

SOUTHERN HERITAGE TRUST

Notes to and forming part of the Financial Statements **For the Year Ended 31 December 2018**

NOTE 1

Statement of Accounting Policies

Reporting Entity

The financial statements presented here are for the reporting entity Southern Heritage Trust. It is a trust created pursuant to a trust deed dated 03 April 2003. The trust is registered under the charities Act 2005.

Statement of Compliance and Basis of Preparation

From 1 April 2014 the new Financial Reporting (Amendment to Other Enactments) Act 2013 came into force which effected changes applicable to the statutory reporting requirements affecting the Charities Act 2005, in addition to the change in legislation the External Reporting Board of New Zealand ("XRB") has released a new accounting standards framework which establishes the financial standards to be applied to charities. The Trust is currently reporting in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). Under the new XRB framework, the Trustees will be electing to report under the Public Benefit Entity Standards Tier 3 level (Tier 3 PBE Simple Format (Accrual) (Not for Profit)). The main impact will be that a Statement of Service (Accrual) (Not for Profit). The main impact will be that a Statement of Service Performance and a Statement of Cash Flows will be required. This change will be applicable for the Trust's 31 December 2016 year end.

The trust qualifies for differential reporting as it is not publicly accountable and is not large defined in the Framework for Differential Reporting. The trust has taken advantage of all available differential reporting exemptions.

The accounting principles recognised as appropriate for the measurement and reporting of the Combined Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the trust, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Combined Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

Revenue and Other income are recognized in the Statement of Financial Performance at the point at which they are recorded the Trust's bank accounts.

Interest received is recognized as interest accrues, gross of refundable tax credits received.

NOTE 2

(a) Grants are recognized as revenue on where no performance conditions have been specified of the grant. Where there are specified future conditions to be performed, grants are recognized as a liability or receipt. The grants are recognized as income over the period that the specified conditions are complete and the associated costs are recognized.

(b) Inventories

Inventories are recognized at lower of cost and net realisable value, determined on the first-in-first-out basis.

(c) Receivables

Receivables are recognized at estimated realisable value.

(d) Property, Plant & Equipment

Property, plant and equipment is recognized at cost less aggregate depreciation. Historical cost includes expenditure directly attribute to the acquisition of assets, and includes the cost of replacements that are eligible for capitalization when there are incurred.

All other repairs and maintenance are recognised as expenses in the Statement of Financial Performance in the financial period in which they are incurred.

Depreciation has been calculated using the maximum rates permitted by the Income Tax 2007.

Gains and losses on disposal of fixed assets are taken into account in determine the operating result for the year.

(e) Income Tax

The Trust is established exclusively for charitable purposes and is exempt from Income Tax.

(f) Goods and Services Taxation (GST)

Revenues and expenses have been recognized in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognized in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(g) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.
