at call deposits or those with a maturity of three months or less from the date purchased, and bank overdrafts (A203).

A12(e),A19,A20	<p>TE MOTU REGIONAL ECONOMIC DEVELOPMENT TRUST</p> <p>STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2024</p>
A205(a)	<p>ACCOUNTING POLICIES APPLIED</p> <p>BASIS OF PREPARATION</p>
A208(a)	The Board has elected to apply the <i>Reporting requirements for Tier 3 Public Sector Entities</i> (Tier 3 (PS) standard) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$5 million.
A208(b)	All transactions in the financial statements are reported using the accrual basis of accounting.
A208(c)	The performance report has been prepared on the assumption that the Trust will continue to operate in the foreseeable future. ¹⁷
	<p>GOODS AND SERVICES TAX</p>
A210	The Trust is registered for Goods and Services Tax (GST). All amounts in the performance report are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST. ¹⁸
A211,A212	<p>SPECIFIC ACCOUNTING POLICIES¹⁹</p> <p>Revenue</p> <p>General funding received from central or local government, grants from non-government organisations and capital grants</p> <p><i>General funding or grants with no documented expectations over use</i></p> <p>General funding received from central or local government, grants from non-government organisations and capital grants are recognised as revenue when the funds are received if there are no documented expectations over use.</p> <p><i>General funding or grants with documented expectations over use</i></p> <p>If funding is subject to documented expectations over use, the funds are initially recorded as deferred revenue. As the documented expectations over use are met, the deferred revenue is reduced and revenue is recorded.</p>
A71	
A71,A73,A74	<p>Donations, koha, bequests and other fundraising revenue</p> <p><i>Donations and bequests received with no documented expectations over use</i></p> <p>Donations, koha, bequests and other fundraising revenue with no documented expectations over use are recognised as revenue when cash is received.</p> <p><i>Donations and bequests received with documented expectations over use</i></p> <p>Donations, koha, bequests and other fundraising revenue with documented expectations are initially recorded as deferred revenue. As the documented expectations over use are met the deferred revenue balance is reduced and revenue is recorded.</p> <p>Donated assets</p> <p>Revenue from donated assets is recognised on receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. If the assets are difficult to value such as intangible assets, highly specialised assets, or heritage assets these are not recorded.</p> <p>Revenue from service delivery grants/contracts</p>
A71	<p>Sale of goods</p> <p>Revenue from the sale of goods is recognised when the goods are sold to the customer.</p>
A71	<p>Sale of services</p> <p>Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.</p>
A71	<p>Interest and dividend revenue</p> <p>Interest revenue is recognised as it is earned during the year. Dividend revenue is recognised when the dividend is declared.</p>

17 If the assumption of continuity is not appropriate this needs to be disclosed in the statement of accounting policies (A209). Paragraph A249 also requires the following to be disclosed in the notes:

- a) a statement that the entity intends to stop operating or that it is unlikely the entity will be able to continue operating;
- b) the reason why the entity intends to stop operating or why it may not be able to continue operating; and
- c) the estimated effect of the entity's circumstances on the amounts of the entity's assets and liabilities.

18 An entity shall disclose whether it is registered for GST, and whether it has prepared the performance report on a GST-inclusive or GST-exclusive basis (A211). Entities may prepare the financial statements on either a GST-inclusive or a GST-exclusive basis, provided that they report GST in a consistent way throughout the financial statements (A24).

