

Lantern House Trust

Entity Information

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

For the year ended
30 June 2018

Legal Name of Entity: Lantern House Trust

Type of Entity and Legal Basis: Charitable Trust

Registration Number: CC 43218

Purpose or Mission:

The trustees are to apply the Trust Fund exclusively for purposes relating to the advancement, education, support and housing for persons with intellectual and or physical disabilities who require a high degree of care; and to provide information and support to the persons with disabilities and their families, supporters and caregivers so that the disabled person or persons' are better supported and cared for in his or her community within the Taranaki region.

Structure:

Lantern House Trust consists of the following board structure: Chairman - Andy Hay. Trustees - Mr Andy Hay, Mrs Sheri Hay, Mr Roger Landers, Mrs Julie Landers and Mrs Bev Gibson.

Main Sources of Cash and Resources:

Lantern House Trust is reliant on grants to raise capital funds to build the house called Lantern House. The trust has had a grant from the New Plymouth district council and has partnered with Habitat for Humanity Taranaki to secure other grants, donations, building material and volunteer labour to complete the building of Lantern House. Lantern House Trust continues to pursue funding and donation opportunities where ever possible.

Main Methods Used to Raise Funds:

Lantern House Trust main funding opportunities came by the way of the partnership formed with Habitat for Humanity. The trust also has had a strong relationship with the farming community within Taranaki and have received numerous donations in the form of livestock.

Reliance on Volunteers and Donated Goods or Services:

The trusts partnership with Habitat for Humanity Taranaki provided a fantastic pool of volunteers and donated building material to complete the building of Lantern House. There were over 100 volunteers during the construction.

Additional Information:

Lantern House Trust has completed the build of Lantern House and has contract with Healthcare of New Zealand Limited to utilise the home to provide care services for for the 5 permanent residents of the house. The trust has a interest free loan agreement of \$500 per week, for three years with Habitat for Humanity. At the completion of this term Lantern House Trust will take over the responsibility of any outstanding funds owed on the property by the way raising a bank mortgage. The care provider pays a monthly rental and the trust will continue to look for funding oportuinities to clear any debt and have cash reserves for maintainence and upkeep.

Contact details

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Phone: 0274776951

Lantern House Trust

Statement of Service Performance

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

For the year ended
30 June 2018

Outcomes:

Through out the first quarter of 2015 /2016 the Trust continued to fundraise independantly and with Habitat for Humanity Taranaki for income towards the construction of Lantern House. The house was completed in August 2015 and the first residents arrived in October 2015. We then contracted our care provider NZ Care and began our three year rent to buy agreement with habitat for Humanity Taranaki.

Additional Output Measures:

Lantern House was completed in August 2015 and first residents arrived October 2015. NZ Care began care contract in October 2015. They began paying rent at this point.

Additional Information:

Lantern House Trust has two loan agreements with Habitat for Humanity Taranaki, the value of the land at \$82,000 and an advanced payment of \$19,781 which was a grant from the New Plymouth District Coucil to Lantern House Trust. Both of the loans and the weekly \$500 rental payment will come of the final settlement price in 2018.

Lantern House Trust

Statement of Financial Performance

"How was it funded?" and "What did it cost?"
For the year ended
30 June 2018

	Note	Actual This Year \$	Actual Last Year \$
Revenue			
Donations, fundraising and other similar revenue	1	5,906	5,814
Revenue from providing goods or services	1	40,036	38,868
Interest, dividends and other investment revenue	1	2,913	2,055
Total Revenue		48,855	46,737
Expenses			
Expenses related to public fundraising	2	35	69
Other expenses	2	7,286	12,921
Total Expenses		7,321	12,990
Surplus/(Deficit) for the Year		41,534	33,747

Lantern House Trust

Statement of Cash Flows

"How the entity has received and used cash"

