



New Zealand Gazette

OF THURSDAY, 31 JULY 2014

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THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

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THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

TRUST PARTICULARS

THE COMMUNITY TRUST OF MID AND SOUTH CANTERBURY INC was incorporated as a Charitable Trust in accordance with the provisions of the Trustee Banks Restructuring Act 1988. The purpose of the Community Trust is to provide charitable, cultural, philanthropic and recreational benefits to the community.

Trustees

Peter O'Leary (Chairperson); BCom, Dip.Bus.Admin
Sheryl Frew BCom (Deputy Chairperson)
Nicola Hornsey (Completed two terms – May 2013); BA, LLB
Michelle Brett
Lee Burdon JP
Raeleen De Joux
Rex Whiting Adv.Dip.Tchg
Jenifer Strauss BA LLB
Maarten Dirkzwager LLB (Hons)
Jan Hide RN
Karen Simpson (term commenced – June 2013)

Chief Executive Officer

Elizabeth Shea; Dip Bus.

Bankers

Westpac Bank, Timaru

Auditors

Martin Wakefield, Chartered Accountants, Timaru

Accountants

HC Partners LP, Chartered Accountants, Timaru

Investment Adviser

Michael Chamberlain, MCA NZ Ltd, Auckland

Investment Managers

Forsyth Barr
Tyndall NZ
PIMCO
Elevation Capital

Custodians

BNP Paribas
Public Trust

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 MARCH 2014

Financial Performance

The financial returns recorded for the year ended 31 March 2014 did not match the high level of the previous year. Early reports of the financial year had shown that results would fluctuate and returns would be at a lower level.

However the results were still positive for the Community Trust in that the equity moved from just under the \$46M mark to \$46.419M.

Total income from the investment account was \$1.879M and movement in managed funds was \$0.047M, these two sources totalling \$1.926M. The previous year total income had been \$4.660M. Operating and direct investment expenditure was in line with our budgeted guidelines and there were no marked deviations to impact on the financial results.

The summary of Statement of Financial Performance, page 6 of the report, shows donations approved at \$0.979M compared to the previous year of \$0.809M and net income transferred to Capital Account of \$0.482M compared to \$3.443M.

Note 2 of the Financial Statements gives a breakdown of the capital fund and that a transfer was made from the general reserve to the inflation reserve of \$191,847, leaving a general reserve balance of \$1.816M. The general reserve was reinstated the previous year as a flow on from higher income returns.

During the year the Board authorised the commencement of a Global shares portfolio under the management of Elevation Capital and this was funded by the previously held units in a global weighted fund. This portfolio is listed as Offshore Equity in the Financial Accounts and the total amount is similar in both years – 2014 \$11.9M, 2013 \$11.8M.

It was considered that the future prospects of our own portfolio was better than that of a weighted fund.

Having completed our budgeting exercise at the beginning of 2014 it is anticipated that the Community Trust will record a steady year in the 2014/15 financial year.

Michael Chamberlain, MCA NZ Limited is our Investment Advisor and we acknowledge his input through the collation of our investment reports and advice to the formulation of our strategies, objectives and policies. Accounting services are provided by Paul Wolffenbuttel of H C Partners L P and this professional advice is greatly valued.

Community House

The capital cost of Community House is not part of our investment funds as the property is provided as a support to the South Canterbury welfare organisations. The purpose is to supply good quality subsidised office space to these organisations enabling them to fully function services to their clients. The Community Trust target a financial return of marginally better than break-even as we do not expect to sustain a negative result.

Community House is a well utilised community support hub with 21 tenants in occupation.

This year Farmers Market was located to the Community House carpark, creating an activity there on Saturday mornings. The Board have adopted a long term maintenance plan for the property and this will commence in the 2014/15 year.

We acknowledge input to Community House by the Timaru District Council's Community Development Committee donation of \$10,000 which is put towards the overall running costs.

This donation definitely assists in keeping rentals to the non-profit organisations who are tenants at the lowest possible level.

