

**Auckland Regional Migrant Services Charitable Trust
Performance Report
For the Year Ended 30th June 2018**

Auckland Regional Migrant Services Charitable Trust
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For the Year Ended 30 June 2018

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Auckland Regional Migrant Services Charitable Trust

Entity Information

As at 30 June 2018

Nature of business:	Provide support, full integration and participation of migrants and resettled families communities in Aotearoa/ New Zealand.
Type of Entity:	Registered Charity
Registration Number:	CC43070
Governance Committee:	Rahul Watson Govindan (Chairperson) Tracey Moore (Deputy) Dr Bruce Bryant (Chair of Finance Committee) Paul Bryant Eric Chuah Dr Elizabeth Fitton-Higgins Naoe Hashimoto Helen Kemp Taufil Omar Maretha Smit
Physical address:	Level 2, 8 Virginia Ave West Eden Terrace, AUCKLAND 1020
Website:	www.settlement.org.nz
Accountant:	TAEL Solutions Limited Glen Eden AUCKLAND 0641
Auditor:	BVO Level 2, 18 Broadway, Newmarket AUCKLAND 1149

Auckland Regional Migrant Services Charitable Trust

Entity Information

For the Year Ended 30 June 2018

Entity's Purpose or Mission

To actively enable and support the full integration and participation of migrants and resettled families and communities in Aotearoa/New Zealand.

Goals:

Visibility and value

Build on Auckland Regional Migrants Services Charitable Trust's ("ARMS") reputation and continue to increase its credibility, by conducting research on the needs of newcomers, migrants and resettled communities, strengthening its profile and making clear its future areas of focus, the strategic value of the organisation, and the quality of its offerings, and advocacy.

Participation, inclusion and wellbeing

Work with partners across sectors to further the goals of the NZ Settlement Strategy through initiatives that promote social and economic participation. Enhance the visibility of, and support for, migrants, resettled communities and minority ethnic groups in relation to community integration, empowerment and access to resources.

Partnerships and Collaboration

Work strategically to leverage current relationships and ARMS' record of collaboration and partnerships. Seek out alliances that complement the organisation's strategic objectives. Investigate private sector, commercial and social engagement models that contribute to positive outcomes for migrant individuals and communities.

Sustainability

Build an enduring organisation that is of continuing relevance and value to the individuals and communities it serves and supports, as well as stakeholders and benefactors. Continue to develop strong external partnerships, and social enterprise initiatives, to establish sustainable organisational funding structures. Retain and develop skilled and experienced staff, volunteers and trustees who contribute to augmenting the reputation, quality and robustness of the organisation. Continue to establish sector leadership on matters touching on ARMS' vision and mission.

Entity Structure

The ARMS Trust Deed requires a minimum of 9 and maximum of 12 trustees. Currently there are 10 trustees. The Board has three committees: Finance and Assets; Strategy and Development; Social Enterprise Committee. The Chair and Vice Chair are appointed by a majority of the trustees. The management/ staff team consists of a Chief Executive, an Administration Coordinator, three service managers, and usually 7 - 8 project workers. In any one week, ARMS has up to 30 volunteers assisting with activities.

Auckland Regional Migrant Services Charitable Trust

Entity Information

For the Year Ended 30 June 2018

Main Sources of Entity's Cash and Resources

ARMS receives its income from central government funding agreements, local government grants and funding agreements, philanthropic and community trusts, client fees, donations and rental charges.

Main Methods Used by Entity to Raise Funds

The Trust does not raise funds except through fees paid by participants and occasional calls for donations, and through the application of government funding and community trusts grants.

Entity's Reliance on Volunteers & Donated Goods and Services

ARMS relies heavily on volunteers to assist staff with activities. The Trustees are also volunteers.

Auckland Regional Migrant Services Charitable Trust

Statement of Service Performance

For the Year Ended 30 June 2018

Entity's Outcomes

An inclusive, welcoming Aotearoa/New Zealand for migrants and resettled families and communities who are to achieve equality, access and full participation in every aspect of their lives.

New migrants and their families able to settle quickly and successfully, and find employment suitable to their experience and qualifications.

Former refugees feeling belonged, able to contribute to the wider society, through activities that educate, empower and ensure equal access to services.

Description and Quantification of the Entity's Outputs

Description of the Entity's Outputs:	2018	2017
Number of workshops for migrant job seekers	19	25
Attendance at workshops for migrant job seekers	225	403
Number of specialist workshops for migrant job seekers	3	20
Attendance at specialist workshops for migrant job seekers	57	358
Attendance at settlement support / social cohesion workshops for new migrants	516	758
Number of resettled (former refugee/migrant) women involved in community projects	710	442
Number of WISE Collective catering orders/events	90	75
Number of children enrolled with Safari Playgroups	193	212
Recipients of ARMS quarterly e-Ethnic News Link	642	574
Recipients of weekly WISE Newsletter	500	395

Auckland Regional Migrant Services Charitable Trust
Statement of Service Performance
For the Year Ended 30 June 2018

Description of the Entity's Outputs:	2018	2017
Participants in other short term community engagement programme	1,750	NIL
Number of volunteers involved in various volunteer related programmes	68	86
Number of volunteers hours involved in our programmes	8,364	10,704

This Statement must be read in conjunction with the Audit Report.

