

**PAVITT COTTAGE TRUST**  
**PERFORMANCE REPORT 2016/17**  
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**PAVITT COTTAGE TRUST  
ENTITY INFORMATION  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

<b>Legal name</b>	Pavitt Cottage Trust ("the Trust")
<b>Type of entity</b>	The Trust is a resulting trust (Note 7) set up by the late John Fernyhough (the Settlor) on 23 October 2002. The Trust is not a registered charity under the Charities Act 2005 as its objectives do not meet the Act's exclusively charitable purpose requirement.
<b>Purpose</b>	The Trust's primary purpose is the preservation of John Pavitt's historical homestead situated at 5 Sawmill Road, Robinsons Bay, Akaroa.
<b>Governance</b>	The Trust is governed by a Board of Trustees, consisting of a chairperson and a treasurer and at least two other trustees.
<b>Trustees</b>	Nancy M Tichborne (Chair) Richard F Fernyhough (Treasurer) Andrew M Bax Edward J Fernyhough Stephen W Parker Ian F Pavitt (resigned 12 October 2017)
<b>Secretary</b>	Bryan Tichborne
<b>Sources of cash &amp; resources</b>	The Trust's activities are funded by donations and accommodation contributions from Pavitt descendants for the use of the cottage.
<b>Directory</b>	Postal address: c/o Nancy Tichborne, 16 Rue Balguerie, Akaroa 7520  Website: <a href="http://www.pavitt.co.nz">www.pavitt.co.nz</a>

**PAVITT COTTAGE TRUST  
STATEMENT OF SERVICE PERFORMANCE  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**OUTCOMES**

The principal outcomes sought by the Trust are to:

- Preserve the restored Robinsons Bay cottage as an example of colonial architecture from the mid-19<sup>th</sup> century and to acknowledge its historical significance.
- Encourage, promote, foster and support Pavitt family descendants to take an interest in their history and heritage.
- Provide Pavitt descendants the opportunity to use and enjoy the cottage for recreational and family purposes.

**OUTPUTS**

The outputs achieved during 2016/17 included:

- Maintaining the cottage, garden shed and surrounding land to enable family use
- Organising a weekend for annual maintenance, which included clearing the two streams running through the property
- Completing the “long drop” toilet and connecting it to the existing septic tank

**PAVITT COTTAGE TRUST  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	<b>Notes</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b><u>Revenue</u></b>			
Accommodation contributions		4,451	4,800
Donations	<b>6</b>	3,840	8,311
Interest (net of RWT)		25	30
		<u>8,316</u>	<u>13,141</u>
<b><u>Expenses</u></b>			
Cleaning		965	1,897
Depreciation		879	576
Electricity		333	661
Friends of Banks Peninsula – waste water contribution		265	-
Gas		214	250
Ground maintenance		678	1,179
Insurance		1,376	1,391
Legal expenses	<b>7</b>	-	3,553
Promotion & publicity		156	189
Rates		1,778	1,758
Repairs & maintenance		756	1,406
Stamps, stationery & sundry expenses		97	75
		<u>7,497</u>	<u>12,935</u>
<b>Net surplus for the year</b>		<u><b>819</b></u>	<u><b>206</b></u>

The notes and statement of accounting policies form part of and should be read in conjunction with this Statement

**PAVITT COTTAGE TRUST  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017**

	Notes	2017 \$	2016 \$
<b>Assets</b>			
<b>Current Assets</b>			
Bank of New Zealand		<u>3,603</u>	<u>6,019</u>
		3,603	6,019
<b>Fixed Assets</b>			
Land & buildings	3	200,000	200,000
Furniture & fittings	4	30,159	30,003
Water storage tank	4	3,448	3,777
"Long drop" toilet	4	<u>12,527</u>	<u>12,106</u>
<b>Total Fixed Assets</b>		246,134	245,886
<b>Total Assets</b>		<u>249,737</u>	<u>251,905</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accruals	5	4,042	7,474
Provision for deferred maintenance	2	<u>2,320</u>	<u>1,875</u>
<b>Total Current Liabilities</b>		6,362	9,349
<b>Net Assets</b>		<u><b>243,375</b></u>	<u><b>242,556</b></u>
<b>Accumulated Funds</b>			
Opening balance		242,556	242,350
Net surplus for the year		819	206
<b>Total Accumulated Funds</b>		<u><b>243,375</b></u>	<u><b>242,556</b></u>

