

Performance Report

Delta Community Support Trust
For the year ended 31 August 2016

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Entity Information

Delta Community Support Trust For the year ended 31 August 2016

Legal Name of Entity

Delta Community Support Trust

Entity Type and Legal Basis

Charitable Trust, Incorporated Society

Registration Number

CC 21084

Entity's Purpose or Mission

From our Deed of Trust:

Within New Zealand:

3.1 To provide leadership, direction and resources which will enable the Church to minister to its local community by seeking to meet the social, emotional, physical, spiritual, and educational needs of the people of its local community.

3.2 To establish such service centres, programmes and facilities, as will enable the Trustees to provide appropriate community social services.

3.3 To alleviate the difficulties of those experiencing hardships of whatever kind, including financial hardship and to bring relief through whatever means are available.

3.4 To initiate, establish, and administer community and social service for people of all ages who for any reason are in need of care, counselling or assistance.

3.5 To carry out such other charitable purposes within New Zealand as the Trustees shall determine.

Entity Structure

Delta Community Support Trust (DCST) is governed by a Board of Trustees. DCST is a mission of North Avon Baptist Church (NABC) and two members of the Church are to be DCST members at all times. DCST however operates as a separate entity from the NABC. The DCST Board appoints a Service Coordinator, which is equivalent to the position of Chief Executive in other organisations. The Services Coordinator employs other staff to carry out the purposes of DCST. This includes Managers of four Departments: Community Development Services, Friendship Link, Evergreen Club and Administration and Services Coordination, who report directly to the Services Coordinator. On a daily basis the Managers of these departments oversee the staff employed in these departments, and the delivery of services in line with the purposes of the Trust.

Main Sources of Entity's Cash and Resources

The majority of DCST's income is from Government contracts, notable with the Ministry of Health (for Friendship Link Services), Canterbury District Health Board (Evergreen Club) and Tertiary Education Commission (Adult Community Education within Community Development Services). These contracts are critical for the delivery of these specific services, but not for the continuance of the organisation as a whole. A significant proportion of the remaining income is from grants from other organisations, notably; Lotteries, Christchurch City Council, Rata Foundation and Dove Trust. There is also less significant sources of income from donations, interest, and trading activities such as rent.



Main Methods Used by Entity to Raise Funds

In addition to the above we engage in activities to raise funds such as:

1. an annual quiz,
2. trading income e.g. room rental, sales at our drop in café, meals for the elderly, and
3. regular and occasional receive donations. This year we also received some income from sale of a recipe book.

Entity's Reliance on Volunteers and Donated Goods or Services

Volunteers are an important part of our service delivery and we could not delivery the range of services we do without them. Volunteer work ranges from the work of our Board members, to people who pack our bread and assist with our food bank, to volunteer gardeners who assist with the growing of produce for our meals and food bank, to people skilled in teaching English as a Second Language, who assist in these programmes. We have approximately 60 volunteers p.a. who last year provided 5235+ hours of service. We also rely on the donation of foodstuffs from a range of organisations. Annually we estimate the value of this to be \$80,000. We also receive income from the sale of donated 2nd hand items to the value of \$2,500 annually.

Physical Address

105 North Avon Road, Richmond, Christchurch, New Zealand, 8013

Postal Address

Administration, PO Box 26091, North Avon, Christchurch, New Zealand, 8148



Approval of Financial Report

Delta Community Support Trust For the year ended 31 August 2016

The Trustees are pleased to present the approved financial report including the historical financial statements of Delta Community Support Trust for year ended 31 August 2016.

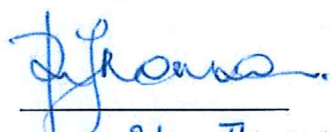
APPROVED



M. Nouwen

Chairperson

Date 30/5/17



W. Hardie Robyn Thomson

Treasurer

Date 30/05/2017

Statement of Service Performance

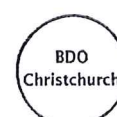
Delta Community Support Trust For the year ended 31 August 2016

Description of Entity's Outcomes

We will seek to meet the social, emotional, physical, spiritual and educational needs of the people of our local community by:

- a) providing services to support these needs through our Community Development Services,
- b) providing services to specifically meet educational needs through our Adult Community Education programmes (gardening, English for Speakers of Other Languages, empowerment), and budgeting,
- c) providing services to meet all these needs through our Friendship Link service for intellectually disabled adults, and
- d) providing services to meet all these needs through our Evergreen Club for isolated adults over 65.