Auckland Regional Migrant Services Charitable Trust
Statement of Financial Performance
for the Year Ended 30 June 2018

	Note	2018	2017
REVENUE			
Donations, funding & other similar revenue	2	854,957	648,382
Revenue from providing goods or services	2	51,730	165,438
Other revenue		2,500	5,000
Interest, dividends & other investment income	2	21,664	14,230
Total Income		930,851	833,049
EXPENSES			
Volunteer & employee related costs	3	506,443	451,307
Costs related to providing goods or services	3	137,293	119,323
Project related costs	3	212,434	217,927
Other expenses	3	41,760	33,420
Total Expenses		897,930	821,977
SURPLUS/ (DEFICIT) FOR THE YEAR		32,921	11,072

This Statement must be read in conjunction with the accompanying policies and notes, and the Auditor's Report.



Auckland Regional Migrant Services Charitable Trust

Balance Sheet

at 30 June 2018

	Note	2018	2017
Retained earnings		187,463	176,392
Prior period adjustment	2, 9	49,290	-
Surplus/ (Deficit) for the year		32,921	11,072
Trustees' equity		\$269,674	\$187,463
represented by:			
Current assets			
ANZ Bank accounts		73,591	57,147
ANZ Term Deposits		300,000	450,000
Accounts receivable		45,408	3,735
Prepayments		3,966	3,695
Sundry Debtors		2,377	-
Cash On Hand		1,246	724
GST refund due		-	109
		426,588	515,411
Current liabilities			
ANZ Credit Card		785	1,597
Accounts payable		14,364	5,750
Holiday Pay Accrual		17,282	19,163
PAYE Accrual		8,032	11,470
Accruals		4,000	3,080
GST payable		589	-
Grant income in advance		122,331	323,642
		167,383	364,701
Working capital		259,205	150,710
Non-current assets			
Fixed assets as per schedule	13	10,470	12,874
Regional Settlement Website		-	23,880
		10,470	36,754
		273,674	187,463
		\$269,674	\$187,463

Chairperson:

Robert W. G. G. G.

Date:

16/11/18

This Statement must be read in conjunction with the accompanying policies and notes, and the Auditor's Report.



Auckland Regional Migrant Services Charitable Trust

Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018	2017
Cash Flows From Operating Activities			
Cash was provided from:			
Donations, fundraising and other similar receipts		711,015	663,243
Receipts from providing goods or services		7,680	207,060
Interest, dividends and other investment receipts		21,664	14,230
Other revenue		2,500	5,000
		742,859	889,533
Cash was applied to:			
Payment to suppliers and employees		868,444	819,744
Net GST Payments		(698)	109
		867,746	819,853
Net Cash Inflow (Outflow) From Operating Activities		(124,887)	69,680
Cash Flows From Investing and Financing Activities			
Cash was provided from:			
Cash was applied to:			
Acquisition of Property, Plant & Equipment		8,146	-
Net Cash Inflow (Outflow) From Investing & Financing Activity		(8,146)	-
Net Increase (Decrease) In Cash Funds		(133,033)	69,680
Cash balance as at 1 July			
Bank Accounts		507,872	438,192
Cash balance as at 30 June 2018		\$374,837	\$507,872
This is represented by:			
ANZ 06-0177-0193952-00		48,854	14,447
ANZ 06-0177-0193952-25		1,632	37,956
ANZ Safari PG (Central)		7,400	1,781
ANZ Safari PG (West)		7,390	1,566
ANZ Safari PG (South)		5,121	1,397
ANZ Safari PG (East)		3,194	-
ANZ Term Deposits		300,000	450,000
Petty Cash		1,246	724
		374,837	507,872

This Statement must be read in conjunction with the accompanying policies and notes, and the Auditor's Report.



Auckland Regional Migrant Services Charitable Trust

Statement of Accounting Policies & Notes to the Performance Report For the Year Ended 30 June 2018

1. Statement of accounting policies

Reporting Entity

Auckland Regional Migrant Services Charitable Trust is registered as a charitable entity under the Charities Act 2005.

Basis of Preparation

The entity has elected to apply Tier 3 PBE SFR-A (NFP) Public Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and had 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 as a going concern in the foreseeable future.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position are on an historical basis.

