

# Performance Report

Mahatma Gandhi Charitable Trust  
For the year ended 31 December 2023

Prepared by Red Office Limited

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# Entity Information

## Mahatma Gandhi Charitable Trust For the year ended 31 December 2023

### Legal Name of Entity

Mahatma Gandhi Charitable Trust

### Entity Type and Legal Basis

Charitable Trust

### Registration Number

CC46584

### Entity's Purpose or Mission

The Trust is directed by the Board of Trustees who have responsibility for the custodianship and preservation of the following properties: 135-145 New North Road, 147 New North Road, 155 New North Road, 16-22 Virginia Avenue.

The Trust also has the responsibility to provide any future direction of the Auckland Indian Association Incorporated (AIAI) and works closely with the Officers of the AIAI. The Trust maintains and manages the above properties and is responsible for the Governance and the provision for present and future needs of the Community.

### Entity Structure

Dhiru Bhikha	- Chairman	Dhansukh Lal	- Deputy Chairman
Puspa Lekinwala	- Secretary	Bhavisha Patel	- Treasurer
Parshotam Govind	- Trustee	Barwant Bhikha	- Trustee
Harshad K Patel	- Trustee	Ramesh Bhagwan	- Trustee
Ashok Bhagwandas Darji	- Trustee	Hershad (Daya) Jairam	- Trustee

### Main Sources of Entity's Cash and Resources

Rental Income from properties and car parks.

### Main Methods Used by Entity to Raise Funds

The Trust has leased its properties to tenancies on a relatively long-term basis and it takes active steps to ensure that the buildings are occupied and premium rents are negotiated.

### Physical Address

145 New North Rd, Eden Terrace, Auckland 1021

### Postal Address

PO Box 8110, Newmarket, Auckland

# Approval of Financial Report

## Mahatma Gandhi Charitable Trust For the year ended 31 December 2023

The Board of Trustees are pleased to present the approved performance report including the historical financial statements of the Mahatma Gandhi Charitable Trust for year ended 31 December 2023.


APPROVED

Dhiru Bhikha

Chairman ..... 

Date ..... 20-02-2024

Bhavisha Patel

Treasurer ..... 

Date ..... 20/02/2024

# Statement of Service Performance

## Mahatma Gandhi Charitable Trust For the year ended 31 December 2023

### Description of Entity's Outcomes

Mahatma Gandhi Charitable Trust owns the premises situated at 145 New North Road which includes the Radha Krishna Temple. With the ever increasing Indian Diaspora in Auckland, the board deemed it appropriate to purchase the site on 155 New North Road, when it was offered for sale to the Mahatma Gandhi Charitable Trust. In May 2019 the Trust purchased the site situated on 16-22 Virginia Avenue. When the need arises, as is inevitable, the extra space offered by the sites at 155 New North Road and 16-22 Virginia Avenue, will be utilized to provide an overflow from the current site to cater for cultural, social and educational needs of the Indian population in the Auckland Metropolitan area. 155 New North Road and 16-22 Virginia Avenue are currently let to provide the offset of the mortgage drawn on for the purchase of these premises.

### Description and Quantification of the Entity's Outputs

The premises at 155 New North Road and 16-22 Virginia Avenue are currently fully tenanted. The tenants we have are mainly long term and include among others, PSA, Heritage Carpets and the Ministry of Education.

	2023	2022
No of Events facilitated to Auckland Indian Association Incorporated. The number of functions held	28	11

### Additional Information

The premises on 155 New North Road, 16-22 Virginia Avenue are now fully tenanted. The main complex is mostly tenanted. The rental revenue from these 3 sites will provide a partial set-off of the mortgage on the site at 16-22 Virginia Avenue.

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The above statement of service performance should be read in conjunction with the accompanying notes to the performance report and the independent auditor's report.