19 Entities are required to disclose the accounting policy for each significant type of transaction or balance (A211).

	Employee remuneration and other related expenses
A98	Wages, salaries, and annual leave are recognised as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.
A98	Performance payments are recognised when the employee is notified that the payment has been granted.
A98	Superannuation contributions are recognised as an expense as staff provide services.
	Independent contractor costs are expensed as contractors provide services and become entitled to fees.
	Advertising, marketing, administration, overhead, and fundraising costs
A98	These costs are recognised as an expense when the related service has been received.
	Other expenses related to service delivery
A98	These costs are recognised as an expense when the related good or service has been sold or received.
	Lease expense
	Lease payments are recognised as an expense on a straight-line basis over the lease term.
	Cash and short-term deposits
A121	Cash and short-term deposits comprise cash on hand, cheque or savings accounts, and deposits held at call or with original maturities of three months or less. Cash and short-term deposits are measured at the amount held.
A166	Bank overdraft
	Bank overdrafts are presented as a current liability in the statement of financial position. Bank overdrafts are measured at the amount that has been withdrawn.
	Debtors
A121	Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recorded and the loss is recognised as a bad debt expense.
	Prepayments
A121	Prepayments are recorded when the payment is made and are measured at the amount paid that relates to future goods or services that the Trust will receive. Prepayments are only impaired if it is unlikely that the Trust will receive the goods or service that it has paid for.
	Once the Trust receives the benefit that it is has paid for, the prepayment (or a portion of it) is transferred from prepayments and is recorded as an expense if it is operational in nature, or as an addition to property, plant and equipment if it is capital in nature.
	Inventory
A121	Inventory is initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling price. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.
	Investments
Good practice	Investments comprise investments in terms deposits with banks, bonds, and shares.
A121	Deposits with banks are initially recorded at the amount paid. Donated investments are recognised at their current value (such as market value). If it appears that the carrying amount of the investment will not be recovered, it is written down to the current market price.
A121,A123(b)	Bonds and shares are initially recorded at the amount paid. If the market price of the investment falls below cost, the carrying value of the investment is reduced to the current market price. If the market price of the investment subsequently increases, the carrying amount of the investment is increased but limited to the original cost of the investment.
	The Trust has not elected to revalue its classes of publicly traded investments after initial recognition. ²⁰

²⁰ An entity may elect to revalue a class of publicly traded investments after initial recognition as an accounting policy choice (A146). If an entity elects to measure a class of public traded investments at current market value, it may elect to recognise gains/losses on revaluation either:

- a) in revenue or expenses in the statement of financial performance; or
- b) in accumulated funds in the statement of financial position. (A147)

Property, plant and equipment

- A121 Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses. The Trust has not elected to revalue any of its classes of property, plant and equipment after initial recognition.²¹
- A127,A128 Donated assets are recorded on receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets that current values are not readily obtainable for are not recorded, but are disclosed in the notes to the performance report.
- A121 For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.
- A121 For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset (for example, the Trust no longer provides the service supported by the asset).
- A122,A123(c) If there is any indication that an impairment charge recorded in prior periods may no longer exist or has reduced, an impairment reversal is recognised. The reversal of impairment shall be all or part of the previous impairment charge. However, it must not result in the carrying amount of the asset (net of depreciation) being recorded at more than it would have been had the impairment not been recorded.
- A121 For all property, plant and equipment assets, except land, depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:
- | | |
|------------------------|---------------------------|
| Furniture and fittings | 5 years (20%) |
| Computers and software | 3 to 5 years (20% to 33%) |
| Motor vehicles | 5 years (20%) |

Creditors and accrued expenses

- A166 Creditors and accrued expenses are recorded when a transaction occurs that creates the payment obligation.
- A166 Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

- A166 A liability for employee costs payable is recorded when an employee has earned the entitlement.
- A166,A167 These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

Loans

- A166 A loan liability is recorded when the amount borrowed has been received.
- A166 Loans are recorded at the amount borrowed from the lender. Loan balances include any interest accrued at balance date that has not yet been paid.

Deferred revenue

- A166 Deferred revenue is recorded when a significant donation, grant, or bequest with documented expectations over use is received.
- Deferred revenue is initially recorded at the amount received. As documented expectations over use are met the deferred revenue is reduced and revenue is recorded.

Provisions

- A166-A168 The Trust records a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

²¹ An entity may elect to revalue a class of property, plant and equipment (A132). Electing to revalue a class of property, plant and equipment after initial recognition is an accounting policy choice. Once an entity has revalued a class of property, plant and equipment, it will need to continue measuring that class of assets at revalued amounts thereafter (rather than reverting to asset cost) (A135). Appendix 1 includes an example of the accounting and disclosures required if an entity elects to apply the revaluation method.

	Income tax²²
Good practice	Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities. ²³
	Budget figures
Good practice	The budget figures are derived from the statement of intent, as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with the Tier 3 standard, using accounting policies that are consistent with those adopted by the Board in preparing this performance report.
	Tier 2 PBE accounting standards applied
A213	The Trust has not applied any Tier 2 accounting standards in preparing its performance report. ²⁴
A216	CHANGES IN ACCOUNTING POLICIES
Good practice A216,C13-C16	The Trust applied the Tier 3 (PS) standard for the first time this year. As a result of the first-time application of this standard, changes were required to revenue recognition, because of the change from accounting based on use or return conditions to accounting based on documented expectations over use. This change in revenue recognition was applied from 1 July 2023. As a result of the change, general funding received from central or local government was \$49,562 lower than it would have been under the previous policy. This is because the grant from Te Motu Regional Council is subject to documented expectations over use that would not have been assessed as return or use conditions under the previous policy.
Good practice, C14	Significant aggregation changes to items in the statement of financial performance were also required on first time application of the Tier 3 (PS) standard. Comparative amounts have been presented in accordance with the requirements of this standard.
A217	There have been no other changes in the Trust's accounting policies since the date of the last audited performance report.

