

Champion Foundation Trust Performance Report

For the year ended 30 June 2020

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Champion Foundation Trust Entity Information

Legal Name: Champion Foundation Trust

Type: Registered Charitable Trust

Registration Number: CC39895

Purpose or Mission:

To benefit children with developmental delay or physical disabilities that compromise their development, and requiring early intervention.
We aim to give financial assistance to providers of services such as The Champion Centre.

Structure:

Charitable Trust, affiliated to The Champion Centre (Christchurch Early Intervention Trust).

The Trust Deed states that there will be no less than three (3) nor more than eight (8) trustees of which one (1) shall be appointed by the Christchurch Early Intervention Trust from time to time. Trustees are appointed for a four (4) year term. A Chairperson is elected from the Trustees.

Main Sources of Cash and Resources: Interest, donations, gifts and bequests.

Main Methods Used to Raise Funds: Donations requests and various fundraising activities.

Reliance on Volunteers:

The Trust relies on gifts of volunteer time and expertise to complete work in many essential roles such as governance, fundraising, administration and accounting.

Total voluntary hours per year are estimated to be 500 hours per annum. This is approximately 5:1 ratio to paid employee hours per year

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Champion Foundation Trust Statement of Service Performance For the Year Ended 30 June 2020

Outcomes that the trust is seeking to achieve:

1. Build a capital fund of over \$5,000,000, invested judiciously, the income from which is used to fund shortfalls in operating budgets at The Champion Centre.
2. Undertake various fundraising events each year, the number of which is to be determined by the fundraising committee.
3. Investigate additional sources of funding (e.g. Government Ministries) to gain extra support for the work of The Champion Centre.

Outcome measures:

1. Amount of the accumulated funds at year end and the amount provided to the Champion Centre. The Trust has accumulated funds of \$2,037,980 (2019 \$1,943,206). The sum of Nil (2019 \$45,000) has been paid to the Champion Centre to assist with operational costs in the current fiscal year.
2. Fund raising events will be measured on both (net) direct receipts and the exposure of potential benefactors to The Champion Centre and to the Trust. Due to Covid-19 the 2020 Charitable Golf Tournament to be held in May 2020 had to be cancelled. No other fundraising activities were undertaken this year (2019: \$163,031).
3. Diversity of investments and associated measures of risk. The Treasury Policy has been completed for the board and has been implemented. Investment opportunities with other financial institutions are currently being reviewed.
4. Level of government and community funding received by The Champion Centre. The Trust's role is that of an advisory in this task. Conversations have started at local levels with funding providers and iwi to understanding the cost of services provided, the beneficiaries and what options are available for funding.

Champion Foundation Trust Statement of Financial Performance For the Year Ended 30 June 2020

	Notes	2020	2019
Revenue			
Donations, Fundraising & Other Similar Revenue		46,350	342,081
Early Bird Sales		3,335	3,080
Interest		64,308	65,596
Total Revenue	1	113,993	410,757
Expenses			
Related to Fundraising		1,150	60,570
Other Expenses		15,079	56,675
Donated Books		2,990	10,359
Grants Made		-	75,878
Total Expenses	2	19,219	203,482
Gross Surplus		94,774	207,275
Transfer to Reserves			
Surplus		94,774	207,275

This statement should be read in conjunction with the Statement of Accounting Policies, Notes to the Performance Report and the Auditor's Report.




The Champion Centre
Tāmaki Toi Ora

Champion Foundation Trust Statement of Financial Position As at 30 June 2020

	Notes	2020	2019
Assets			
Current Assets			
Bank Accounts		99,621	51,119
Debtors and Repayments		14,752	25,813
Inventory		15,233	19,606
Current Investments		1,775,847	-
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Total Current Assets		1,905,453	96,538
Non-Current Assets			
Investments		133,569	1,850,246
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Total Non-Current Assets			
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Total Assets		2,039,022	1,946,784
Liabilities			
Current Liabilities			
Creditors & Accrued Expense		1,042	3,578
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Total Current Liabilities		1,042	3,578
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Net Assets		2,037,980	1,943,206
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Accumulated Funds			
Accumulated Surplus	4	1,882,980	1,788,206
Reserves	4	155,000	155,000
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Total Accumulated Funds		2,037,980	1,943,206

Signed:

 11/11/20

This statement should be read in conjunction with the Statement of Accounting Policies, Notes to the Performance Report and the Auditor's Report.



