



Lantern House Trust

*...a beacon of hope...*

**Annual Financial Statements  
for the year ended  
30 June 2015**

*Lantern House Trust*

*Annual Financial Statements*

*As at 30 June 2015*

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*Lantern House Trust*

*Trust Directory*

*30 June 2015*

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<b>Registered Office</b>	Quin Law Solicitors 11A Robe Street New Plymouth 4310
<b>Trustees</b>	Mrs B Gibson Mr A Hay Mrs S Hay Mr R Landers Mrs J Landers Mr C Nel
<b>Trust Number</b>	2541138
<b>Bankers</b>	Taranaki Savings Bank (TSB) <a href="http://www.tsbbank.co.nz">www.tsbbank.co.nz</a>
<b>Lawyers</b>	Quin Law Solicitors 11A Robe Street, New Plymouth <a href="http://www.quinlaw.co.nz">www.quinlaw.co.nz</a>
<b>Auditors</b>	Silks Audit Chartered Accountants 24 Bell Street, Wanganui <a href="http://www.silksaudit.co.nz">www.silksaudit.co.nz</a>
<b>Nature of Trust</b>	Charitable Trust
<b>Charities Commission Registration Number</b>	CC 43218
<b>Purpose of Trust</b>	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.

*Lantern House Trust*

*Statement of Financial Position*

*30 June 2015*

	NOTE	\$ 2015	\$ 2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,193	2,417
Investment in short term deposits		103,827	140,548
Short term loans	8	82,000	-
Total current assets		<u>190,020</u>	<u>142,965</u>
<b>Total assets</b>		<u>190,020</u>	<u>142,965</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable		1,986	1,250
Total current liabilities		<u>1,986</u>	<u>1,250</u>
<b>Total liabilities</b>		<u>1,986</u>	<u>1,250</u>
<b>EQUITY</b>			
Trust contribution		100	100
Retained earnings		187,934	141,615
Total equity		<u>188,034</u>	<u>141,715</u>

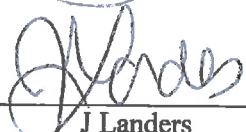
These financial statements were approved by the Trustees on 14 September 2015:

  
A Hay

  
S Hay

  
C Nel

  
R Landers

  
J Landers

  
B Gibson

*Lantern House Trust*

*Statement of Financial Performance*

*For the year ended 30 June 2015*

	\$ 2015	\$ 2014
<b>INCOME</b>		
Donations	35,445	6,571
Interest	3,024	5,313
Livestock donations	11,341	18,242
<b>Total income</b>	<b>49,810</b>	<b>30,126</b>
<b>EXPENSES</b>		
Advertising	1,311	517
Audit fee	1,380	1,570
Charities Commission levy	51	51
Legal expenses	284	168
Livestock freight	310	278
Postage	155	155
Residents Withholding Tax	-	58
Sundry expenses	-	4
<b>Total expenses</b>	<b>3,491</b>	<b>2,801</b>
<b>Net profit before tax</b>	<b>46,319</b>	<b>27,325</b>
Tax (Exempt)	-	-
<b>Net profit after tax</b>	<b>46,319</b>	<b>27,325</b>

*Lantern House Trust*

*Statement of Changes in Equity*

*For the year ended 30 June 2015*

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	\$ 2015
<b>EQUITY</b>	
<b>Trust Contribution</b>	
Opening Balance	100
Issued during the year	-
Balance at 30 June 2014	<u>100</u>
Issued during the year	-
Balance at 30 June 2015	<u>100</u>
<b>Retained Earnings</b>	
Opening Balance	114,290
Net profit for the year	27,325
Balance at 30 June 2014	<u>141,615</u>
Net profit for the year	46,319
Balance at 30 June 2015	<u>187,934</u>
<b>Total Equity</b>	<u><u>188,034</u></u>

*Lantern House Trust*

*Notes to the Financial Statements*

*30 June 2015*

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**1. STATEMENT OF ACCOUNTING POLICIES**

**Reporting entity**

These are the financial statements of Lantern House Trust ("the trust"). The trust is a charitable organisation, based in New Plymouth, which is incorporated under the Charitable Trusts Act 1957 and registered under the Charities Act 2005. The trust has been established to carry on activities for the exclusive benefit of charitable purposes within Taranaki.

The primary activity of the trust is to establish a residential facility for persons with intellectual and/or physical disabilities who require a high degree of care in the Taranaki region.

**Measurement Base**

These financial statements of the trust have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to public benefit entities.

The financial statements of the trust have been prepared on an historical cost basis, except as noted otherwise below. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

The information is presented in New Zealand dollars, all numbers have been rounded to the nearest dollar.

As the Trust is not publicly accountable and not large it qualifies for differential reporting. It has therefore taken advantage of all available differential reporting exemptions.