²² If an entity is exempt from income tax, we recommend that it disclose this in the income tax accounting policy.

²³ The Tier 3 (PS) standard does not specifically deal with income tax. Tier 3 PBEs should refer to paragraphs A98 of *Reporting Requirements for Tier 3 Not For Profit Entities* (Tier 3 NFP) for guidance on how to account for income taxes when this is applicable. After considering the requirements of paragraph A98 of Tier 3 NFP, we consider that tax expense is based on income tax payable without any allowance for deferred tax assets or deferred tax liabilities. If an entity wishes to account for deferred tax, it will need to opt up and apply the relevant requirements of PBE IAS 12 *Income Taxes*.

²⁴ If an entity has elected to apply a provision of the Tier 2 PBE accounting requirements in place of a requirement of Tier 3 (PS) standard, the PBE Standard applied shall be disclosed (A213). When applying the Tier 2 PBE accounting requirements to a specific type of transaction, an entity must apply that option to all transactions of that type and must apply the whole standard where material (including the Tier 2 disclosure requirements) (D6). The entity cannot then choose to return to applying the requirements of the Tier 3 (PS) standard unless the change is required by the Tier 3 (PS) standard, or the change is in accordance with the Tier 3 (PS) standard and results in the statements providing more faithfully representative or more relevant information about the effects of transactions or other events and conditions (D7 and A215).

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1. General funding received from central or local government		
	2024	2023
	\$	\$
Grants from Te Motu Regional Council	1,100,000	1,000,000
Grants from central government	300,000	275,000
Total general funding from central or local government	1,400,000	1,275,000

2. Revenue from service delivery grants/contracts		
	2024	2023
	\$	\$
Sale of goods and services to central government	141,448	136,370
Sale of goods and services to Te Motu Regional Council	295,000	200,000
<i>Revenue from service delivery grants/contracts (central or local government)</i>	<i>436,448</i>	<i>336,370</i>
Sale of goods and services to non-government entities	67,470	64,970
Total general funding received from central or local government	503,918	401,340

3. Other revenue		
	2024	2023
	\$	\$
Net gain on sale of property, plant and equipment	2,284	-
Other revenue	3,234	6,876
Total other revenue	5,518	6,876

Donated goods or services in kind

During the year, the Trust received professional accounting and taxation services at no charge.²⁵

4. Employee remuneration and other related expenses		
	2024	2023
	\$	\$
Salaries and wages	902,578	799,775
Employer superannuation contributions	23,400	21,250
Contractor costs	5,000	4,500
Other employee-related costs	3,120	2,824
Total employee-related costs	934,098	828,349

5. Other expenses related to service delivery

	2024	2023
	\$	\$
Cost of goods sold	63,247	59,478
Advertising and marketing costs	473,987	369,351
Lease expenses	212,340	204,647
Total other expenses related to service delivery	749,574	633,476

²⁵ An entity shall disclose a description of any significant goods or services in kind provided to the entity during the financial year, such as free professional services, in the notes to the performance report. The entity may quantify the dollar amount but it is not required to do so.

A97

6. Other expenses

	2024	2023
	\$	\$
Audit fees for the financial statement audit	20,500	17,000
Trustee fees	59,750	52,750
Depreciation of property, plant and equipment	102,923	84,220
Interest on bank overdraft	1,478	1,017
Bad debt expense	24,901	42,832
Administration and overhead costs	41,345	31,478
Fundraising expenses	1,678	1,458
Website development expenses	2,620	1,329
Other expenses	4,974	1,302
Total other expenses	258,169	233,386

A97

7. Income tax expense

Good practice

	2024	2023
	\$	\$
Components of income tax expense		
Current tax	-	-
Adjustments to current tax in prior years	-	-
Income tax expense	-	-

Good practice

Relationship between income tax expense and accounting surplus or deficit

Net surplus/(deficit) before tax	20,681	16,528
Tax at 33%	6,825	5,454
Plus/(less) tax effects of:		
- Non-taxable revenue	(621,720)	(546,480)
- Non-deductible expenses	607,387	535,826
- Tax losses not recognised/(utilised)	7,508	5,200
Income tax expense	-	-

Good practice

Unused tax losses of \$105,060 (2023: \$82,308) are available to carry forward and offset against future taxable income.

