

THE PERSONAL ADVOCACY TRUST
Performance Report
For the year ended 31 March 2018

The Personal Advocacy Trust

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Entity Information

As at 31 March 2018.

Trustees

Barney Cooper (Chair)

Ross Steele

Donald Bagnell

Janine Stewart

Annette Brown

Gerard Letts

Kate Cooke

John Stribrny

Date of Incorporation

4th December 1967

Registered Charity

Registered on the 16th May 2008.

Registration Number CC24427

Postal Address

PO Box 25118

Wellington 6146.

Purpose

A trust for the benefit of people with intellectual disability

Bankers

BNZ-Wellington

Auditors

BDO- Wellington

Statement of Service Performance

What did we do? When did we do it?

For the year ended: 31 March 2018

Description of the entity's outcomes:

The Personal Advocacy Trust's mission is to support, advocate and encourage the independence of its members who have intellectual disabilities. We provide an opportunity for parents to invest in peace of mind for the future. Our key outcomes can be summarised as:

1. Consistent and timely high quality advocacy support to Trust members.
2. Responsive advocacy for Trust members in times of crisis.
3. Empowerment of Trust members to self-advocate; engagement of Trust member's support networks to assist and facilitate independence.
4. Fair and transparent administration of Discretionary Funds held in Trust for members, with simple yet robust application and disbursement procedures.

Description and quantification (to the extent practicable) of the entity's outputs:

	2018	2017
1. Consistent and timely high quality advocacy support to Trust members with intellectual disabilities.		
2. Responsive advocacy for Trust members with intellectual disabilities in times of crisis.		
New enrolments (membership closed 2015 and 2016, reopening 1 April 2017)	6	0
Total number of members	396	414
Number of Full Support members	247	244
Hours of advocacy delivered	2945.7+	2229.18+
Number of face to face visits	1250+	924+
4. Fair and transparent administration of Discretionary Funds held in Trust for members, with simple yet robust application and disbursement procedures.		
Number of Discretionary Trusts administered	28	27
Value of Discretionary Trusts administered	\$1,776,362	\$1,710,597

Additional information:

Advocates working around the country visit members in their own homes and day bases, observing and monitoring their accommodation, activities, health, finances and general wellbeing. Advocates ensure that the member's rights are respected at all times, and work to protect members from abuse, manipulation and exploitation. The Trust has assisted members to raise issues with their service providers and local councils, supported members through medical procedures and legal proceedings, and fought to protect member's financial interests.



**The Personal Advocacy Trust
Statement of Financial Performance
For the Year Ended 31 March 2018.**

	Notes	2018	2017
Revenue			
Bequests		33,477	11,237
IHC Foundation Grant		60,000	70,000
Interest Received-Bank Deposits		6,407	46,735
Interest Received-Bonds			43,570
Interest Received Harbour Investments		40,685	
Interest Call Account		156	635
Investment Income		115,315	16,265
Pre-Support Fees		7,618	
Special Trust Commissions		12,902	12,834
Other Revenue		13,296	7,372
Total Revenue		<u>289,856</u>	<u>208,648</u>
Expenses			
Accounting Fees		12,360	14,400
Advocates- Expenses		6,219	4,349
- Honorariums		336	344
-Mileage		29,981	22,629
-Wages		99,869	102,927
Audit Fees		9,000	9,846
Computer Costs		9,166	8,018
Depreciation	2	6,730	10,533
Insurance		3,495	-
Printing & Stationery		1,707	4,741
Rent			10,200
Recruitment Costs		179	341
Restructuring Costs			5,326
Salaries and Wages-Director & Administration		54,824	107,170
Staff Training		8,321	
Telephone & Internet		6,931	7,149
Travel Expenses		5,135	3,414
Other Expenses		17,164	5,610
Total Expenses		<u>271,418</u>	<u>316,997</u>
Surplus (Deficit) in the year		<u>18,438</u>	<u>(108,349)</u>

These financial statements should be read in conjunction with the notes to the financial statements

**The Personal Advocacy Trust
Statement of Changes in Net Assets
For the Year Ended 31 March 2018**

Notes 2018 2017

Restated Opening Balance	2,503,301	2,611,650
Surplus (Deficit) in the year	18,438	(108,349)
Closing Equity	<u>2,521,739</u>	<u>2,503,301</u>