.....Nancy Tichborne (Chair)

.....Dick Fernyhough (Treasurer)

Date ..... 2017

The notes and statement of accounting policies form part of and should be read in conjunction with this Statement

**PAVITT COTTAGE TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	2017	2016
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from –</b>			<b>\$</b>
Accommodation contributions		4,451	4,800
Donations	6	3,840	8,046
Interest		25	30
		<u>8,316</u>	<u>12,876</u>
<b>Cash was applied to -</b>			
Cleaning		956	1,157
Electricity		333	661
Gas		214	250
Ground maintenance		678	1,179
Insurance		2,766	-
Legal expenses		1,725	261
Promotion & advertising		421	189
Rates		1,778	1,758
Repairs & maintenance		280	661
Stamps stationery & sundry expenses		127	75
		<u>9,278</u>	<u>6,191</u>
<b>Net Cash Flows from Operating Activities</b>		<u>(962)</u>	<u>6,685</u>
<b>Cash Flows from Investing and Financing Activities</b>			
"Long drop" toilet	4	(1,280)	(10,212)
Fittings		(173)	-
<b>Net Cash Flows from Investing and Financing Activities</b>		<u>(1,453)</u>	<u>(10,212)</u>
<b>Net decrease in cash</b>		(2,415)	(3,527)
Opening cash		6,019	9,546
<b>Closing cash</b>		<u><b>3,604</b></u>	<u><b>6,019</b></u>
<b>This is represented by -</b>			
Bank of NZ		<u><b>3,603</b></u>	<u><b>6,019</b></u>

The notes and statement of accounting policies form part of and should be read in conjunction with this Statement

**PAVITT COTTAGE TRUST  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**Basis of preparation**

The Trust has applied PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting– Accrual (“the Accrual Standard”) 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 the Trust will continue to operate in the foreseeable future, but subject to Notes 7 and 10)

**Goods and Services tax (GST)**

The Society is not registered for GST. These financial statements have been prepared on a GST inclusive basis.

**Fixed assets**

Land and buildings are recorded at rating valuations, as at 1 July 2003 and are not depreciated. The current rating valuation for the land and buildings is \$405,000.

Furniture and appliances acquired since the Trust’s establishment (23 October 2003) are recorded at cost, less depreciation. Depreciation is provided on a straight line basis over 5 years.

Other assets, such as furnishings and appliances, which were in existence at the time of the Trust’s establishment are included at a notional value of \$30,000. Depreciation has not been provided for in these accounts.

A water storage tank, installed in early 2013 is being depreciated on a straight line basis over 15 years.

A “long drop” toilet was installed during the current financial year and is being depreciated on a straight line basis over 25 years.

**Income Tax**

The Trust is a not-for-profit entity and its tax liability is limited to interest received from a Bank of NZ savings account.

**Bank accounts and cash**

The bank account in the Statement of Cash Flows is the Trust’s operating bank account and a savings account.

**Changes in accounting policies**

There have been no changes in accounting policies during the financial year (2016: nil)

**Interest received**

Interest earned is accounted for when received.

**Donations**

Donations are recognised as revenue when received.

**PAVITT COTTAGE TRUST  
NOTES TO THE PERFORMANCE REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**Note 1 Trust Capital**

The assets acquired by the Trust from the Settlor consisted of land and buildings at Robinson's Bay, plus various items of furnishings and appliances. For the purposes of these financial statements, the Trust's capital at the date of its creation was deemed to be the land and buildings at government valuation and other sundry assets at their insurable value.