A120 8. Cash and short-term deposits		2024	2023
		\$	\$
	Cash on hand	2,000	2,000
	Cheque account	130,003	106,300
	Deposits with an original maturity of three months or less	20,180	19,100
	Total cash and short-term deposits	152,183	127,400
	Bank overdrafts	(2,687)	-
Good practice	Net cash and short-term deposits for the purposes of the statement of cash flows	149,496	127,400

A120 9. Debtors and prepayments		2024	2023
		\$	\$
	Gross debtors	76,099	150,713
	Provision for impairment	(23,790)	(41,150)
	Net debtors	52,309	109,563
	Prepayments	21,457	3,748
	Total debtors and prepayments	73,766	113,311

A120 10. Inventory		2024	2023
		\$	\$
	Items held for sale	103,570	108,100
	Publications held for distribution at no charge	51,780	43,170
	Total inventory	155,350	151,270

A120 11. Investments		2024	2023
		\$	\$
Current portion			
A225(a)	Term deposits	20,132	18,756
Non-current portion			
A225(a)	Listed bonds	13,453	19,157
A225(a)	Listed shares	60,547	60,843
	Total non-current portion	74,000	80,000
	Total investments	94,132	98,756

A225(b) The Trust's term deposits, bonds, and shares are held at cost less impairment.²⁶

²⁶ Paragraph A151 requires an entity to make additional disclosures if it holds its investments at current market value. If an entity reports investments at current market value, it shall disclose an analysis of investments by class, reconciling the opening and closing carrying amounts of each class of investment and displaying investments held at current market value separately from those held at cost less impairment, in the notes to the performance report (A151(b)).

A120 **12. Property, plant and equipment^{27,28}**

Prior year					
	Opening carrying amount	Additions	Disposals	Depreciation and impairment	Closing carrying amount
	\$	\$	\$	\$	\$
Furniture and fittings	47,260	58,200	-	(15,200)	90,260
Computers and software	77,640	5,920	-	(28,020)	55,540
Motor vehicles	159,744	-	-	(41,000)	118,744
Total	284,644	64,120	-	(84,220)	264,544
Current year					
Furniture and fittings	90,260	23,200	-	(16,702)	96,758
Computers and software	55,540	45,407	-	(33,221)	67,726
Motor vehicles	118,744	22,000	(2,484)	(53,000)	85,260
Total	264,544	90,607	(2,484)	(102,923)	249,744

A128 The Trust has not recognised the artworks donated to it for display in the visitor centre because the values of the artworks are not readily available.²⁹

A127,A224 A local businessman donated a 2015 sedan to the Trust in September 2023. The vehicle's current valuation was obtained from Spinners Car Auctioneers. Spinners Car Auctioneers valued the car at \$22,000 on 1 September 2023, based on recent sales of similar vehicles.

A165 **13. Creditors and accrued expenses**

	2024	2023
	\$	\$
Creditors	26,130	43,090
Accrued expenses	79,980	77,220
Total creditors and accrued expenses	106,110	120,310

A165 **14. Employee costs payable**

	2024	2023
	\$	\$
Accrued salaries and wages	12,800	11,300
Annual leave	11,450	10,150
Bonuses	3,150	2,830
Total employee costs payable	27,400	24,280

27 An entity shall disclose the source and the date of the valuation of assets for any assets recorded at valuation and any other assets that the entity has chosen to disclose a current value for (A224).

28 Entities are not required to present asset additions and disposal information in this table. However, we consider it good practice to disclose this information to show the movement in the carrying amount of property, plant and equipment for the year.

29 Where an entity has not recorded significant donated assets or heritage assets in the statement of financial position because values are not readily obtainable, the entity shall disclose a description of the assets, categorised by class where appropriate (A128).

