

Performance Report

Cobblestones Trust

For the year ended 31 May 2016

Prepared by ROVA Chartered Accountants

Contents

3	Entity Information
5	Approval of Financial Report
6	Statement of Service Performance
7	Statement of Financial Performance
8	Statement of Financial Position
9	Statement of Cash Flows
10	Statement of Accounting Policies
12	Notes to the Performance Report
17	Independent Auditor's Report

Entity Information

Cobblestones Trust

For the year ended 31 May 2016

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Cobblestones Trust

Entity Type and Legal Basis

Charitable Trust and Registered Charity

Registration Number

CC35875

Entity's Purpose or Mission

Cobblestones Trust is responsible for the maintenance, preservation and development of the 'Cobblestones Museum' at Main St in Greytown, and the displays thereat including the land upon which the museum is situated, for the use, benefit, and enjoyment of the public.

We do this by:

- The preservation and restoration of artifacts, chattels, relics and historical items relating in particular to the Wairarapa District.
- Fostering and encouragement of an interest in history and the education of museum visitors through displays, and lectures.
- Marking, maintenance and preservation of places and things which are of local historical interest, and the keeping of permanent records thereof.

Entity Structure

Trust Structure: Our Trust Deed states that we must have between eight and twelve Trustees. One trustee may be appointed by each of the following: South Wairarapa District Council, Carterton District Council, Masterton District Council, Friends of Cobblestones, Greytown Business Association, Greytown Community Heritage Trust, Rotary Club of South Wairarapa and Greytown Trust Lands.

We currently have twelve Trustees that constitute our governance board, including a chairman, treasurer and secretary.

Operational Structure: Our operations are managed by the Trustees, as well as 3 paid employees. We employ a groundsman, a cleaner and a part time front office person. Volunteers support us with our various activities throughout the year.

Main Sources of Entity's Cash and Resources

Cobblestones Trust has received its income from a mixture of grants, rent received, gate takings, souvenir sales, donations and fundraising.

Main Methods Used by Entity to Raise Funds

Fundraising activities are usually run by the Friends of Cobblestones volunteer group. Grants are applied for from District Councils and other community organisations for specific projects.



Entity's Reliance on Volunteers and Donated Goods or Services

Friends of Cobblestones is a volunteer group who work alongside the Cobblestones Trust and are actively involved in fund raising, care and maintenance of the museum grounds, development projects, museum promotion, and events and open days.

Additional Information

Phone: 06 304 9079

Email: info@cobblestonesmuseum.org.nz

Website: www.cobblestonesmuseum.org.nz

Physical Address

169 Main Street, Greytown, Greytown, New Zealand, 5712

Postal Address

PO Box 9, Greytown, 5742



Approval of Financial Report

Cobblestones Trust

For the year ended 31 May 2016

The Trustees are pleased to present the approved financial report including the historical financial statements of Cobblestones Trust for year ended 31 May 2016.

APPROVED



Anthony Russell

Trustee

Date 4.8.2016.



Phil Robertson

Treasurer

Date 4.8.2016



Statement of Service Performance

Cobblestones Trust

For the year ended 31 May 2016

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

A well presented and informative museum for the public to enjoy, encouraging an interest in history. Providing education of museum visitors through displays and lectures.

	2016	2015
Description and Quantification of the Entity's Outputs		
Museum Visitor Numbers - Adults	3,470	2,824
Museum Visitor Numbers - Children	601	481
Museum Visitor Numbers - Families	349	360
Volunteer Hours	3,251	2,750



Statement of Financial Performance

Cobblestones Trust

For the year ended 31 May 2016

'How was it funded?' and 'What did it cost?'

	NOTES	2016	2015
Revenue			
Donations, fundraising and other similar revenue	1	93,758	159,339
Revenue from providing goods or services	1	87,199	69,475
Interest, dividends and other investment revenue	1	380	1,366
Other revenue	1	9,044	6,645
Total Revenue		190,381	236,825
Expenses			
Volunteer and employee related costs	2	25,945	19,110
Costs related to providing goods or service	2	103,390	89,686
Other expenses	2	42,220	38,144
Total Expenses		171,555	146,940
Surplus/(Deficit) for the Year		18,825	89,885



This accompanying notes form part of this Performance Report.