**Comparatives**

The comparatives reflect the results for the 12 months ended 30 June 2014.

**Specific Accounting Policies**

In the preparation of these financial statements, the specific accounting policies are as follows:

**(a) Goods & Services Tax**

These financial statements have been prepared on a GST inclusive basis as the trust is not registered for GST.

**(b) Cash and Cash Equivalents**

Cash comprises cash in hand, cash at banks and investments in call accounts

**(c) Changes in Accounting Policy**

The accounting policies adopted are consistent with those of the previous year.

*Lantern House Trust*

*Notes to the Financial Statements*

*30 June 2015*

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**(d) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the trust and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

**(e) Donations**

Donated assets are recognised at their fair value at the date of the donation. Like many other charitable organisations, the trust receives the benefit of people's time and service carried out free of charge. This type of donation cannot be readily quantified and is hence not recorded in the financial statements.

**(f) Income tax**

Due to its charitable status, the trust is exempt from income tax.

**2. AUDIT OF THE FINANCIAL STATEMENTS**

These financial statements have been subject to audit, which is required by the Trust Deed. The audit report can be found on page 9.

**3. PROVISIONS**

Provisions consist of provision for audit fees and advertising fees for advertisements placed in local newspaper publications:

	\$ 2015	\$ 2014
Opening balance	1,250	1,750
Add: Additional provisions	1,986	1,250
Less: Provisions released	(1,250)	(1,750)
Closing balance	<u>1,986</u>	<u>1,250</u>

**4. CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (2014: Nil).

**5. SUBSEQUENT EVENTS**

There were no material events subsequent to balance date (2014: Lantern House Trust provided an interest free loan to the Taranaki branch of Habitat for Humanity. Refer to note 8 for further detail).

**6. CAPITAL COMMITMENTS**

Lantern House Trust entered into a sale and purchase agreement with the Taranaki branch of Habitat for Humanity on 21<sup>st</sup> May 2015. The agreement is for Lantern House Trust to purchase the section and dwelling (building has commenced and is expected to be completed by 16<sup>th</sup> August 2015) at 13E Estate Grove, Inglewood. The estimated capital commitments arising from this transaction is on 16<sup>th</sup> August 2018:



*Lantern House Trust*

*Notes to the Financial Statements*

*30 June 2015*

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	\$ 2015
Cost of construction (estimate)	387,136
Cost of section (actual)	81,928
	<hr/> 469,064
Less: specific donations received by the Taranaki branch of Habitat for Humanity for this project	(155,200)
Less: weekly rental payable by Lantern House Trust to the Taranaki branch of Habitat for Humanity from 16 <sup>th</sup> August 2015 to 16 <sup>th</sup> August 2018	(78,000)
Less: short term loan advanced by Lantern House Trust to the Taranaki branch of Habitat for Humanity – note 8	(82,000)
Capital commitment expected on settlement of sale and purchase agreement	<hr/> 153,864

Settlement is expected to occur on 16<sup>th</sup> August 2018 (Three years from date of occupation).

Lantern House Trust will lease the dwelling for a period of three years from the Taranaki branch of Habitat for Humanity and will sublet the dwelling to Healthcare of New Zealand (“NZ Care”). Lantern House Trust and NZ Care are in the final stages of formalising the deed of lease for the dwelling.

Lantern House Trust will finance the capital commitment balance (\$153,864) at settlement date with a mortgage obtained from the Trust’s lender of choice.

Lantern House Trust advanced \$19,781 to Habitat for Humanity as a contribution to the cost of construction after the financial year end. The contribution will be offset against the capital commitment expected on settlement of the sale and purchase agreement on 16<sup>th</sup> August 2018.

There were no capital commitments at 30 June 2014

**7. RELATED PARTIES**

There are no related party transactions during the period (2014: Nil).

**8. SHORT TERM LOANS**

Lantern House Trust provided an interest free loan of \$82,000 to the Taranaki branch of Habitat for Humanity for the purposes of purchasing a section at 13E Estate Grove, Inglewood. There are no fixed terms of repayment and an acknowledgment of debt deed has been registered over the title of the property.



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## INDEPENDENT AUDITORS REPORT

To the members of the Lantern House Trust

### Report on the Financial Statements

We have audited the financial statements of the Lantern House Trust on pages 2 to 8 which comprise the statement of financial position as at 30 June 2015 and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Trustee's Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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, as well as evaluating the overall presentation of the financial statements.

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, the Trust.

### Basis for Qualified Opinion on Financial Performance

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

### Qualified Opinion on Financial Statements

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements presented give a true and fair view of the financial position of Lantern House Trust as 30 June 2015, and of its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

**Silks Audit**  
**Chartered Accountants**  
**Wanganui, New Zealand**

**Date: 14 September 2015**