Performance Report and the Auditor's Report.

Champion Foundation Trust Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Cashflow from (to) Operating Activities		
Cash was received from		
Donations, Fundraising & Other Similar Revenue	46,350	297,504
Receipts from Providing Goods and Services	4,719	3,080
Interest Received	75,369	45,138
	126,438	345,722
Cash was applied to		
Payment to Suppliers	(16,218)	(147,753)
Net GST	(2,549)	1,900
Grants Supplied	-	(75,878)
	(18,767)	(221,731)
Net Cashflows from (to) Operations	107,671	123,991
Cashflows from (to) Investing & Financing Activities		
Cash was received from		
Maturity of Term Deposits	1,681,009	866,402
Cash was applied to		
Placement of Term Deposits	(1,740,178)	(1,055,530)
Net Cash Flows from (to) Investing Activities	(59,169)	(189,128)
Net Increase (decrease) in Cash at Bank	48,502	(65,137)
Opening Bank Balance	51,119	116,256
Closing Bank Balance	99,621	51,119

This statement should be read in conjunction with the Statement of Accounting Policies, Notes to the Performance Report and the Auditor's Report.

Champion Foundation Trust Statement of Accounting Policies For the Year Ended 30 June 2020

Basis of Preparation of Performance Report

Champion Foundation 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 of less than \$2,000,000.

Measurement Base

Transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report has been prepared on the assumption that the Trust will continue to operate in the foreseeable future.

The Performance Report is presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

GST

The Trust was registered for GST, on a payments basis, for 8 months of the year. Registration ceased in February 2020. The figures in the Performance Report have been prepared exclusive of GST for the first eight months and inclusive of GST (if any) for the remaining 4 months. 2019 comparatives are exclusive of GST (if any)

Earlybird Books

In 2019 the Trust produced a book "Earlybird". During the year books were sold and also donated to NICU units around New Zealand. As at balance date the Trust holds books and artwork prints as inventory.

Income Tax

The entity is exempt from income tax.

Bank Accounts

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

The Accounting Policies should be read in conjunction with the Notes to the Performance Report.

Champion Foundation Trust Statement of Accounting Policies For the Year Ended 30 June 2020

Changes in Accounting Policies

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

The comparative was the first Performance Report prepared under the new PBE SFR-A (NFP) Standard. The adoption of the standard has not required any significant change in accounting treatment or measurement of transactions for this entity for the year.

The Accounting Policies should be read in conjunction with the Notes to the Performance Report.



Champion Foundation Trust Notes to the Performance Report For the Year Ended 30 June 2020

1. Revenue

All revenue recorded in the Performance Report is in the year that it is earned. As at balance date there were no donations received that had any conditions that are required to be met by the Trust prior to recognition of revenue (2019 Nil). Revenue has been derived from the following activities.

<u>Revenue</u>	2020	2019
Donations	40,750	118,480
Funding	5,600	223,601
Early Bird book and print sales	3,335	3,080
Interest Received	64,308	65,596
Total Revenue	113,993	410,757

2. Expenses

All expenses recorded in the Performance Report relate to the year that they were incurred. Expenses are classified into the following activities.

<u>Expenses</u>	2020	2019
Audit Fees	1,945	850
Charities Registration	44	44
Fundraising Expenses	1,150	60,570
General Expenses	5,504	1,970
Champion Centre Operational Costs	-	45,000
Secretarial Services	7,586	8,812
Cost of donated EarlyBird Book Sales	2,990	10,358
Grants	-	75,878
Total Expenses	19,219	203,482

The Notes are to be read in conjunction with the Performance Report and Auditor's Report.

Champion Foundation Trust Notes to the Performance Report For the Year Ended 30 June 2020

3. Subsequent Events

There are no events that have occurred after balance date that would significantly affect this Performance Report.

4. Accumulated Funds

2020	Accumulated Surplus	Reserves	Total
Balance at Start of Year	1,788,206	155,000	1,943,206
Surplus	94,774	-	94,774
Balance at End of Year	1,882,980	155,000	2,037,980
2019	Accumulated Surplus	Reserves	Total
Balance at Start of Year	1,580,931	155,000	1,735,931
Surplus	207,275	-	207,275
Balance at End of Year	1,788,206	155,000	1,943,206

5. Donated Assets

The Trust received a laptop during the year. It has not been recognised as an asset in the statement of financial position.