A165 **15. Deferred revenue³⁰**

	2024	2023
	\$	\$
Council funding	49,562	20,000
Central government funding	-	12,317
Donations	2,000	-
Total grants and funding subject to conditions	51,562	32,317

A221 Significant grants with revenue recognition deferred at balance date are:

Description	Grant amount	Amount recorded as deferred revenue	Purpose and nature of documented expectations	Expected timing of satisfaction of expectations
Regional business promotion grant from the Te Motu Regional Council.	\$75,000	\$49,562	<p>The grant requires the Trust to spend the funds on the regional business festival that is being held in September 2024. Under the agreement the Trust must meet certain milestones. On satisfactory completion of each milestone, the Trust provides a report to the Te Motu Regional Council and revenue is recognised.</p> <p>Milestones include:</p> <ol style="list-style-type: none"> 1. establishment of regional business festival steering committee and approval of project plan; 2. agreements in place with key festival vendors; 3. regional business festival advertised and key project sponsors secured; and 4. delivery of regional business festival in September 2024. 	<p>Milestones 1 and 2 were met before balance date.</p> <p>Milestone 3 is expected to be met in July 2024, and milestone 4 will be met in September 2024.</p>

30 An alternative presentation would be to analyse each significant grant or funding arrangement by providing a description of the arrangement.

A165

16. Loans

	2024	2023
	\$	\$
Current portion		
Loan from Te Motu Regional Council	7,313	10,000
Non-current portion		
Loan from Te Motu Regional Council	29,000	25,000
Total loans	36,313	35,000

Good practice

The loans from Te Motu Regional Council, with a face value of \$36,313 (2023: \$35,000), are issued at a nil interest rate. \$7,313 of the loan is repayable on 31 July 2024 with the remaining loan amount of \$29,000 repayable on 31 July 2023.

A229

The loans are unsecured.³¹

A165

17. Lease make-good provision

	2024	2023
	\$	\$
Leasehold restoration provision		
Opening balance at 1 July	34,266	28,728
Additional provisions made	2,741	5,538
Amounts used	(1,769)	0
Unused amounts reversed	0	0
Closing balance at 30 June	35,238	34,266

Good practice

The Trust is required to make good the premises it leases when the lease term expires, which is 29 April 2026 at the earliest. The Trust has the option to renew for a further three years which it is unlikely to exercise.

³¹ If an entity has used any of its assets as security for loans borrowed, paragraph A229 requires the entity to disclose information about:

- a) the nature and amount of the loan that is secured; and
- b) the nature and amount of the asset(s) used as security.

A231

18. Accumulated funds³²

	2024	2023
	\$	\$
Contributed capital		
Opening balance at 1 July	83,200	20,000
Capital contribution	0	63,200
Closing balance at 30 June	83,200	83,200
Discretionary reserves		
Opening balance at 1 July	0	0
Transfers from accumulated surpluses	5,000	0
Transfers to accumulated surpluses	0	0
Closing balance at 30 June	5,000	0
Accumulated surpluses		
Prior year closing balance at 30 June	428,852	412,324
Correction of prior year error (note 23)	(60,000)	0
Opening balance at 1 July	368,852	412,324
Transfers to discretionary reserves	(5,000)	0
Transfers from discretionary reserves	0	0
Surplus/(deficit) for the year	20,681	16,528
Closing balance at 30 June	384,553	428,852
Total trust equity at 30 June	472,733	512,052

A179(a)

A30

A232, A234,
A235

A discretionary reserve was established during the year, after the Board's decision to establish a community entrepreneurial grant scholarship fund. The Board approved an initial fund establishment amount of \$5,000. The reserve funds have been transferred to a separate bank deposit account.

The Board established the reserve to support the local business sector and encourage innovation and growth in our community. The Board intends to maintain a fund of \$5,000 and will contribute to the fund on an annual basis, provided it is prudent to do so. The Board will seek applications for scholarships annually and will hold the first round of scholarship applications in 2024/25.

After each application round, staff will provide recommendations to the Community Entrepreneurial Grant Committee for it to consider and approve. The Community Entrepreneurial Grant Committee comprises two board members and two members of staff. Awards from the reserve will be subject to approval of the Grant Committee.

For more information on the fund, including the Trust's policies on management of the fund, please refer to the Trust's website.

32 Paragraph A175 of the Tier 3 (PS) standard requires entities to report the following categories of accumulated funds separately, where they are applicable to the entity:

- a) capital contributed by owners
- b) accumulated surpluses or deficits; and
- c) reserves:
 - i. restricted and discretionary reserves;
 - ii. property, plant and equipment revaluation reserve;
 - iii. investment revaluation reserve; and
 - iv. other reserves.