The Personal Advocacy Trust
Statement of Financial Position
As at 31 March 2018

Notes 2018 2017

ASSETS

Current Assets

Cash and cash equivalents		109,288	95,550
Term Deposits	3	100,000	620,000
Bonds	3	-	-
Other Investments	3	2,368,474	1,783,158
Revenue to be invoiced		2,330	
Receivables		21,821	16,278
Total current assets		2,601,913	2,514,986

Non-current Assets

Property, plant and equipment	2	8,100	13,205
Receivables		65,065	
Total non-current assets		73,165	13,205

Total Assets

2,675,078 2,528,191

LIABILITIES

Current Liabilities

Creditors and accrued expenses		36,027	24,890
Income in Advance		0	
Total Current Liabilities		36,027	24,890

Non Current Liabilities

Income in Advance		117,312	
Total Non -Current Liabilities		117,312	

Total Liabilities

153,339 24,890

NET ASSETS


2,521,739 2,503,301

ACCUMULATED FUNDS

TOTAL ACCUMULATED FUNDS

2,521,739 2,503,301


Chairperson


21/06/2018

Trustee

These financial statements should be read in conjunction with the notes to the financial statements

The Personal Advocacy Trust
Statement of Cash Flows
For the Year Ended 31st March 2018

	2018	2017
Notes		\$
Cashflows from operating activities		
Cash Flow was Provided From/(Applied To):		
Operating Receipts	174,583	94,071
Payments to suppliers	-79,797	-74,052
Payments to employees	-191,229	-224,149
Net cash flows generated by operating activities	<u>-96,443</u>	<u>-204,130</u>
Cash flows from investing activities		
Cash Flow was Provided From/(Applied To):		
Proceeds on sale of financial assets	720,000	340,000
Proceeds from sale of property, plant and equipment		
Payments to acquire financial assets	-670,000	-178,936
Payments for purchase of property, plant and equipment	-1,628	-20,308
Net cash flows generated by investing activities	<u>48,372</u>	<u>140,756</u>
Cash Flows from financing activities		
Cash Flow was provided from/(Applied To):		
Interest and dividends received	61,810	83,013
Net cash flows used in financing activities	<u>61,810</u>	<u>83,013</u>
Net increase in cash and cash equivalents	13,739	19,639
Cash and cash equivalents at the beginning of the year	<u>95,549</u>	<u>75,910</u>
Cash and cash equivalents at the end of the year	<u>109,288</u>	<u>95,549</u>

These financial statements should be read in conjunction with the notes to the financial statements

The Personal Advocacy Trust Notes to the Performance Report For the Year Ended 31st March 2018.

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The financial statements comprise the financial statements of The Personal Advocacy Trust for the year ended 31st March 2018.

The Personal Advocacy Trust is incorporated as a Charitable Trust under the Charitable Trusts Act 1957 and the Charities Act 2005. (Registration number CC24427)

The primary activity of The Personal Advocacy Trust is to provide advocacy for people with intellectual disability.

The Personal Advocacy Trust has been established to carry out activities for the exclusive benefit of charitable purposes in New Zealand.

Basis of Preparation

The financial statements have been prepared in accordance with Tier 3 Public Benefit Entity Accounting Standards (PBE) and disclosure concessions have been applied. The criteria under which an entity is eligible to report in accordance with tier three PBE accounting standards are that the Trust has no public accountability and the Trust is not a large entity. In the year ending 31 March 2018 The Personal Advocacy Trust prepared the financial statements using tier three PBE accounting standards.

The financial statements have been prepared to the nearest dollar and on a historical cost basis, except that certain investments have been recorded at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Specific Accounting Policies

The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Revenue

Donations and bequests are recognised when received.

Interest and investment income received is recognised as it is earned.

Full Support Fees. It has been determined that the revenue from full support members is exchange revenue and needs to be recognised over the period the service is given. The revenue from full support members has been calculated based on the life expectancy tables issue by the Department of Statistics. The amount not allocated has been recorded in the Statement of Financial Position as Income in Advance

Pre-support fees, Administration fees, special trust commissions and other revenue are recognised in the period the service is performed.

Grant income is recognised when received, unless there is a specific 'use or return' condition in which case it is recognised when the conditions have been satisfied

**The Personal Advocacy Trust
Notes to the Performance Report
For the Year Ended 31st March 2018.**

(b) Receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

(c) Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment.