For the Year Ended
30 June 2018

	Actual This Year \$	Actual Last Year \$
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	5,906	5815
Interest, dividends and other investment receipts	2,913	2055
Receipts from providing goods or services	40,036	38870
Cash was applied to:		
Payments to suppliers and employees	-5,713	-7692
Net Cash Flows from Operating Activities	43,142	39,048
Cash flows from Investing and Financing Activities		
Cash was applied to:		
Payments to acquire property, plant and equipment	0	0
Cash flows from other investing activities	-26000	-26000
Net Cash Flows from Investing and Financing Activities	17,142	13,048
Net Increase / (Decrease) in Cash		
Opening Cash	121,791	108,742
Closing Cash	138,933	121,791
This is represented by:		
Bank Accounts and Cash	138,931	121,791

Lantern House Trust

Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
30 June 2018

	Note	Actual This Year \$	Actual Last Year \$
Assets			
Current Assets			
Bank accounts and cash	3	138,931	121,791
Total Current Assets		138,931	121,791
Non-Current Assets			
Property, plant and equipment	4	4,819	6,427
Other non-current assets	3	164,493	138,493
Total Non-Current Assets		169,312	144,920
Total Assets		308,243	266,711
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	1,250	1,250
Total Current Liabilities		1,250	1,250
Total Liabilities		1,250	1,250
Total Assets less Total Liabilities (Net Assets)		306,993	265,461
Accumulated Funds			
Capital contributed by owners or members		100	100
Accumulated surpluses or (deficits)		306,893	266,361
Prior period error (Note 7)			(1,000)
Total Accumulated Funds		306,993	265,461

These financial statements were approved by the trustees on:

Chairperson 20 December 2018

Trustee 20 December 2018

Lantern House Trust

Statement of Accounting Policies

"How did we do our accounting?"

For the year ended
30 June 2018

Basis of Preparation

Lantern House 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 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)

Lantern House Trust is not registered for GST. Therefore amounts recorded in the Performance Report are inclusive of GST (if any).

Income Tax

Lantern House 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.

Revenue

Revenue is recognised to the extent that it is probable the economic benefit will flow to the trust and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Donations

Donations are recognised as revenue upon receipt.

Grants

Grant revenue includes grants given by other charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached to the grant has 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 income as the conditions are fulfilled.

Revenue from providing goods and services

Lantern House Trust receives rent from sub-lease of premises. Revenue is recognised on the period the goods and services are provided.

Debtors

Debtors are recognised at amount owed less allowances for any uncollectible amounts. Individual debts that are known to be uncollectible are written off in the period that they are identified.

Creditors

Creditors and accrued expenses are recognised at amount owing.

Changes in Accounting Policies

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

Lantern House Trust

Notes to the Performance Report

For the year ended
30 June 2018

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year	Last Year
Donations and other similar revenue		\$	\$
	Donations/koha from the public	2,720	2,584
	Donations - Livestock	3,186	3,230
	Total	5,906	5,814
Revenue Item	Analysis	This Year	Last Year
Revenue from providing goods or services		\$	\$
	Rent - NZ Care	40,036	38,868
	Total	40,036	38,868
Revenue Item	Analysis	This Year	Last Year
Interest, dividends and other investment revenue		\$	\$
	Interest	2,913	2,055
	Total	2,913	2,055

Lantern House Trust

Notes to the Performance Report

For the year ended
30 June 2018

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Expenses related to public fundraising	Charities Commission Levy	-	-
	Livestock freight	35	69
	Total	35	69

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Advertising	-	-
	Audit Fee - Silks	2,144	1,819
	Postage	160	-
	Building Expenses	-	3,561
	Security and fire	3,109	3,234
	Sundry Expenses	265	1,995
	Depreciation	1,608	2,312
	Total	7,286	12,921

Lantern House Trust

Notes to the Performance Report

For the year ended
30 June 2018

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year	Last Year
Bank accounts and cash	TSB - Cheque 00	\$ 2,522	\$ 3,778
	TSB - Savings 50	18	329
	TSB - Short Term Deposit 80	136,391	117,682
	Total	138,931	121,789
Asset Item	Analysis	This Year	Last Year
Other non-current assets	Value of Section loaned to Habitat for Humaniti	\$ 81,000	\$ 81,000
	Building Prepayment - Rent	63,712	37,712
	Building Prepayment - Roof	19,781	19,781
	Total	164,493	138,493
Liability Item	Analysis	This Year	Last Year
Creditors and accrued expenses	Silks Audit accrued fee	\$ 1,250	\$ 1,250
	Total	1,250	1,250