# Statement of Financial Performance

## Mahatma Gandhi Charitable Trust For the year ended 31 December 2023

	NOTES	2023	2022
<b>Revenue</b>			
Revenue from providing goods or services	1	1,386,024	1,375,105
Interest, dividends and other investment revenue	1	8,255	7,929
<b>Total Revenue</b>		<b>1,394,279</b>	<b>1,383,034</b>
<b>Expenses</b>			
Costs related to providing goods or service	2	403,651	406,106
Other expenses	2	263,906	283,540
<b>Total Expenses</b>		<b>667,557</b>	<b>689,646</b>
<b>Surplus/(Deficit) for the Year</b>		<b>726,722</b>	<b>693,388</b>

The above statement of financial performance should be read in conjunction with the accompanying notes to the performance report and the independent auditor's report.

# Statement of Financial Position

## Mahatma Gandhi Charitable Trust

As at 31 December 2023

	NOTES	31 DEC 2023	31 DEC 2022
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	93,519	162,314
Debtors and prepayments	3	84,574	41,770
<b>Total Current Assets</b>		<b>178,093</b>	<b>204,084</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	11,641,118	11,734,854
Investment Property	6	5,005,751	5,054,206
<b>Total Non-Current Assets</b>		<b>16,646,868</b>	<b>16,789,060</b>
<b>Total Assets</b>		<b>16,824,961</b>	<b>16,993,144</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	40,792	58,886
Other current liabilities	4	731,492	728,303
<b>Total Current Liabilities</b>		<b>772,284</b>	<b>787,189</b>
<b>Non-Current Liabilities</b>			
Loans	4	138,500	1,018,500
<b>Total Non-Current Liabilities</b>		<b>138,500</b>	<b>1,018,500</b>
<b>Total Liabilities</b>		<b>910,784</b>	<b>1,805,689</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>15,914,177</b>	<b>15,187,455</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)	7	15,914,177	15,187,455
<b>Total Accumulated Funds</b>		<b>15,914,177</b>	<b>15,187,455</b>

The above statement of financial position should be read in conjunction with the accompanying notes to the performance report and the independent auditor's report.

# Statement of Cash Flows

## Mahatma Gandhi Charitable Trust For the year ended 31 December 2023

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Receipts from providing goods or services	1,166,838	1,248,163
Interest, dividends and other investment receipts	3,455	4,879
Cash receipts from other operating activities	387,557	380,085
GST	(152,278)	(162,408)
Payments to suppliers and employees	(435,001)	(435,057)
Cash flows from other operating activities	-	1,392
<b>Total Cash Flows from Operating Activities</b>	<b>970,571</b>	<b>1,037,054</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Payments to acquire property, plant and equipment	(34,229)	(121,039)
Repayments of loans borrowed from other parties	(1,230,000)	(730,000)
Cash Flows from Other Investing and Financing Activities	224,864	(109,960)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(1,039,366)</b>	<b>(960,998)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(68,795)</b>	<b>76,055</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	162,314	86,258
Cash and cash equivalents at end of period	93,519	162,314
Net change in cash for period	(68,795)	76,055

The above statement of cash flows should be read in conjunction with the accompanying notes to the performance report and the independent auditor's report.



# Statement of Accounting Policies

## Mahatma Gandhi Charitable Trust For the year ended 31 December 2023

### Basis of Preparation

The entity 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 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.

### Measurement Base and Presentation Currency

The performance report is prepared on the historical cost basis unless otherwise noted in the specific accounting policy. This performance report is presented in New Zealand dollars and rounded to the nearest dollar.

### Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### Income Tax

Mahatma Gandhi Charitable Trust is a registered charity (CC 46584) under the Charities Act 2005 and therefore exempt from New Zealand income tax.

### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances.

### Property, Plant and Equipment

All property, plant and equipment recorded at cost less accumulated depreciation and impairment losses. Property, plant and equipment acquired for immaterial amounts are not capitalised, they are recorded as an expense in the statement of financial performance. Gains and losses on disposals are determined by comparing the proceeds received with carrying amounts. The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the statement of financial performance.

#### Land

Land held for use in production or administration is stated at cost.

#### Land improvements, buildings & improvements, furniture & fittings and other equipment

Land improvements, buildings & improvements, furniture & fittings and other equipment are initially recognised at manufacturing cost or acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Trust's management.