	2016 ACTUAL	2016 BUDGET	2015 ACTUAL
Description and Quantification of the Entity's Outputs			
Number of instances of service to meet people's social emotional, physical and spiritual needs through our Community Development Services	13,049	13,000	12,792
Number of instances of services to meet people's educational needs through our Community Development Services	2,075	2,000	2,144
Number of services to meet people's social emotional, physical and spiritual needs through our Friendship Link services for intellectually disabled adults	3,748	3,500	3,372
Number of services to meet people's social emotional, physical and spiritual needs through our Evergreen Club for isolated adults over 65 years of age	3,287	3,200	3,168



This statement should be read in conjunction with the accompanying notes and the attached Independent Auditor's Report.

Statement of Financial Performance

Delta Community Support Trust For the year ended 31 August 2016

	NOTES	2016
Revenue		
Donations, fundraising and other similar revenue	1	322,805
Revenue from providing goods or services	1	352,694
Interest, dividends and other investment revenue	1	5,400
Other revenue	1	4,700
Total Revenue		685,599
Expenses		
Expenses related to public fundraising	2	6,247
Volunteer and employee related costs	2	456,692
Costs related to providing goods or service	2	174,541
Other expenses	2	28,593
Total Expenses		666,073
Surplus/(Deficit) for the Year		19,525



This statement should be read in conjunction with the accompanying notes and the attached Independent Auditor's Report.

Statement of Financial Position

Delta Community Support Trust As at 31 August 2016

	NOTES	31 AUG 2016
Assets		
Current Assets		
Bank accounts and cash	3	160,425
Debtors and prepayments	3	55,043
Investments (current)		100,000
Total Current Assets		315,468
Non-Current Assets		
Property, Plant and Equipment	4	54,009
Total Non-Current Assets		54,009
Total Assets		369,477
Liabilities		
Current Liabilities		
Creditors and accrued expenses	5	19,476
Employee costs payable	5	43,107
Unused donations and grants with conditions	5	116,567
Total Current Liabilities		179,150
Total Liabilities		179,150
Total Assets less Total Liabilities (Net Assets)		190,328
Accumulated Funds		
Accumulated surpluses or (deficits)	6	190,328
Total Accumulated Funds		190,328



This statement should be read in conjunction with the accompanying notes and the attached Independent Auditor's Report.

Statement of Cash Flows

Delta Community Support Trust For the year ended 31 August 2016

2016

Cash Flows from Operating Activities

Donations, fundraising and other similar receipts	308,289
Receipts from providing goods or services	347,107
Interest, dividends and other investment receipts	3,525
Cash receipts from other operating activities	4,850
GST	(2,942)
Payments to suppliers and employees	(643,185)
Cash flows from other operating activities	-
Total Cash Flows from Operating Activities	17,645

Cash Flows from Investing and Financing Activities

Payments to short term deposits	(100,000)
Payments to acquire property, plant and equipment	(6,159)
Total Cash Flows from Investing and Financing Activities	(106,159)

Net Increase/ (Decrease) in Cash	(88,514)
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Cash Balances

Cash and cash equivalents at beginning of period	248,939
Cash and cash equivalents at end of period	160,425
Net change in cash for period	(88,514)



This statement should be read in conjunction with the accompanying notes and the attached Independent Auditor's Report.

Statement of Accounting Policies

Delta Community Support Trust For the year ended 31 August 2016

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

Delta Community Support Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Accounts Receivable

Accounts Receivable represents items that the Trust has issued invoices for or accrued for but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the Trust realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the Trust will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

Property, Plant and Equipment

Property, Plant and Equipment are initially recorded at cost. Historical cost includes expenditure directly attributable to the acquisition of the assets. Items costing less than \$500 are expensed immediately. All other assets are depreciated over their estimated useful lives on a mixture of straight line and diminishing value bases using rates approved by the Trust Board.

The entity has the following classes of Property, Plant and Equipment:

- Furniture, Fixtures and Equipment (10-60% Diminishing Value and 10-33% Straight Line Depreciation)
- Motor Vehicles (25-30% Diminishing Value and 25% Straight Line Depreciation)

Accounts Payable

Accounts Payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. They are recorded at the amount of cash required to settle those liabilities.

Income Received in Advance

Income Received in Advance includes revenue related to the provision of services for which the services have not yet been provided. Grants are recorded as revenue when the Trust has the rights to the funding unless there are unfulfilled conditions attached to the Grant in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Rounding Policy

All amounts are rounded to the nearest \$. Amounts 50 cents and less are rounded down, and amounts 51 cents and more are rounded up.