Lantern House Trust

Notes to the Performance Report

For the year ended
30 June 2018

Note 4 : Property, Plant and Equipment

This Year

Asset Class	Opening Carrying Amount	Purchases	Sales / Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Building Improvements	1,341	-	-	134	1,207
Furniture and fixtures	5,086	-	-	1,474	3,612
Total	6,427	-	-	1,608	4,819

Last Year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Building Improvements	1,490	-	-	149	1,341
Furniture and fixtures	7,249	-	-	2,163	5,086
Total	8,739	-	-	2,312	6,427

Lantern House Trust

Notes to the Performance Report

For the year ended
30 June 2018

Note 5: Accumulated Funds

This Year

Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	100	265,359	-	265,459
Capital contributed by owners or members	-			-
Prior period adjustment (note 7) - Value of section -\$1000		-		
Surplus/(Deficit)	-	41,534		41,534
Closing Balance	100	306,893	-	306,993

Last Year

Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	100	232,612	-	232,712
Surplus/(Deficit)	-	33,747		33,747
Prior period adjustment (note 7) - Value of section -\$1000		(1,000)		(1,000)
Closing Balance	100	265,359	-	265,459

Note 6 : Commitments and Contingencies

Capital Commitments

Lantern House Trust entered into a sale and purchase agreement with the Taranaki branch of Habitat for Humanity on

Description	Costs
Cost of Construction (Estimate)	\$ 421955
Cost of Section	81000
	<u>502955</u>
Less Specific Donations	(155,200)
Less Building Prepayments (Estimated)	(88,616)
Less Short term loan advanced by Lantern House Trust to the Taranaki Branch for Habitat for Humanity	<u>(81,000)</u>
Total Expected Commitment 27/10/2018	178,139

Settlement is to occur on 27th October 2018 (Three years from 7 days after the date of Occupancy Certificate Issue on the 20th of October).

Lantern House Trust will lease the dwelling for a period of three years from the Taranaki branch of Habitat for Humanity and will subject the dwelling to Healthcare of New Zealand ("NZ Care").

Lantern House Trust will finance the capital commitment balance (\$178,139) at settlement date with a mortgage obtained from the Trust's lender of choice.

Post Balance Note: On October 30th 2018 Lantern House Trust purchased Lantern House from Habitat for Humanity. \$130,000 of the cash surplus was used as a deposit and \$50,000 was secured as a mortgage through TSB Bank. The weekly rental payments of \$500 that were being paid to Habitat for Humanity will now be paid to TSB Bank in order to pay back the mortgage.

Related Parties note: There were no related party transactions during the year (2018 - nil)

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (2018 - nil)

INDEPENDENT AUDITORS REPORT

To the Trustees of Lantern House Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lantern House Trust (the Trust) on pages 3 to 11, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Qualified Opinion on Financial Performance

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects the financial performance and cash flows of Lantern House Trust for the year ended 30 June 2018, in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Not-For-Profit).

Opinion on Financial Position

In our opinion, the financial statements presents fairly, in all material respects the financial position of Lantern House Trust as at 30 June 2018 in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Not-For-Profit).

Basis for Qualified Opinion on Financial Performance

In common with similar organisations control over revenues (donations), of the Trust prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

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 Financial Statements section of our report. We are independent of the Incorporation 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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.

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

Other information

The Trust is responsible on behalf of the Incorporation for the other information. The other information comprises the Entity Information and Statement of services 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.

Trustee's Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Incorporation for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Simple Format Reporting Standard – Accrual (Not-For-Profit), and for such internal control as the directors 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 on behalf of the Incorporation for assessing the Incorporation'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 Incorporation or to cease operations, or have no realistic alternative but to do so.

Auditors 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.

A further description of the auditors responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



Cameron Town
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 20 December 2018