These are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

## Depreciation

All classes of property, plant and equipment (except land) are depreciated over their estimated useful life on a straight line and diminishing value basis. Depreciation of all assets is reported in the statement of financial performance. Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation rates used for each class of asset are as follows:

- Land Improvements - 8-9.6% DV
- Buildings - 10% SL
- Building Improvements - 7% - 13% SL and DV
- Furniture & fittings 7% - 40% DV and SL
- Plant & Equipment - 8% - 10% DV

## Investment property

Investment property are properties held to earn rentals and/or for capital appreciation and are accounted for using the cost model.

Depreciation is recognised on a straight-line basis to write down the cost less estimated value of the investment property. The following useful lives are applied:

- Building: 10 Years

## Impairment

At each reporting date, the Trust reviews the carrying amounts of its property, plant and equipment and investment property to determine whether there are any indications that those property, plant and equipment and investment property have suffered an impairment loss. If an indication exists, the recoverable amount of the property, plant and equipment and investment property is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognised immediately in the statement of financial performance. Where an impairment loss subsequently reverses, the carrying amount of the property, plant and equipment and investment property is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the property, plant and equipment and investment property. The reversal of an impairment loss is recognised immediately in income.

## Receivables and Payables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

Payables represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. Accounts payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

## Revenue

Revenue is recognised for lease income on a straight-line basis over the term of the lease. All other income is recognised to the extent that it is probable that the economic benefit will flow to the Trust and revenue can be reliably measured.

### **Comparatives**

The comparative figures cover the 12-month period ended 31 December 2022.

### **Operating Expenses**

Operating expenses are recognised in the statement of financial performance upon utilisation of the services or at the date of their origin.

# Notes to the Performance Report

## Mahatma Gandhi Charitable Trust For the year ended 31 December 2023

	2023	2022
<b>1. Analysis of Revenue</b>		
<b>Revenue from providing goods or services</b>		
Rent Received	1,051,508	1,055,629
Rental Incentive	-	(1,005)
Car Parking Income	223,418	208,912
Rent Received - OPEX	101,261	101,088
Electricity & Water Rates Recovered	9,837	10,482
<b>Total Revenue from providing goods or services</b>	<b>1,386,024</b>	<b>1,375,105</b>
<b>Interest, dividends and other investment revenue</b>		
Dividend Income	3,455	4,879
Other Revenue	4,800	3,050
<b>Total Interest, dividends and other investment revenue</b>	<b>8,255</b>	<b>7,929</b>
	2023	2022

## 2. Analysis of Expenses

<b>Costs related to providing goods or services</b>		
Building Repairs and Maintenance	78,890	104,757
Cleaning	28,183	23,675
Consulting	8,752	14,512
Disposal - Assets	-	339
Entertainment	-	208
Gas & Electric	88,500	83,037
Insurance	46,616	43,637
Licences & Registrations	403	633
Office Expenses	-	100
Property Management	23,200	23,200
Rates Paid	111,822	96,812
Rubbish Removal	4,985	4,880
Security	3,545	2,962
Subscriptions	817	764
Water Rates	7,939	6,590
<b>Total Costs related to providing goods or services</b>	<b>403,651</b>	<b>406,106</b>

	2023	2022
<b>Other expenses</b>		
Accountancy	15,849	14,800
Audit Fees	9,413	8,500
Bank Fees	901	904
Depreciation	160,084	170,242
General Expenses	32	-
Interest - Loans	69,788	78,913
Interest Expense	1,835	5,206
Legal Expenses	5,988	4,975
Printing & Stationery	18	-
<b>Total Other expenses</b>	<b>263,906</b>	<b>283,540</b>
	2023	2022

### 3. Analysis of Assets

<b>Bank accounts and cash</b>		
ASB Cheque MG (00)	93,519	162,314
<b>Total Bank accounts and cash</b>	<b>93,519</b>	<b>162,314</b>
<b>Debtors and prepayments</b>		
Accounts Receivable	64,301	23,486
Accrued Revenue	-	51
Insurance Prepayments	20,273	18,233
<b>Total Debtors and prepayments</b>	<b>84,574</b>	<b>41,770</b>
	2023	2022

