

## Lantern House Trust

### Entity Information

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

For the year ended  
30 June 2016

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 opportunities to clear any debt and have cash reserves for maintenance and upkeep.

#### Contact details

Postal Address: P O Box 3027 Fitzroy New Plymouth 4341

Phone: 0274776951

## Lantern House Trust

### Statement of Service Performance

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

For the year ended  
30 June 2016

#### 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 Couccl 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 2016

	Note	Actual This Year \$	Actual Last Year \$
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	25,112	46,786
Revenue from providing goods or services	1	25,914	-
Interest, dividends and other investment revenue	1	2,434	3,024
<b>Total Revenue</b>		<b>53,460</b>	<b>49,810</b>
<b>Expenses</b>			
Expenses related to public fundraising	2	206	361
Other expenses	2	8,576	3,130
<b>Total Expenses</b>		<b>8,782</b>	<b>3,491</b>
<b>Surplus/(Deficit) for the Year</b>		<b>44,678</b>	<b>46,319</b>

## Lantern House Trust

### Statement of Cash Flows

"How the entity has received and used cash"

For the Year Ended  
30 June 2016

	Actual This Year \$	Actual Last Year \$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Donations, fundraising and other similar receipts	51024	46786
Interest, dividends and other investment receipts	2434	3024
<b>Cash was applied to:</b>		
Payments to suppliers and employees	4487	2755
<b>Net Cash Flows from Operating Activities</b>	<b>48,971</b>	<b>47,055</b>
<b>Cash flows from Investing and Financing Activities</b>		
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	10468	
Payments to purchase investments	37781	82000
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>(48,249)</b>	<b>(82,000)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>722</b>	<b>(34,945)</b>
<b>Opening Cash</b>	<b>108,020</b>	<b>142,965</b>
<b>Closing Cash</b>	<b>108,742</b>	<b>108,020</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	<b>108,742</b>	<b>108,020</b>

Lantern House Trust

Statement of Financial Position

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

As at  
30 June 2016

	Note	Actual This Year \$	Actual Last Year \$
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	108,742	108,020
<b>Total Current Assets</b>		<b>108,742</b>	<b>108,020</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4	8,739	-
Other non-current assets	3	116,726	82,000
<b>Total Non-Current Assets</b>		<b>125,465</b>	<b>82,000</b>
<b>Total Assets</b>		<b>234,207</b>	<b>190,020</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	3	1,495	1,986
<b>Total Current Liabilities</b>		<b>1,495</b>	<b>1,986</b>
<b>Total Liabilities</b>		<b>1,495</b>	<b>1,986</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>232,712</b>	<b>188,034</b>
<b>Accumulated Funds</b>			
Capital contributed by owners or members		100	100
Accumulated surpluses or (deficits)		232,612	187,934
Reserves		-	-
<b>Total Accumulated Funds</b>		<b>232,712</b>	<b>188,034</b>

These financial statements were approved by the trustees on 30th November 2016

  
Chairperson

  
Committee Member

## Lantern House Trust

### Statement of Accounting Policies

"How did we do our accounting?"

For the year ended  
30 June 2016

#### 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. They represent liabilities for goods and services provided to the entity prior to the end of the financial year that are unpaid.

#### Changes in Accounting Policies

There have been no changes in accounting policies during the financial year. However, it should be noted that the basis of preparation has changed from adopting NZ IFRS (Diff Rep) for a not-for-profit Public Benefit Entity to Tier 3 Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) guidance issued by the External Reporting Board

## Lantern House Trust

### Notes to the Performance Report

For the year ended  
30 June 2016

#### Note 1 . Analysis of Revenue

Revenue Item	Analysis	This Year	Last Year
Donations and other similar revenue	Donations/koha from the public	\$ 14,161	\$ 35,445
	Donations - Livestock	10,951	11,341
	<b>Total</b>	<b>25,112</b>	<b>46,786</b>
Revenue Item	Analysis	This Year	Last Year
Revenue from providing goods or services	Rent - NZ Care	\$ 25,914	\$ -
	<b>Total</b>	<b>25,914</b>	<b>-</b>
Revenue Item	Analysis	This Year	Last Year
Interest, dividends and other investment revenue	Interest	\$ 2,434	\$ 3,024
	<b>Total</b>	<b>2,434</b>	<b>3,024</b>