The Trust has not elected to measure its property, plant and equipment and investments at current value. As such, the example disclosure does not include any property, plant and equipment reserve or investment revaluation reserve. Additional categories of accumulated funds would be required if these asset classes were held at current valuation. Appendix 1 includes an example of the additional disclosures for property, plant and equipment revaluations.

A236

19. Commitments

		2024	2023
		\$	\$
Commitment type		Explanation and timing	
A237(b)	Commitments to purchase property, plant and equipment	42,478	0
A237(a)	Commitments to lease or rent assets	395,230	179,650
A237(c)	Commitments to provide loans or grants	20,000	0
Total commitments		457,708	179,650

20. Contingent liabilities

A239 The Trust has one legal proceeding against it in relation to a personal grievance claim (2023: \$ nil). The potential liability to the Trust, if the claim is successful, is \$25,000. The probable outcome of the personal grievance will not be known until legal proceedings progress further. The Trust has no insurance to cover the costs of this claim.

A240 The Trust has guaranteed the loans of two local businesses with a total principal amount of \$22,000 (2023: \$22,000). The loans mature in 2027 and 2028. The Trust considers that there is a low risk of a payment under the guarantee.³³

21. Related party transactions

Good practice

Related party disclosures have not been made for transactions with related parties that are:

- insignificant to the entity (individually or in aggregate with similar transactions); or
- on terms and conditions that are not likely to be different from the terms and conditions of transactions in similar circumstances between parties that are not related.

Related party transactions significant to the Trust requiring disclosure

A245,A246 As at 30 June 2024 the Trust has outstanding loans at a nil interest rate of \$36,313 (2023: \$35,000) from Te Motu Regional Council. An additional \$1,313 was drawn down from Te Motu Regional Council during the year. There were no loan repayments.

The Trust was settled by Te Motu Regional Council, which has ultimate control of the Trust.

During the year ended 30 June 2024 the Trust purchased legal services totalling \$10,500 (2023: \$ nil) from Lawyer & Lawyer Legal, a legal firm that [Trustee 1] is a Partner of. The services were procured without going through a tender process and the contracted hourly rates of the legal staff were at a significant discount compared to normal market rates. An amount of \$2,500 was outstanding at 30 June 2024 (2023: \$ nil).

³³ Paragraph A240 requires entities to disclose the following information for each guarantee or class of guarantee:

- a) the nature of the guarantee;
- b) the maximum amount of any guarantees provided to others; and
- c) the likelihood of the entity being required to make payment under the guarantee.

22. Events after balance date³⁴

A35-
A37,A247 After balance date, the Trust refinanced \$5,000 of the current portion of the loan from Te Motu Regional Council. The loan was refinanced for a five-year period. The new loan was refinanced at a commercially based fixed interest rate of 7.5%. This event does not affect the Trust's ability to continue operating in the future.

There were no other significant events after balance date.

23. Prior year error correction³⁵

A251 During 2023/24, the Trust discovered that \$60,000 in costs for marketing services received in the year ended 30 June 2023 were not accounted for. These services should have been accrued for in 2022/23 as a liability and expense, in accordance with the Trust's accounting policies. To correct this error, the 2023/24 opening balances of *Creditors and accrued expenses* has been increased by \$60,000, with a corresponding decrease in *Accumulated surpluses* (see Note 18). In accordance with the requirements of the applicable financial reporting standard, the 2022/23 financial information presented in this report has not been adjusted for the effect of this error.

24. Explanation of major variances against budget

Good practice Explanations for major variances from the Trust's budgeted figures in the 30 June 2024 statement of intent are as follows:

Statement of financial performance

Donations, koha, bequests and other fundraising revenue is \$21,530 over budget. The Trust received a one-off donation of \$15,000 during the year that was not expected. There are no other major variances against the prospective statement of financial performance.

Statement of financial position

The grants and funding subject to documented expectations is \$58,438 below budget. When the budget was agreed, the documented expectations for the regional rugby sevens annual tournament grant of \$55,000 from central government were not expected to be satisfied by the balance date. Therefore, the grant received was expected to be recorded in the financial statements as a liability at 30 June 2024. However, the documented expectations of the grant were satisfied in June 2024, when the grant was recognised as revenue.