Statement of Financial Position

Cobblestones Trust

As at 31 May 2016

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 MAY 2016	31 MAY 2015
Assets			
Current Assets			
Bank accounts and cash	3	27,037	20,444
Debtors and prepayments	3	6,750	68,665
Inventory	3	3,356	899
Total Current Assets		37,144	90,007
Non-Current Assets			
Property, Plant and Equipment	5	1,992,173	1,711,052
Total Non-Current Assets		1,992,173	1,711,052
Total Assets		2,029,317	1,801,059
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	(1,153)	150
Other current liabilities	4	4,900	1,655
Total Current Liabilities		3,747	1,804
Non-Current Liabilities			
Loans	4	-	100,019
Total Non-Current Liabilities		-	100,019
Total Liabilities		3,747	101,823
Total Assets less Total Liabilities (Net Assets)		2,025,570	1,699,236
Accumulated Funds			
Accumulated surpluses or (deficits)	6	1,718,061	1,699,236
Reserves	6	307,509	-
Total Accumulated Funds		2,025,570	1,699,236



This accompanying notes form part of this Performance Report.

Statement of Cash Flows

Cobblestones Trust

For the year ended 31 May 2016

'How the entity has received and used cash'

Account	2016	2015
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	155,172.41	159,338.93
Receipts from providing goods or services	87,198.71	69,474.89
Interest, dividends and other investment receipts	380.43	1,366.48
Cash receipts from other operating activities	8,826.10	6,644.57
GST	248.73	8,405.00
Payments to suppliers and employees	(139,087.14)	(117,793.08)
Total Cash Flows from Operating Activities	112,739.24	127,436.79
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	0.00	35.00
Proceeds from loans borrowed from other parties	0.00	100,018.71
Payments to acquire property, plant and equipment	(6,126.83)	(963,231.05)
Repayments of loans borrowed from other parties	(100,018.71)	0.00
Cash Flows from Other Investing and Financing Activities	0.00	702,365.84
Total Cash Flows from Investing and Financing Activities	(106,145.54)	(160,811.50)
Net Increase/ (Decrease) in Cash	6,593.70	(33,374.71)
Cash Balances		
Cash and cash equivalents at beginning of period	20,443.76	53,818.47
Cash and cash equivalents at end of period	27,037.46	20,443.76
Net change in cash for period	6,593.70	(33,374.71)



This accompanying notes form part of this Performance Report.

Statement of Accounting Policies

Cobblestones Trust

For the year ended 31 May 2016

'How did we do our accounting?'

Basis of Preparation

Cobblestones Trust 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

Cobblestones Trust is a registered charitable entity under the Charities Act 2005, and accordingly is exempt from income tax under sections CW41 & CW42 of the Income Tax Act 2007.

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.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

Grants received are recognised in operating revenue, unless specific conditions are attached to a grant and repayment of the grant is required where these conditions are not met. In these cases, the grant is treated as a liability until the conditions are met.

Inventories

Inventories are recorded at the lower of cost (determined on a first in first out basis) and net realisable value.

Accounts Receivable

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.



Property, Plant and Equipment

All property plant and equipment are initially recorded at cost with depreciation being deducted on all tangible fixed assets other than freehold land, in accordance with rates set out in the Income Tax Act 2007.

If any assets are revalued this will be clearly shown in the Fixed Asset Register.

Exhibits were valued in 1999 and no changes have been recorded since that date. No depreciation has been written off these exhibits.

The original building valuation and plant & equipment valuation were undertaken in 1994 and depreciation has been claimed on these.

An adjustment to the valuation of buildings and freehold land was made in May 2016. Valuation was provided by Quotable Value NZ Ltd and dated 1 September 2014.