6. Related Party Transactions

During the year, the trust provided funding to the Christchurch Early Intervention Trust totalling Nil, (2019 \$120,878)

The Notes are to be read in conjunction with the Performance Report and the Auditor's Report.

Champion Foundation Trust Notes to the Performance Report For the Year Ended 30 June 2020

7. Commitments and Contingent Liabilities

As at balance date, the Trust has no contingent liabilities (2019: Nil)

8. Trust Equity

The Trust has four classes of Capital A, B, C and D

Class A: The Capital is to be held or invested on the terms set out in the Trustees Act 1956 with no capital distribution being made.

Class B: The Capital will be held on the same terms as Class A provided that after 50 years from the date of gift the capital will be transferred to the Default Class D.

Class C: The Capital is to be held on the same terms as Class B except that the Trustees are allowed to purchase one or more real estate properties to lease to Christchurch Early Intervention Trust on such terms as the Board sees fit (which need to be market terms).

Class D: (Default Class) The Capital is to be held on the presumption that the capital be preserved provided that if the Trustees unanimously agree to distribution or capital purchase will benefit the Christchurch Early Intervention Trust more than the retention of capital then a capital payment may be made.

As at 30 June 2020 \$5,000 of equity was included in Class A and \$150,000 held in Class B.

As at 30 June 2019 \$5,000 of equity was included in Class A and \$150,000 held in Class B.

The Notes are to be read in conjunction with the Performance Report and the Auditor's Report.

Champion Foundation Trust Notes to the Performance Report For the Year Ended 30 June 2020

9. Effects of Covid-19

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. Following this, on Wednesday 25 March 2020 the New Zealand Government raised its Alert Level to 4 (full lockdown of non-essential services) for an initial 4 week period.

Following the level 4 alert there has been an ongoing impact at each alert level on The Champion Foundation Trust. Our planned fundraising activities have had to be cancelled, (eg a golf tournament and a garden party) due to uncertainties as to what numbers can be hosted at any event, depending on which lock down level we will be in at any given date. In particular we have concerns as to the generosity of donors in the future, as the economic performance of NZ while its borders are locked is currently so uncertain.

Further, low interest rates on investments are affecting many donors abilities to consider donations. Advice from professionals in the event fundraising space has been not to plan any large events as people do not have the appetite for them.

As COVID-19 is a developing situation, there remains uncertainty about the full financial impact it has on the Champion Foundation Trust. Economic uncertainties have arisen which are likely to negatively affect the operations and services of the entity.

It is important to be continually aware that there remains uncertainty due to the current border and other restrictions in place; that the economy is likely to be negatively affected, particularly after government subsidies are removed. The current undercurrent of business concern is such that most are 'tightening their belts', and as a result not making donations or providing sponsorship as generously as in past.

There are no major impacts from additional developments of COVID-19 that should be documented as non-adjusting events other than the ongoing effects of the current situation as described above.

Further the current low interest rates are negatively impacting the Foundation's investment results. This resulting lowered income will negatively affect the Foundation's ability to make grants and assist as much as it would like or have expected to do.

The Notes are to be read in conjunction with the Performance Report and the Auditor's Report.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Champion Foundation Trust

Opinion

We have audited the accompanying performance report of Champion Foundation Trust (the "Trust") on pages 4 to 12, which comprises the statement of financial position as at 30 June 2020, 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 accompanying performance report gives a true and fair view of the financial position of Champion Foundation Trust as at 30 June 2020, and its financial performance and its cash flows for the year then ended 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.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Nexia Christchurch Limited, a related entity, is assisting the Trust in relation to its business plan. Other than this assignment, and in our capacity as auditor we have no relationship with, or interests in, the Trust.

Emphasis of Matter – COVID -19

We draw attention to Note 9 to the performance report, which explains the impact of the Covid-19 pandemic on the Trust. Our opinion is not modified in respect of this matter.

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 performance report and our auditor's report thereon.

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

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report 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 Performance Report

The Trustees are responsible on behalf of the Trust for determining that the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) framework is acceptable in the Trust's circumstances and, 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 report

in 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 a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the Trust for assessing the 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 the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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 decisions of users taken on the basis of this performance report.

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

- Identify and assess the risks of material misstatement of the performance report, 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 the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 the 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 performance report 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 the Trust to cease to continue as a going concern.

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.

Restriction on use of our Report

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

Nexia Audit Christchurch.

Nexia Audit Christchurch
11 November 2020
Christchurch