Bank accounts and cash were \$61,967 below budget mainly because of the payment of \$60,000 in marketing expenses relating to the Matariki and Arts-in-the-Park events which occurred in June 2023. This payment was not fully anticipated when the budget was agreed.

Statement of cash flows

There are no major variances against the prospective statement of cash flows.

34 Where events occur after the balance date, and those events have a significant impact on the information included in the financial statements, paragraph A247 requires that the entity report:

- a) the nature of the event;
- b) an estimate of its financial effect or a statement that such an estimate cannot be made; and
- c) the effect, if any, on the entity's ability to continue operating.

35 Entities shall correct significant errors relating to past periods in the current financial statements by adjusting the opening balance of the relevant asset, liability or accumulated funds at the beginning of the financial year. No adjustments to past periods are required (A30). When an entity corrects a significant prior period error, it shall report a description of the error and how it was corrected in the notes, as well as the line items and amounts that have been corrected (A251).

Appendix 1: Revaluations

The Tier 3 (PS) standard permits entities to apply a policy of revaluing property, plant and equipment. The performance report for the Trust above has been prepared on a cost basis. This appendix provides an example of the accounting and disclosures required under the Tier 3 (PS) standard if an entity elects to apply a policy of revaluing its property, plant and equipment assets.

In the example, we have added additional asset categories of land and buildings. We have not included these asset categories in the model performance report.

Statement of financial performance

No changes required to this statement. The gain on revaluation is recognised directly in accumulated funds.

Statement of financial position

Property, plant and equipment closing balances increase as a result of the revaluation.

An additional category of equity called "Revaluation reserves" would be required to be presented on the face of the statement of financial position.

Statement of cash flows

There is no impact on the statement of cash flows because the revaluation gain is a non-cash movement.

EXTRACT OF THE STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING POLICIES APPLIED

Property, plant and equipment

Revaluation

- | | |
|----------------|---|
| A121,A133,A137 | The Trust has elected to subsequently revalue its land and buildings classes of assets to their current value. The current value is based on the latest Te Motu District Council rating valuation. Revaluations are recognised every time Te Motu District Council updates its rating valuations (generally, every three years). |
| A132 | Revalued asset classes are held at current value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. |
| A140 | Revaluation movements are accounted for on a class-of-asset basis. |
| A139(b) | Gains on revaluation for a class of assets are recognised directly in accumulated funds as "Gains/(losses) on the revaluation of property, plant and equipment" through the property, plant and equipment revaluation reserve, unless they reverse a revaluation loss recognised as an expense in a prior period. |
| A140(c) | Losses on revaluation for a class of assets are recognised as an expense in the statement of financial performance, except to the extent that these losses offset any previous revaluation gains. If the revaluation losses offset previous revaluation gains, they are recognised as "Gains/(losses) on the revaluation of property, plant and equipment" directly in accumulated funds through the property, plant and equipment revaluation reserve. |

Disposals

- | | |
|------|---|
| A141 | When revalued assets are sold, some or all of the revaluation gains included in accumulated funds in respect of property, plant and equipment may be transferred directly to accumulated surpluses or deficits. |
|------|---|

EXTRACT OF THE NOTES TO THE FINANCIAL STATEMENTS³⁶

A120		12 Property, plant and equipment					
A223		Opening carrying amount	Additions	Disposals	Depreciation and impairment	Gain/(loss) on revaluation to current value	Closing carrying amount
		\$	\$	\$	\$	\$	\$
A131(a)	Land	300,000	-	-	-	65,000	365,000
A131(b)	Buildings	115,200	-	-	(2,400)	22,200	135,000

Revaluations

A142 Land and buildings were revalued as at 1 July 2023 based on the latest Te Motu District Council rateable values. Following revaluation, a gain of \$87,200 was recognised within the revaluation reserve in accumulated funds.

A165		18 Accumulated funds	
		2024	2023
		\$	\$
A175(c)	Revaluation reserve		
(ii),A184(b)	Opening balance at 1 July	23,500	23,500
A139(b)	Gain/(loss) on the revaluation of property, plant and equipment	87,200	-
A139(d)	Transfers from revaluation reserve due to disposal of revalued property, plant and equipment	-	-
Closing balance at 30 June		83,200	23,500

³⁶ These disclosures are only extracts of the additional information required to be disclosed if a revaluation policy is applied. These tables need to be viewed with the primary tables included in the body of the Trust's model performance report.