2016

Depreciation

Land - No Depreciation

-

Buildings - 0% - 43% Diminishing Value	24,817
Exhibits Valuation - 0% - 10% Diminishing Value	7,082
Plant & Equipment - 0% - 93% Diminishing Value	616
Total Depreciation	32,515



Notes to the Performance Report

Cobblestones Trust

For the year ended 31 May 2016

	2016	2015
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Carterton District Council - Building Grants	-	15,000
Community Donations - New Building	-	30,150
Donations	1,823	6,642
Donations - Friends	5,274	-
Donations - Special	10,000	-
Eastern & Central Community Trust	-	20,000
Fundraising - New Building	-	1,000
Fundraising - Woolshed	7,075	-
Greytown Trust Lands Trust - Building Grants	47,331	-
Masterton District Council	1,000	-
Masterton District Council - Building Grants	-	5,000
NZ Lottery Grants Board	-	20,636
South Wairarapa District Council	15,000	10,680
South Wairarapa District Council - Building Grants	-	10,000
Trust House Foundation	6,000	40,000
Wishing Well	255	231
Total Donations, fundraising and other similar revenue	93,758	159,339
Revenue from providing goods or services		
Admin / Hall Hire	710	735
Church Hire	2,348	548
Gate Takings	27,827	21,818
Greytown Trust Lands Trust	30,096	30,410
Horse Rides / Films / Ground Use	-	52
Rent Received	14,532	12,516
Souvenir Sales	11,685	3,396
Total Revenue from providing goods or services	87,199	69,475
Interest, dividends and other investment revenue		
Interest Income	380	1,023
Interest on Investment - New Entrance Account	-	343
Total Interest, dividends and other investment revenue	380	1,366
Other revenue		
Sundry Income	1,000	775
Wage Subsidy Received	8,044	5,870
Total Other revenue	9,044	6,645



	2016	2015
2. Analysis of Expenses		
Volunteer and employee related costs		
Staff Training	1,800	-
Wages & Salaries - Employees	24,145	19,110
Total Volunteer and employee related costs	25,945	19,110
Costs related to providing goods or services		
Administration Expenses	2,183	1,680
Advertising	6,184	3,596
Bank Fees	379	166
Cleaning & Laundry	1,502	1,367
Closing Stock - Souvenirs	(3,356)	(899)
Conservation Plans	8,000	20,000
Development Expenses - Projects	584	1,243
Displays	1,480	-
Eftpos Admin & Rental	983	791
Electricity	3,997	3,354
Garden Maintenance	5,438	2,624
General Expenses	2,195	1,540
Ground Lease	31,350	31,350
Insurance	5,044	4,970
Mower Expenses, Fuel etc	757	620
Opening Stock - Souvenirs	899	467
Printing & Stationery	647	-
Rates	5,929	4,222
Repairs & Maintenance - Special	9,827	-
Repairs and Maintenance	8,210	9,334
Souvenir Purchases	9,391	1,077
Subscriptions	176	335
Telephone & Internet	1,591	1,849
Total Costs related to providing goods or services	103,390	89,686
Other expenses		
Accounting Fees	3,500	1,500
Audit Fees	4,305	1,850
Depreciation	32,515	27,536
Interest Expense	1,900	5,216
Loss on Sale of Assets	-	2,042
Total Other expenses	42,220	38,144

	2016	2015
3. Analysis of Assets		
Bank accounts and cash		
BNZ - Current Account	6,049	7,222
BNZ - Horse Drawn Account	782	768
BNZ - New Building Account	8,431	165
BNZ - Project Account	1,021	10,264



BNZ - Savings Account	10,505	1,775
Cash On Hand	250	250
Total Bank accounts and cash	27,037	20,444

Debtors and prepayments

Sundry Debtors	6,750	68,665
Total Debtors and prepayments	6,750	68,665

Other non-current assets

Stock on Hand	3,356	899
Total Other non-current assets	3,356	899

2016 2015

4. Analysis of Liabilities**Creditors and accrued expenses**

GST	(4,438)	(4,090)
Sundry Creditors	3,285	4,240
Total Creditors and accrued expenses	(1,153)	150

Other current liabilities

Accruals	4,900	1,655
Total Other current liabilities	4,900	1,655

Loans

BNZ Term Loan	-	100,019
Total Loans	-	100,019

2016 2015

5. Property, Plant and Equipment**Land**

Land at cost	215,000	225,000
Total Land	215,000	225,000

Buildings

Buildings at cost	1,929,090	1,611,581
Accumulated depreciation - buildings	(274,578)	(249,761)
Total Buildings	1,654,512	1,361,820