Donations

Donations approved totalled \$978,814 and this compares with \$808,928 the previous year.

Over the recent five year period the Community Trust has allocated \$5.338M averaging \$1.068M per year.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 MARCH 2014 (Continued)

The major disbursements during the year were Mid and South Canterbury Schools \$136,165, \$100,000 each to the Ashburton Museum & Historical Society and Friends of Alps 2 Ocean Inc, \$75,000 to the Lake Tekapo Footbridge Society Inc, \$35,000 to the Mania-o-Roto Scout District, \$30,000 each to Society of St Vincent de Paul Ashburton and Timaru, \$20,000 each to Barnabas Christian Trust, Sport Canterbury Mid & South Canterbury, and the Timaru Indoor Bowls Assn.

The Board considered 133 applications this year compared to 142 the previous year.

We canvassed applicants for comments on the application process during the year and there were no requests for major change to the current system. The Board consider applications at their monthly meetings and are working towards an on-line application process which is currently being trialled.

The Community Trust, when considering applications, are mindful of three criteria:

1. The quality and/or significance of the application to meet community needs
2. The donation budget which is determined by the income of the previous year
3. The guardianship of an intergenerational funding base and the need to grow the fund for the future

Trustees

There was one change to the Board of Trustees during the year. The Associate Minister of Finance appointed Karen Simpson from Lake Tekapo to replace Nicola Hornsey who had completed two terms as a Trustee, a total of eight years service. The Board appreciated the leadership and drive Nicola gave during her term of service. This included five years in the role of Chairperson and much input into restructuring the Trust, along with hosting the New Zealand Combined Trusts Conference in Timaru. Karen Simpson's term on the Community Trust commenced on 1st June, 2013.

During the year the Associate Minister invited the Board to confirm our Board size preference. This had been a topic in a Community Trusts' survey conducted by the Department of Internal Affairs.

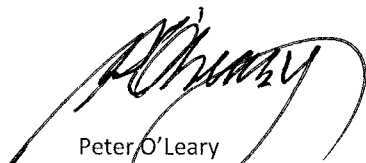
Our response was that the Board size remain with the status quo (ten members) and this enabled regional location aspect to be covered. With a down-sizing of the Trustee numbers it would be more difficult to give coverage of the many communities that exist in the Community Trust's territory. It was certainly not our belief that a smaller number of Trustees would make for better governance decisions and a better working Board.

Staff

The Board do acknowledge the input of our staff to the smooth functioning of the Board. Their application to tasks at hand ensures that the standards set by the Board are attained. The staff team is very ably led by Liz Shea, Chief Executive Officer. The team is Clive Callow, Community Relations Manager and Sally Marsh, Office Administrator. We do appreciate their dedication and efforts to have the timely reports and material available for the Trustee's consideration.

25th Anniversary

The year 2013 was the 25th Anniversary of the Community Trust and a decision was made to mark this milestone by commissioning Carol Angland to write the history of the Community Trust's first 25 years. The completed book should be published towards the end of this year.