There have been no changes in accounting policies in the period covered by these Financial statements. All policies have been applied on the same basis consistent with those used last year.

Specific accounting policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

A. Property, Plant & Equipment

Fixed assets are stated at cost less aggregate depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.

B. Financial Instruments

Financial instruments carried on the balance sheet include bank balances, accounts receivables and accounts payable.

The carrying value of each item as shown on the balance sheet is its fair value. There are no financial instruments with off balance sheet risk.

C. Accounts Receivable

Accounts receivable are valued at expected realisable value.

D. Income Tax

The entity is wholly exempt from New Zealand Income Tax having fully complied with all statutory conditions for Income Tax exemption.

E. Goods and services tax

The entity is registered for GST. The financial statements have been prepared on a GST exclusive basis except for Accounts Receivable and Accounts Payable.



Auckland Regional Migrant Services Charitable Trust

Statement of Accounting Policies & Notes to the Performance Report For the Year Ended 30 June 2018

F. Bank Accounts and Cash

Bank accounts and cash in the Cash Flow Statement comprise cash balances and bank balances including short term deposits with original maturities of 180 days or less.

G. Accounts Payable

Accounts payable represents liabilities for goods and services provided to the entity prior to the end of the financial year which are unpaid. Accounts payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 12 months of recognition.

H. Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. Examples of such benefits include wages and salaries, and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

I. Revenue from non-exchange transactions

Donations

Donations are recognised as revenue upon receipt and include donations from the general public, donations received for specific programme or services or donations in-kind. Services in-kind may be recognised as revenue but do not have to be, including volunteer time which has been recorded where possible but has not been given a financial value in these financial statements.

Grant revenue

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

J. Revenue from exchange transactions

Sales revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefit or service potential associated with the transaction will flow to the entity.

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method.



Auckland Regional Migrant Services Charitable Trust
Statement of Accounting Policies &
Notes to the Performance Report
For the Year Ended 30 June 2018

2. Analysis of Revenue

	2018	2017
	\$	\$
Donations, funding & other similar revenue		
Grants/ donations from operations/ projects	<u>854,957</u>	<u>648,382</u>
	<u>854,957</u>	<u>648,382</u>
Revenue from providing goods or services		
Revenue from grants for service with central government	-	117,000
Revenue from other activities	<u>51,730</u>	<u>48,438</u>
	<u>51,730</u>	<u>165,438</u>
Interest, Dividends & other investment income		
Interest received	<u>21,664</u>	<u>14,230</u>
	<u>21,664</u>	<u>14,230</u>

At 30 June 2017 a balance of \$87,052 from the NZ Lotteries Grant Board was incorrectly carried forward into the 2018 financial year. Of this amount \$57,369 should have been treated as 2017 revenues. The effect of this was to understate the 2017 surplus by \$57,369.

In accordance to the Public Benefit Entity Simple Format Reporting Standards (PBE SFR-A (NFP)) this error has been corrected by reducing the balance in Grant in Advance account by \$57,369 and record this as prior period adjustment.



Auckland Regional Migrant Services Charitable Trust
Statement of Accounting Policies &
Notes to the Performance Report
For the Year Ended 30 June 2018

3. Analysis of Expenses

	2018	2017
	\$	\$
Volunteer & employee related costs		
Wages & Salaries	494,579	446,051
Accident compensation levies	1,075	1,521
Other related costs	<u>10,789</u>	<u>3,736</u>
	<u>506,443</u>	<u>451,307</u>
Projects related costs		
Direct costs related to projects	<u>212,434</u>	<u>217,927</u>
	<u>212,434</u>	<u>217,927</u>
Costs related to providing goods or services		
Other service delivery costs	<u>137,293</u>	<u>119,323</u>
	<u>137,293</u>	<u>119,323</u>
Other Expenses		
Accountancy	10,890	-
Audit	4,520	2,530
Depreciation & Amortisation	<u>26,350</u>	<u>30,889</u>
	<u>41,760</u>	<u>33,420</u>

4. Capital Commitments

There are no commitments for capital expenditure at balance date. (Last year Nil).

5. Contingent Liabilities

There are no known contingent liabilities at balance date. (Last year Nil).

6. Segmental Accounting

The organisation operates within New Zealand and is wholly involved in charity work.

7. Lease Commitments

There are no non-cancellable operating leases. (Last year Nil).

8. Transactions with Related Parties

There have been no significant transactions with related parties during the year. (Last year Nil).

9. Prior period adjustment

In the 2018 financial year corrections were made to errors made in 2017 financial year. They were Fixed Assets and Grant in Advance.

Fixed Assets.

Closing balance as at 30 June 2017 was overstated with assets that no longer exist.

This has overstated the total fixed assets by \$8,079.

The adjustment is recorded as prior period adjustment.