**Note 2 Provision for Deferred Maintenance**

A deferred maintenance provision has been established to provide for anticipated future maintenance costs e.g. painting of buildings. 10% of accommodation contributions has been credited to the provision in the current period.

Movements in the reserve during the year:

	<b>2017</b>	<b>2016</b>
Balance 1 October 2016	1,875	1,395
Current year's transfer (10% of accommodation contributions)	445	480
Balance 30 September 2017	<u><u>2,320</u></u>	<u><u>1,875</u></u>

**Note 3 Land, Buildings and Other Assets Acquired from the Settlor**

The Robinsons Bay property was purchased for \$135,000 by the late John Fernyhough on 14 July 2000. Subsequent to that date, Mr Fernyhough engaged contractors to restore the cottage and outbuilding to as near as possible to their original conditions. This work was completed in late September 2002. The amount expended by Mr Fernyhough on restoration and refurbishment is not known but the costs are estimated to be significantly in excess of the purchase price of \$135,000 for the land and buildings. The property was transferred to the Trust on 23 October 2002.

Land and buildings are shown at their ratable values, as at 1 July 2003, and furniture and fittings are shown at estimated values at the same date.

Land	\$65,000
Buildings	\$135,000

The Trust's buildings, and furniture and fittings are insured on a replacement basis for \$290,899 and \$32,718 respectively.

**Note 4 Other Assets**

	<b>Cost</b>	<b>Less Depn</b>	<b>Book Value</b>
Appliances & furnishings acquired from the Settlor	30,000	-	30,000
Fire extinguishers	376	219	157
Sofas (2)	270	268	2
Water tank	4,929	1,481	3,448
"Long drop" toilet	13,306	779	12,527
	<u><u>48,881</u></u>	<u><u>2,747</u></u>	<u><u>46,134</u></u>

**PAVITT COTTAGE TRUST  
NOTES TO THE PERFORMANCE REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

**Note 5 Accounts payable**

	<b>2017</b>	<b>2016</b>
Dick & Shirley Fernyhough (legal fees)	3,292	5,017
Bryan & Nancy Tichborne (insurance premium)	-	1,391
Other	750	1,066
	<u>4,042</u>	<u>7,474</u>

**Note 6 Donations**

Donations were received during the year from:

	<b>2017</b>	<b>2016</b>
Athena Charitable Trust	-	5,000
Sundry, including Friends of Pavitt Cottage	3,840	3,311
	<u>3,840</u>	<u>8,311</u>

**Note 7 Legal Expenses**

The Trust is deemed to be a “resulting trust” and, as a consequence, cannot be registered as a charitable trust under the Charities Act 2005. The beneficial owner of a “resulting trust” is the settlor or, if deceased, the residual beneficiaries of the settlor’s estate. The residual beneficiary of the John Fernyhough Estate is the John Fernyhough Family Trust.

After consultation with the Fernyhough family and their legal adviser, it is proposed that the assets and liabilities of the Trust be settled on the sole trustee of the John Fernyhough Family Trust, who in turn will settle those same assets and liabilities on a new trust. A draft trust deed for the new trust has been drafted with the intention that in December 2017 the assets and liabilities be transferred to the new trust.

Legal fees incurred in the previous year relate to advice received as to the status of the Trust, consultation with the Fernyhough family and drafting a new trust deed.

**Note 8 Going Concern**

The Trust’s ongoing viability is dependent on contributions from Pavitt descendants for the use of the Trust property and donations.

**.Note 9 Contingent Liabilities and Capital Commitments**

There were no contingent liabilities or capital commitments at balance date (2016: nil)

**Note 10 Events after Balance Date**

The Trustees’ intend to settle the assets and liabilities of the Trust onto the residual beneficiary of the John Fernyhough’s Estate (refer Note 7 above) with the understanding that a new trust, the Pavitt Family Trust, will be established into which the asset and liabilities of this Trust will be transferred. It is anticipated the transfer will be made in early December 2017.

There have been no other events after balance date that would have had a material impact on the Performance Report. (2016 nil)