Peter O'Leary

CHAIRPERSON

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 \$	2013 \$
INVESTMENT ACCOUNT			
Income			
Interest : Managed Funds		1,037,167	1,545,230
Interest : Other		1,526	1,462
Share of Profit/(Loss) : Te Kete Putea LP		-	23,848
Other Investment Income		4,520	-
Dividends : Managed Funds		836,269	996,903
Total Income		1,879,482	2,567,442
Movement in Managed Funds			
New Zealand/Australian Property		(356,474)	360,883
Offshore Cash and Bonds		(19,417)	191,014
Offshore Equity		753,141	379,539
New Zealand Cash and Bonds		(317,503)	201,963
New Zealand/Australian Equity		(13,214)	959,303
		46,533	2,092,701
Total Income		1,926,015	4,660,143
Less Expenses :			
Direct Investment Expenditure			
Management Fees		125,086	74,997
Custodian Fees		45,944	44,719
Consultancy Fees		29,061	32,983
Total Direct Investment Expenditure		200,091	152,699
		1,725,924	4,507,444
Less Operating Expenditure			
Advertising		12,222	9,750
Auditor's Fees		6,300	6,000
Postage, Tolls and Fax		5,728	5,545
Printing and Stationery		4,740	4,256
Salary and Wages		126,134	120,222
Accountancy and Advisory Fees		9,950	10,655
Project Costs		-	6,044
Database Costs		5,490	-
General Professional Fees		3,212	4,586
Sundry Administration Expenses		5,266	7,846
Internal Affairs Department Costs		-	454
Conference Expenses		10,710	3,163
Rental		11,844	11,844
Trustees Travel		10,730	8,756
Trustees Honoraria		84,057	85,208
Trustees Insurance		2,402	2,305
Trustees Training		2,002	3,004
Total Operating Expenditure		300,787	289,638
Nett Income/(Deficit) from Investment Account		1,425,137	4,217,806

These financial statements are to be read in conjunctions with the accompanying notes.

These statements have been audited.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC**STATEMENT OF FINANCIAL PERFORMANCE**

FOR THE YEAR ENDED 31 MARCH 2014 (continued)

	Note	2014 \$	2013 \$
<u>COMMUNITY HOUSE ACCOUNT</u>			
Income			
Sundry Rentals		6,296	7,291
Lease Rentals		99,449	96,889
Printing and Fax Charges Reimbursed		26,395	25,473
Carpark Rental		9,856	9,219
Donations		10,000	10,000
Total Income		151,995	148,872
 Less Operating Expenditure			
Heating and Power		25,001	21,405
Maintenance		13,332	17,035
Cleaning		11,027	9,961
Rates		3,027	2,777
Insurance		25,340	22,257
Security and Alarms		2,976	2,910
Telephone and Tolls		10,905	11,428
Salary and Wages		19,500	19,500
General Administration		7,601	8,491
Depreciation : Land and Buildings		420	375
Depreciation : Plant and Equipment		10,129	14,399
Total Operating Expenditure		129,258	130,538
 Nett Income/(Deficit) from Rental Account		 22,737	 18,334

*These financial statements are to be read in conjunction with the accompanying notes.
These statements have been audited.*

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2014 (continued)

	Note	2014 \$	2013 \$
CONFERENCE ACCOUNT			
Income			
Reimbursement of Costs		-	2,174
Registration Fees Refunded		-	(1,226)
Total Income		<u>-</u>	<u>948</u>
 Less Conference Expenditure		 -	 91
 Nett Income/(Deficit) from Conference Account		 <u>-</u>	 <u>857</u>

STATEMENT OF FINANCIAL PERFORMANCE

Nett Income/(Deficit) from Investment Account	1,425,137	4,217,806
Nett Income/(Deficit) from Community House Account	22,737	18,334
Nett Income/(Deficit) from Conference Account	-	857
Nett Income/(Deficit)	<u>1,447,874</u>	<u>4,236,997</u>
 Less Donations Approved	 (978,814)	 (808,928)
Plus Donations No Longer Required/Lapsed	12,635	15,295
Nett Income/(Deficit) Transferred to Capital Account	<u>481,694</u>	<u>3,443,364</u>

These financial statements are to be read in conjunction with the accompanying notes.

These statements have been audited.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC**STATEMENT OF MOVEMENTS IN EQUITY**

AS AT 31 MARCH 2014

	2014	2013
	\$	\$
BALANCE AT THE BEGINNING OF THE YEAR	<u>45,937,690</u>	<u>42,494,326</u>
UNAPPROPRIATED PROFITS/ LOSSES		
Net Surplus (Loss) for the period	<u>481,694</u>	<u>3,443,364</u>
Total recognised revenues and expenses for the period	<u>481,694</u>	<u>3,443,364</u>
 BALANCE AT THE END OF THE YEAR	 <u><u>46,419,384</u></u>	 <u><u>45,937,690</u></u>

These financial statements are to be read in conjunction with the accompanying notes.