Donated Services Recognition

The work of the Trust is dependent on the unpaid services of many volunteers. Due to the difficulty in determining their value with sufficient reliability, donated services are not recognised in these financial statements.

Changes in Accounting Policies

The performance report for the year ended 31 August 2016 is the first under which these accounts have been reported under the basis of PBE-SFR- A (NFP). The transition date was 1 September 2015 and the 2016 period presented has been prepared in accordance with this standard.

There have been no other changes in Accounting Policies during the annual reporting period other than those stated above.

Notes to the Performance Report

Delta Community Support Trust For the year ended 31 August 2016

2016

1. Analysis of Revenue

Donations, fundraising and other similar revenue

Capital Grants	4,600
Donations Delta Inn	8,844
Donations Foodbank	4,000
Donations from Clients	2,288
Fundraising	12,144
General Donations	10,001
Grant North Avon Property Trust	31,500
Grants	224,313
Transport Donations	25,115
Total Donations, fundraising and other similar revenue	322,805

Revenue from providing goods or services

Client Income	20,595
Evergreen Club sale of leftover meals	2,942
Footprints Cafe Income	3,167
Government Contracts	320,385
Rental Income	3,737
Sale of Donated 2nd hand goods	1,868
Total Revenue from providing goods or services	352,694

Interest, dividends and other investment revenue

Interest Received	5,400
Total Interest, dividends and other investment revenue	5,400

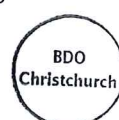
Other revenue

Sundry Income	4,700
Total Other revenue	4,700

2016

Grants Received included:

Tertiary Education Commission - Adult Community Education	21,414
ACTIS - Earthquake Community Building funding	2,500
BA Lewis Trust	5,742
Bernie Knowles Trust	1,282
Christchurch City Council Small Grants	6,000
Christchurch City Council Strengthening Communities	35,000
Christine Taylor Foundation	2,000
Community Organisation Grants Scheme	6,400
Department of Internal Affairs - Settling In Fund	3,133
Dove Trust	35,000
Ferrier Trust	5,000



Manchester Unity Foundation	11,900
Ministry of Social Development	3,125
NZ Lottery Grant Board	36,600
Phyllis Campion Charitable Trust	1,500
Project Gro	450
Rata Foundation - Community and Welfare	30,000
Rata Foundation - Need Help Now	2,500
Red Cross	2,710
Rehabilitation Welfare Trust	1,000
Tindall Foundation	2,666
Waidale Trust	1,500
Wayne Francis Foundation	775
	2016

2. Analysis of Expenses

Expenses related to public fundraising

Fundraising Expenses	6,247
Total Expenses related to public fundraising	6,247

Volunteer and employee related costs

Wages and Salaries	456,692
Other Staff & Governance Expenses	4,647
Volunteer Expenses	1,259
Total Volunteer and employee related costs	462,599

Costs related to providing goods or services

ACC	1,437
Advertising and Publicity	1,946
Bank Fees	53
Cleaning	4,203
Client Activity and Programme Expenses	14,454
Client Food	10,950
Comms Expenses (phone, fax, internet)	4,392
Computer Expenses	9,980
Delta Inn food costs	3,790
Equipment Maintenance	621
Foodbank Purchases	5,848
Footprints Cafe Expenses	1,643
General Expenses	371
Insurance	7,450
Light, Heat and Power	8,816
Minor Asset Purchases (<\$500)	4,266
Printing, Postage and Stationery	7,129
Property Maintenance	2,998
Rent	63,983
Security and Fire	1,081
Staff Training	3,291
Subscriptions	213

Vehicle Expenses	9,720
Total Costs related to providing goods or services	168,635

Other expenses

Audit Fees	2,476
Consultants and Advisors	5,579
Depreciation (non vehicle)	8,502
Loss on Sale of Asset	-
Professional Supervision	1,070
Vehicle Depreciation	10,967
Total Other expenses	28,593

2016

3. Analysis of Assets**Bank accounts and cash**

Cash on Hand	568
Deposit - BSDS	25,221
Petty cash	400
Westpac Current Acct	100,169
Westpac Eftpos FL	266
Westpac Eftpos CDS	1,002
Westpac Eftpos EC	538
Westpac Online Saver Acct	32,262
Total Bank accounts and cash	160,425

Debtors and prepayments

Accounts Receivable	51,496
Accruals and Prepayments	3,547
Total Debtors and prepayments	55,043

Other current assets

Westpac Term Deposit	100,000
Total Other current assets	100,000

2016

4. Property, Plant and Equipment**Furniture, Fixtures and Equipment**

Furniture, fixtures and equipment owned	151,649
Accumulated depreciation - furniture, fixtures and equipment	(122,899)
Total Furniture, Fixtures and Equipment	28,750