Exhibits Valuation

Exhibits Valuation	126,401	120,274
Accumulated depreciation - exhibits valuation	(7,669)	(587)
Total Exhibits Valuation	118,732	119,687

Plant and Equipment

Plant and machinery owned	19,782	19,782
Accumulated depreciation - plant and machinery owned	(15,853)	(15,237)
Total Plant and Equipment	3,930	4,545

Total Property, Plant and Equipment	1,992,173	1,711,052
--	------------------	------------------



Land and Buildings have been restated to valuation in accordance with the valuation report dated 1 September 2014 by Quotable Value NZ Ltd.

Exhibits were valued in 1999 and no changes have been recorded since that date.

	2016	2015
6. Accumulated Funds		
Accumulated Surpluses or (Deficits)		
Opening Balance	1,699,236	1,609,351
Accumulated surpluses or (deficits)	18,825	89,885
Total Accumulated Surpluses or (Deficits)	1,718,061	1,699,236
Reserves		
Revaluation reserves		
Revaluation Reserve	307,509	-
Total Revaluation reserves	307,509	-
Total Reserves	307,509	-
Total Accumulated Funds	2,025,570	1,699,236
	2016	2015

7. Commitments

Commitments to lease or rent assets		
Technology Holdings Limited for EFTPOS equipment, March 2016 - February 2019	2,072	-
Total Commitments to lease or rent assets	2,072	-

8. Contingent Liabilities and Guarantees

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

9. Significant Grants and Donations with Conditions not Recorded as a Liability

There are no significant grants and donations with conditions that have not been recorded as a liability as at 31 May 2016.

	2016	2015
10. Goods or Services Provided to the Entity in Kind		
Volunteers assist in the front office of the museum	-	-
Friends of Cobblestones do the gardens, rake leaves, maintenance etc	-	-
	2016	2015

11. Assets Used as Security for Liabilities

Borrowing - BNZ Term Loan, for new Entrance Building	-	100,019
Asset Used as Security - Freehold Land at 169 Main St Greytown	215,000	225,000

BNZ holds a security in case of future borrowings by the Trust.



12. Assets Held on Behalf of Others

Waka - Loaned from Aratoi Museum in Masterton, until February 2017.

Push Cycle - Loaned from NZ Police Museum in Porirua, until 2017.

	2016	2015
13. Related Parties		
Sales		
David Montgomerie is a councillor on South Wairarapa District Council ("SWDC") which donated	15,000	20,680
David Montgomerie & Graeme Gray are Trustees of Greytown Trust Lands ("GTL") which donated	47,331	-
Total Sales	62,331	20,680
Purchases		
Davi Montgomerie and Graeme Gray is a Trustee of Greytown Trust Lands ("GTL"), which charged rent of	31,350	31,350
Total Purchases	31,350	31,350

14. Events After the Balance Date

A grant from the Lottery Grants Board has been agreed for \$40,000, to be used for fixing up the Woolshed building on the grounds of the Museum. The grant will be received and used in the 2017 year.

15. Heritage Assets Not Recorded

Some Heritage assets have not been recorded in the Statement of Financial Position because values are not readily obtainable. These assets include various exhibits and artefacts held at the museum.



Independent auditor's report

To the Trustees of Cobblestones Trust

We have audited the accompanying performance report of Cobblestones Trust 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 May 2016, the statement of financial position as at 31 May 2016, and the statement of accounting policies and other explanatory information.

This report is made solely to the trustees of the trust. Our audit has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees, for our audit work, for this report, or for the opinions we have formed.

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 our audit opinion.

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

Basis for qualified opinion

The Trust's reported income includes cash received from donations, fundraising, gate takings, and other cash based income items.

In common with similar organisations, control over such cash income prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control. In this respect alone, we have not obtained all the information and explanations that we have required.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph;

- 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 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 Cobblestones Trust as at 31 May 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).

Moore Stephens Wairarapa Audit

Moore Stephens Wairarapa Audit | Chartered Accountants, Masterton, New Zealand
5 August 2016