These statements have been audited.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	2014 \$	2013 \$
Trust Capital			
Capital Fund	2	46,419,384	45,937,690
		46,419,384	45,937,690
Represented By :			
Current Assets			
Westpac Bank : Current Account		67,941	58,430
Accounts Receivable		68,760	101,801
GST Receivable		4,863	3,266
Total Current Assets		141,564	163,497
Less Current Liabilities			
Accounts Payable		68,869	70,072
Donations Approved Not Yet Paid	4	551,043	708,796
Holiday Pay Accrual		5,121	4,185
Total Current Liabilities		625,033	783,053
Working Capital		(483,469)	(619,556)
Add Non-Current Assets			
Fixed Assets			
Land and Buildings		2,211,111	2,211,531
Plant and Equipment		31,316	41,445
Total Fixed Assets		2,242,427	2,252,976
Management Funds Investment			
New Zealand/Australia Property		3,242,400	3,399,572
New Zealand Cash and Bonds		12,314,609	12,021,472
New Zealand/Australian Equity		9,106,944	9,464,946
Offshore Cash and Bonds		8,109,378	7,642,551
Offshore Equity		11,862,083	11,750,715
Total Managed Funds		44,635,413	44,279,256
Other Non-Current Assets			
Units : Te Kete Putea LP		25,013	25,013
Total Other Non-Current Assets		25,013	25,013
Net Assets		46,419,384	45,937,690

Signed on Behalf of the Board of Trustees

Chairperson

Date 28/07/14

Trustee

These financial statements are to be read in conjunctions with the accompanying notes.
These statements have been audited.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 \$	2013 \$
Cash Flows from Operating Activities			
<i>Cash was Provided From:</i>			
Interest on Deposits		1,526	1,462
Withdrawal of Interest & Dividends - Managed Funds		1,424,840	1,657,551
Operating Income		153,821	184,030
		<u>1,580,187</u>	<u>1,843,043</u>
 <i>Cash was Applied to:</i>			
Suppliers of Goods and Services (Nett of GST)		446,743	482,338
Donations Paid		1,123,932	1,322,837
		<u>1,570,675</u>	<u>1,805,175</u>
 Nett Cash Flows from Operating Activities		<u>9,512</u>	<u>37,868</u>
 Cash Flows from Investing Activities			
<i>Cash was Provided From:</i>			
Sale of Fixed Assets		-	-
		<u>-</u>	<u>-</u>
 <i>Cash was Applied to:</i>			
Te Kete Putea LP Units		-	25,013
Fixed Assets		-	1,089
		<u>-</u>	<u>26,102</u>
 Nett Cash Flows from Investing Activities		<u>-</u>	<u>(26,102)</u>
 Increase/(Decrease) in Cash Held		9,512	11,766
Add Opening Cash 1 April 2013		58,430	46,664
Cash as at 31 March 2014		<u>67,942</u>	<u>58,430</u>
 Comprised of:			
<i>Westpac Bank</i>			
Online Saver Account		60,723	39,408
Current Account		7,219	19,022
		<u>67,942</u>	<u>58,430</u>

These financial statements are to be read in conjunctions with the accompanying notes.

These statements have been audited.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014 (continued)

	Note	2014 \$	2013 \$
<u>Reconciliation of Nett Surplus and Nett Cash Flows</u>			
<u>From Operating Activities</u>			
Nett Surplus / (Deficit) Transferred to Equity		481,695	3,443,364
		481,695	3,443,364
Plus/(Less) Non Cash Items			
Managed Funds (Gains)/Losses		(356,156)	(2,821,945)
Depreciation and Loss on Sale		10,549	14,774
		(345,607)	(2,807,171)
		136,088	636,193
Movements in Working Capital			
Increase/(Decrease) in Donations Approved not yet Paid		(157,753)	(529,204)
Increase/(Decrease) in Creditors		(1,203)	(37,854)
Increase/(Decrease) in Holiday Pay Accrual		936	4,185
(Increase)/Decrease in GST		(1,597)	1,712
(Increase)/Decrease in Sundry Debtors		33,041	(37,164)
Movements in Working Capital		(126,576)	(598,325)
Nett Cash Flow from Operating Activities		9,512	37,868