### 4. Analysis of Liabilities

<b>Creditors and accrued expenses</b>		
Accounts Payable	22,879	47,812
Sundry Creditors	5,382	-
Accruals	12,531	11,074
<b>Total Creditors and accrued expenses</b>	<b>40,792</b>	<b>58,886</b>
<b>Other current liabilities</b>		
RWT Paid	(3,273)	(2,156)
GST	26,518	19,026
ASB Bank - Financial Market Loan (Current Portion)	330,000	330,000
Loan account with Auckland Indian Association Inc	378,247	381,432
<b>Total Other current liabilities</b>	<b>731,492</b>	<b>728,303</b>

	2023	2022
<b>Loans</b>		
ASB Bank Finance Market Loan (Non-Current Portion)	138,500	1,018,500
<b>Total Loans</b>	<b>138,500</b>	<b>1,018,500</b>
Mahatma Gandhi Charitable Trust has secured the loan from ASB Bank against the property situated at 155 New North Road, Eden Terrace, Auckland.	-	-
	2023	2022

## 5. Property, Plant and Equipment

<b>Land</b>		
Land at cost	10,909,092	10,909,092
<b>Total Land</b>	<b>10,909,092</b>	<b>10,909,092</b>
<b>Land Improvements</b>		
Land Improvements	168,523	168,523
Less Accumulated Depreciation on Land Improvements	(88,990)	(80,556)
<b>Total Land Improvements</b>	<b>79,533</b>	<b>87,966</b>
<b>Buildings</b>		
Buildings	1,360,904	1,360,904
Accumulated depreciation - buildings	(1,220,871)	(1,202,929)
<b>Total Buildings</b>	<b>140,034</b>	<b>157,976</b>
<b>Furniture and Fittings</b>		
Furniture and fittings	1,084,706	1,072,882
Less Accumulated Depreciation on - Furniture and Fittings	(677,956)	(604,284)
<b>Total Furniture and Fittings</b>	<b>406,750</b>	<b>468,598</b>
<b>Plant and Equipment</b>		
Plant and machinery owned	124,506	118,437
Accumulated depreciation - plant and machinery owned	(18,796)	(7,215)
<b>Total Plant and Equipment</b>	<b>105,709</b>	<b>111,222</b>
<b>Total Property, Plant and Equipment</b>	<b>11,641,118</b>	<b>11,734,854</b>
	2023	2022

## 6. Investment Property

Investment Land at Cost	4,736,690	4,736,690
<b>Investment Buildings</b>		
Investment Buildings at Cost	1,772,938	1,772,938
Less Accumulated Depreciation on Investment Buildings	(1,503,878)	(1,455,423)
<b>Total Investment Buildings</b>	<b>269,060</b>	<b>317,515</b>
<b>Total Investment Property</b>	<b>5,005,751</b>	<b>5,054,206</b>
	2023	2022

## 7. Accumulated Funds

<b>Accumulated Funds</b>		
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	2023	2022
Opening Balance	15,187,455	14,494,067
Current Year Earnings	726,722	693,388
<b>Total Accumulated Funds</b>	<b>15,914,177</b>	<b>15,187,455</b>
<b>Total Accumulated Funds</b>	<b>15,914,177</b>	<b>15,187,455</b>

## 8. Commitments

There are no capital commitments as at 31 December 2023 (2022 - Nil).

## 9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2023 (2022 - Nil).

## 10. Related Parties

The Auckland Indian Association Incorporated ("the Society") is considered a related party as the Society and the Trust have common board members. The related party transactions and balances are summarised below:

	2023	2022
<b>Related party transaction</b>		
Rent Received	\$50,000	\$50,000
<b>Related party balances</b>		
Accounts Payable (Receivable) - Net	-\$4,588	\$4,557
Loan Payable	\$378,247	\$381,433

The loan balance with the Society is non-interest bearing and payable on demand.

## 11. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report for the year ended 31 December 2023 (2022 - Nil).

## 12. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

# **Independent Auditors Report**

**Mahatma Gandhi Charitable Trust**  
**For the year ended 31 December 2023**