Auckland Regional Migrant Services Charitable Trust

Statement of Accounting Policies & Notes to the Performance Report For the Year Ended 30 June 2018

Grant in Advance.

At 30 June 2017 a balance of \$87,052 from the NZ Lotteries Grant Board was incorrectly carried forward into the 2018 financial year. Of this amount, \$57,369 should have been treated as 2017 revenue.

This has understated the revenue in 2017 by \$57,369.

The adjustment is recorded as prior period adjustment.

Total prior period adjustment made in 2018: \$49,290.

10. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last year Nil).

11. Going Concern

The organisation is exposed to an annual going concern risk, in that ongoing activities of the organisation are dependent upon annual grants approval from various funding agencies.

12. Accumulated Funds

This Year				
Description	Trust Funds Contributed by Settlor	Accumulated Surpluses	Land & Building Revaluation Reserve	Total
Opening Balance		187,464		187,464
Surplus/ (Deficit)		32,921		32,921
Transfer to/ from Reserves				
Prior period adjustment		49,290		49,290
Closing Balance		269,674		269,674

Last Year				
Description	Trust Funds Contributed by Settlor	Accumulated Surpluses	Land & Building Revaluation Reserve	Total
Opening Balance		176,392		176,392
Surplus/ (Deficit)		11,072		11,072
Transfer to/ from Reserves				
Prior period adjustment				
Closing Balance		187,464		187,464



**Auckland Regional Migrant Services Charitable Trust
Statement of Accounting Policies &
Notes to the Performance Report
For the Year Ended 30 June 2018**

13. Property, Plant & Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales / Disposals	Current Year Depreciation & Impairment	Closing Carrying Amount
Land					
Buildings		1,278		1,278	-
Computers (software)	9,802	3,973	6,608	753	6,414
Furniture & fixtures	1,322		1,201	27	94
Office Equipment	1,750	1,130	1,548	184	1,148
Motor Vehicle		3,043		228	2,815
Total	12,874	9,424	9,357	2,470	10,470

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales / Disposals	Current Year Depreciation & Impairment	Closing Carrying Amount
Land					
Buildings					
Computers (software)	12,657			2,855	9,802
Furniture & fixtures	5,228			3,906	1,322
Office Equipment	1,998			248	1,750
Motor Vehicle					
Total	19,883			7,009	12,874



Auckland Regional Migrant Services Charitable Trust Schedule of Funding For the Year Ended 30 June 2018

During the year funding was received from:

Funder	2018 Received	2017 Received
Auckland Airport Community Trust	-	37,920
Auckland Council	38,505	101,416
Department of Internal Affairs	26,800	17,479
Foundation North	97,000	99,500
Guardian Trust	-	15,000
Hugh Green Foundation	80,000	80,000
Ministry of Education	26,954	41,460
Ministry of Education (Safari East)	100,000	-
Ministry of Education (Safari South)	49,642	-
Ministry of Social Development	-	123,783
NZ Lottery Grants Board	92,472	89,045
Pub Charity	-	3,478
Sky City Community Trust	87,400	118,500
The Dragon Community Trust	-	2,475
The Fledgling Trust	-	10,000
The Trusts Community Foundation	10,000	15,000
The Whau Community Arts Broker	-	1,520
	<u>608,773</u>	<u>756,575</u>



INDEPENDENT AUDITOR'S REPORT

To the Members of the Auckland Regional Migrant Services Charitable Trust

Report on the Financial Statements

Opinion

We have audited the financial statements of Auckland Regional Migrant Services Charitable Trust on pages 6 to 15, which comprise the Balance Sheet as at 30 June 2018, the statement of financial performance and statement of cash flows for the year then ended, the statement of accounting policies and other explanatory information.

In our opinion, the financial statements on pages 6 to 15 present fairly the financial position of Auckland Regional Migrant Services Charitable Trust as at 30 June 2018 and its financial performance and cash flows for the year ended on that date in accordance with the requirements of Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board relevant to reporting financial position, financial performance and cash flows.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Auckland Regional Migrant Services Charitable Trust.

Restriction on responsibility

This report is made solely to the Trustees, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Your Chartered Accountants and Business Advisors

PRINCIPALS

Athol Raymond Owens
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Other Information

The Trustees are responsible for the other information. The other information comprises the entity information and statement of service performance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of financial statements in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Auckland Regional Migrant Services Charitable Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate Auckland Regional Migrant Services Charitable Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Auckland Regional Migrant Services Charitable Trust's internal control.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Auckland Regional Migrant Services Charitable Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Auckland Regional Migrant Services Charitable Trust to cease to continue as a going concern.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Blackmore Virtue & Owens

**BLACKMORE VIRTUE & OWENS
CHARTERED ACCOUNTANTS
NEWMARKET
AUCKLAND**

16 November 2018