*These financial statements are to be read in conjunction with the accompanying notes.
These statements have been audited.*

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DEPRECIATION SCHEDULE

FOR THE YEAR ENDED 31 MARCH 2014

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	DEPN	CLOSING WDV
Land and Buildings							
Community House - Land	.000D	0.000	399,539	-	399,539	-	399,539
Community House - Buildings	.000P	0.000	2,089,704	282,304	1,807,400	-	1,807,400
Signage (Community House)	9.500D	0.000	6,370	2,860	3,510	333	3,177
Farmers Market Plugs	8.000D	0.000	1,089	7	1,082	87	995
			2,496,702	285,171	2,211,531	420	2,211,111

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DEPRECIATION SCHEDULE

FOR THE YEAR ENDED 31 MARCH 2014

	RATE & TYPE	% P/V USE	INITIAL COST	ACCUM DEPN	OPENING WDV	DEPN	CLOSING WDV
Plant and Equipment							
Filing Cabinet	12.000D	0.000	125	84	41	5	36
Television & Video	33.000D	0.000	35	35	-	-	-
Refrigerator	9.500D	0.000	222	130	92	9	83
Microwave	9.500D	0.000	178	105	73	7	66
Electronic Whiteboard	33.000D	0.000	2,989	2,897	92	30	62
Laminator	40.000D	0.000	289	283	6	2	4
Banner	15.000D	0.000	351	249	102	15	87
Office Chair	15.000D	0.000	339	236	103	15	88
Refrigerator	9.500D	0.000	1,129	532	597	57	540
Office Furniture (Nov 2006)	15.000D	0.000	18,292	11,821	6,471	971	5,500
Drapes/Blinds	15.000D	0.000	1,260	810	450	68	382
Office Furniture (Dec 2006)	15.000D	0.000	9,844	6,316	3,528	529	2,999
New Computer	40.000D	0.000	1,600	1,535	65	26	39
Phone System	33.000D	0.000	2,323	2,113	210	69	141
Vacuum Cleaner	50.000D	0.000	529	518	11	6	5
Window Shades/Curtains	15.000D	0.000	5,410	3,370	2,040	306	1,734
Large Clock	15.000D	0.000	8,296	4,937	3,359	504	2,855
Board Table	15.000D	0.000	5,079	2,995	2,084	313	1,771
Computer and Printer	40.000D	0.000	2,655	2,531	124	50	74
Shredder	40.000D	0.000	549	508	41	16	25
Heat Pump	40.000D	0.000	4,113	3,704	409	164	245
Meeting Room Table	15.000D	0.000	299	161	138	21	117
HP ProBook 4320s	50.000D	0.000	1,235	1,016	219	110	109
50" Plasma TV	40.000D	0.000	1,277	847	430	172	258
Xerox Copier	40.000D	0.000	9,000	5,760	3,240	1,296	1,944

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DEPRECIATION SCHEDULE

FOR THE YEAR ENDED 31 MARCH 2014

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	DEPN	CLOSING WDV
Kia LX Hatch (GBK876)	30.000D	0.000	25,209	10,209	15,000	4,500	10,500
D-Link 24 Port Gigabit Switch	50.000D	0.000	700	467	233	116	117
HP Mini Tower Computer & MS Office	50.000D	0.000	880	550	330	165	165
Heartstart AED Defibrillator	30.000D	0.000	2,940	983	1,957	587	1,370
			107,147	65,702	41,445	10,129	31,316
Total Assets			2,603,849	350,873	2,252,976	10,549	2,242,427

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. Statement of Accounting Policies**Reporting Entity**

The Community Trust of Mid & South Canterbury Inc. is a Charitable Trust incorporated under the Trustee Banks Restructuring Act 1988. The Financial Statements have been prepared in accordance with the Financial Reporting Act 1993 and generally accepted accounting policies.