Motor Vehicles

Vehicles owned	102,264
Accumulated depreciation - vehicles owned	(77,005)
Total Motor Vehicles	25,259

Total Property, Plant and Equipment

54,009

Property, Plant and Equipment: 2016					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation	Closing Carrying Amount
Motor Vehicles	36,937			11,678	25,259
Furniture, Fixtures and Equipment	30,382	6,159		7,791	28,750
Total	67,319	6,159	-	19,469	54,009

2016

5. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	8,491
Accruals	-
GST	3,670
PAYE and other IRD deductions	7,315
Total Creditors and accrued expenses	19,476

Employee costs payable

Leave Accrual	28,046
Wages accrued	15,061
Total Employee costs payable	43,107

Unused donations and grants with conditions

Income Received in Advance	116,567
Total Unused donations and grants with conditions	116,567

2016

6. Accumulated Funds

Accumulated Funds

Opening Balance	170,802
Accumulated surpluses or (deficits)	19,525
Total Accumulated Funds	190,328
Total Accumulated Funds	190,328

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 August 2016 Last year - nil).

8. Events After the Balance Date

The Trustees are not aware of any matter or circumstance since the end of the financial year, not otherwise dealt with within this report that has significantly affected or may significantly affect the operations of the Trust, the results of the operations or the state of affairs of the Trust.



9. Related Parties

The North Avon Property Trust is a related party. Trustees of the North Avon Property Trust are jointly appointed by the Trustees of the Delta Community Support Trust and the Officers of North Avon Baptist Church. The Delta Community Support Trust chair is ex officio a Trustee with full voting rights on the North Avon Property Trust. Delta Community Support Trust leases Delta Community House from the North Avon Property Trust on normal terms and conditions.

There is one employee of Delta Community Support Trust who is related to a Trustee. The Trustee declared this conflict of interest and abstained from decision making with regards to their related employee's specific employment and remuneration.

10. Commitments

The Trust has operating leases for its building and for a photocopier. The current year commitments are \$63,000 (2015: \$63,000) for the building lease and \$3,764 (2015: \$2,505) for the photocopier lease. The non-current commitments are \$126,000 for the building lease expiring in August 2018, and \$4,592 for the photocopier lease expiring in September 2021.

11. Ability to Continue Operating

Delta Community Support Trust is reliant on ongoing funding support from grants and donations as well as the continuation of Canterbury District Health Board, Ministry of Health and Tertiary Education Commission contracts to remain a going concern. The Canterbury District Health Board contract held by the Evergreen Club was renewed on 31 March 2015 for two years until 31 March 2017. The Tertiary Education Commission contract held by our Community Development Services Department expired on 31 December 2015. This was renewed until 31 December 2016, and we have subsequently gained approval for an additional contract to expire 31 December 2017. The Trust has not received an indication that these contracts will not be renewed for a further term. The Ministry of Health contract held by the Friendship Link was renewed on 1 July 2016 for 2 years till 1 July 2018. It is envisioned that there will be government funding for this service, after this date. The funding environment is however in state of change and we are uncertain as to what form this will take.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
DELTA COMMUNITY SUPPORT TRUST**

Report on the Performance Report

We have audited the accompanying performance report of Delta Community Support Trust on pages 3 to 16 which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 August 2016, the statement of financial position as at 31 August 2016, and the statement of accounting policies and other explanatory information.

The Responsibility of the Trustees for the Performance Report

The Trustees are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- (c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the performance report based on our audit. We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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 entity's internal control. An audit also includes, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for a qualified audit opinion on the entity information, statement of financial position, statement of financial performance, statement of cash flows, statement of accounting policies and notes to the performance report.

Other than in our capacity as auditor we have no relationship with, or interests in, Delta Community Support Trust.

Basis for Qualified Opinion on Financial Position and Financial Performance

Controls over income, other than government funding and interest received, prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. Accordingly the completeness of revenue is unable to be determined.

Qualified Opinion on the Performance Report

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the performance report on pages 3 to 16:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- (b) the performance report on pages 3 to 16 presents fairly, in all material respects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of Delta Community Support Trust as at 31 August 2016, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit).

Opinion on Cash Flows

In our opinion, the statement of cash flows on page 9 presents fairly, in all material respects the cash flows of the Trust for the year ended 31 August 2016.



BDO Christchurch

30 Sir William Pickering Drive
Christchurch
New Zealand
30 May 2017