(d) Depreciation

Depreciation has been calculated to allocate the cost or valuation of assets over their estimated useful lives, using straight line at the following rates:

Computer Equipment	50% SL
Office Equipment	20% SL

(e) Income Tax

The Personal Advocacy Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

(f) Other Investments

The Trust has chosen to apply PBE IPSAS 29. Other investments are classified as at fair value through surplus or deficit, with movements in fair value being recognised through surplus or deficit

(g) Goods and Services Tax (GST)

The Trust is registered for GST. All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

**The Personal Advocacy Trust
Notes to the Performance Report
For the Year Ended 31st March 2018.**

2. PROPERTY, PLANT AND EQUIPMENT	2018	2017
		\$
Opening Balance at cost	24,767	4,459
Purchases	1626	20,308
Disposals	-163	
Less Accumulated Depreciation	(18,130)	(11,562)
Closing net book value	8,100	13,205
Depreciation Charge for the Year	6,730	10,533

3. INVESTMENTS

		2018	2017
Term Deposits	Maturity Date		\$
BNZ Term Deposit	2/05/2018	100,000	100,000
UDC Deposit	12/04/2017		150,000
Kiwibank Term Deposit	11/05/2017		250,000
Kiwibank Term Deposit	17/07/2017		120,000
Total Term Deposits		100,000	620,000

Other Investments			2017
GMI Portfolio - Equities		715,532	727,441
Harbour Asset Management (fixed interest fund)		1,652,941	1,055,717
		2,368,474	1,783,158

4. ENROLLEES SPECIAL DISCRETIONARY TRUST BALANCES.

Bank accounts and deposits under current assets do not include \$1,776,363 (2017:\$1,710,597) held in the name of The Personal Advocacy Trust to which The Personal Advocacy Trust is a signatory. The amount represents the total of the enrollee's personal discretionary balances and does not belong to The Personal Advocacy Trust.

5. RELATED PARTY TRANSACTIONS

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

The Trust has a related party relationship with its Trustees and any other key management personnel.

Janine Stewart is a trustee of The Personal Advocacy Trust and is also a Manager at IHC Incorporation

**The Personal Advocacy Trust
Notes to the Performance Report
For the Year Ended 31st March 2018.**

6. CONTINGENT LIABILITIES

The trustees are unaware of any actual contingent liabilities. (2017:\$nil)

7. EVENTS AFTER BALANCE DATE

There have been no significant events since balance date. (2017: Nil)

8. GOING CONCERN

The financial statements of The Personal Advocacy Trust have been prepared on a going concern basis.

9. FUTURE SUPPORT LEVELS AND SUSTAINABILITY

The Trust has made a decision to commit to a certain level of support for its full support members. The level of service is largely related to the number of visits per year. The trustees are aware that if they commit to a level of support that is too high they may not have sufficient reserves to sustainably deliver this level to all members. The trust therefore obtained an actuarial report in 2016 to determine the level of support it could offer given the number number of members and reserves it has. The trustees have used this report to set support to a level that is sustainable.

INDEPENDENT AUDITOR'S REPORT
To the Trustees of the Personal Advocacy Trust

Report on the Performance Report

Opinion

We have audited the performance report of The Personal Advocacy Trust (the Trust), which comprises the entity information, the statement of financial performance and statement of cash flows for the year ended 31 March 2018, the statement of financial position as at 31 March 2018, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the performance report presents fairly, in all material respects:
- the entity information for the year ended 31 March 2018; and
 - the financial position of the trust as at 31 March 2018, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of 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 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 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 trust.

Other Information

The trustees are responsible for the other information. The other information comprises the entity information and the statement of service performance that accompanies the financial information included in the performance report and the audit report.

Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or 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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of the trustees for the Performance Report

The trustees are responsible 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 on behalf of the trust 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 by the New Zealand Accounting Standards Board; and

- c) such internal control as the trustees determine is necessary to enable the preparation of the 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) and ISAE (NZ) 3000 (Revised) 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 this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism 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 entity'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 trusts 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.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

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.

Who we Report to

This report is made solely to the trusts trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trusts trustees, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Wellington Audit Limited

BDO Wellington Audit Limited
Wellington
New Zealand
21 June 2018