Lantern House Trust

Notes to the Performance Report

For the year ended  
30 June 2016

**Note 2 : Analysis of Expenses**

Expense Item	Analysis	This Year \$	Last Year \$
Expenses related to public fundraising	Charities Commission Levy	51	51
	Livestock freight	155	310
	<b>Total</b>	<b>206</b>	<b>361</b>
Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Advertising	724	1,311
	Audit Fee - Silks	1,740	1,380
	Postage	160	155
	Building Expenses	3,319	-
	Security	828	-
	Sundry - Book for library	75	-
	Legal Expenses	-	284
	Depreciation	1,730	-
	<b>Total</b>	<b>8,576</b>	<b>3,130</b>



## Lantern House Trust

### Notes to the Performance Report

For the year ended  
30 June 2016

#### Note 3 : Analysis of Assets and Liabilities

<b>Asset Item</b>	<b>Analysis</b>	<b>This Year</b>	<b>Last Year</b>
Bank accounts and cash		\$	\$
	TSB - Cheque 00	3,672	108,020
	TSB - Savings 50	788	
	TSB - Short Term Deposit 80	104,282	
	<b>Total</b>	<b>108,742</b>	<b>108,020</b>
<b>Asset Item</b>	<b>Analysis</b>	<b>This Year</b>	<b>Last Year</b>
Other non-current assets		\$	\$
	Value of Section loaned to Habitat for Humanit	82,000	82,000
	Building Prepayment - Rent	14,945	
	Building Prepayment - Roof	19,781	
	<b>Total</b>	<b>116,726</b>	<b>82,000</b>
<b>Liability Item</b>	<b>Analysis</b>	<b>This Year</b>	<b>Last Year</b>
Creditors and accrued expenses		\$	\$
	Silks Audit accrued fee	1,495	1,250
	Avertising		736
	<b>Total</b>	<b>1,495</b>	<b>1,986</b>

## Lantern House Trust

### Notes to the Performance Report

For the year ended  
30 June 2016

#### 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	-	1,568		78	1,490
Furniture and fixtures	-	8,901		1,652	7,249
<b>Total</b>	-	<b>10,469</b>		<b>1,730</b>	<b>8,739</b>

##### Last Year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disp osals	Current Year Depreciation and Impairment	Closing Carrying Amount
Building Improvements	-				-
Furniture and fixtures	-				-
<b>Total</b>	-				-

**Lantern House Trust**  
**Notes to the Performance Report**

For the year ended  
30 June 2016

**Note 5: Accumulated Funds**

**This Year**

Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	100	187,934	-	188,034
Capital contributed by owners or members	-	-	-	-
Surplus/(Deficit)	-	44,678	-	44,678
Closing Balance	100	232,612	-	232,712

**Last Year**

Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	100	141,615	-	141,715
Surplus/(Deficit)	-	46,319	-	46,319
Closing Balance	100	187,934	-	188,034

**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	81928
	<u>503883</u>
Less Specific Ddonations	(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	(82,000)
<b>Total Expected Commitment 27/10/2018</b>	<b>178,067</b>

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 (\$168,902) at settlement date with a mortgage obtained from the Trust's lender of choice.

**Contingent Liabilities and Guarantees**

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



## INDEPENDENT AUDITORS REPORT

To the Trustees of Lantern House Trust

### Report on the Financial Statements

We have audited the financial statements of Lantern House Trust on pages 3 to 11 which comprise the statement of financial position as at 30 June 2016 and the statement of financial performance and statement of cashflows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Trustees' Responsibility for the Financial Statements

The Trustees are responsible on behalf of the entity for the preparation and fair presentation of financial statements in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, 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 made by management, 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 certain 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.

### Qualified Opinion on Financial Performance

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial performance and cash flows of Lantern House Trust for the year ended 30 June 2016, in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Not-For-Profit).

Silks Audit  
Chartered Accountants  
Whanganui, New Zealand

Date: 30 November 2016