General Accounting Policies

The General Accounting Policies adopted in the preparation of these Financial Statements are:

- The measurement base adopted is that of historical cost, except for the revaluation of investments. Reliance is placed on the fact that the Trust is a going concern.
- The matching of revenues earned and expenses incurred using accrual accounting.
- The Trust qualifies for differential reporting on the basis that it is not publicly accountable and does not have revenue greater than \$20m or have greater than fifty employees. The Financial Statements have been prepared taking advantage of the differential reporting exemptions with the exception of the preparation of a Statement of Cash Flows.

Particular Accounting Policies

The following are the particular accounting policies which have a material effect on the measurement of results and financial position:

(a) Dividend Income

Dividend Income is included in the Statement of Financial Performance when it is received.

(b) Donations

Donations, Special Projects and Community Loans are accounted for when they are approved for payment.

(c) Investments

Investments held as managed funds are shown at market value. Nett income, including unrealised gains or losses from holding such investments are recorded in the Statement of Financial Performance.

The investment in Te Kete Putea LP is not actively traded on an open market. It is held for operational as opposed to investment purposes and is carried at cost, less any impairment.

(d) Trust Capital

Trust Capital is made up of:

- (i) Capital Fund - which records the initial Capital Fund (being the realised value of Trust Bank shares) together with a reserve calculated each year by applying the Consumer Price Index to the opening Capital Fund. The additional amount is allocated from Trust profit on an annual basis.
- (ii) General Reserves – This recognises a general reserve intended to enable the Trustees to continue with distributions should the Trust incur a deficit in a particular income year.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014 (Continued)

(e) Depreciation

The assets of the Trust are stated at cost price less depreciation based on rates as allowed by the Inland Revenue Department. From 1 April 2011 buildings have been depreciated at 0%, previously they had been depreciated at 3% straight line method.

(f) Foreign Currencies

Transactions in foreign currencies are converted at spot rate at the date of the transaction or a rate approximating that rate.

At balance date, foreign monetary assets and liabilities are translated at the spot rate and movements, both realised and unrealised gains and losses, are recognised in the statement of financial performance.

(g) Vesting Employment Benefits

The Trust provides for holiday pay as a current liability, which is vesting to staff. Holiday pay is calculated as the maximum liability payable as at balance date.

Changes in Accounting Policies

There have been no changes in accounting policies.

2. Capital Fund

	2014 \$	2013 \$
Initial Capital Fund - 1 April 1996	32,087,148	32,087,148
Inflation Reserve		
Opening Balance	11,842,647	10,407,178
Share of Current Movement in Equity	481,694	1,435,469
Transfer from General Reserves	191,847	-
Closing Balance	12,516,188	11,842,647
General Reserves		
Opening Balance	2,007,895	-
Share of Current Movement in Equity	-	2,007,895
Transfer to Inflation Reserve	(191,847)	-
Closing Balance	1,816,048	2,007,895
Capital Fund at End of Year	46,419,384	45,937,690

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014 (Continued)

3. Reserves

(i) Capital Fund

The initial Capital Fund (being the realised value of Trust Bank shares) was \$32,087,148.

(ii) Inflation Reserve

It is intended to increase the inflation reserve each year by applying the Consumer Price Index to the sum of the initial Capital Fund and opening Inflation Reserve. The nominal Inflation Reserve required under this policy at 31 March 2014 is \$12,516,188.

(iii) General Reserve

The Trustees intend to compile a minimum General Reserve equivalent to 5% of the Initial Capital Fund and Inflation Reserve. The General Reserve is intended to enable the Trustees to continue with distributions should the Trust incur a deficit in a particular income year.

4. Donations Approved not yet Paid

	2014 \$	2013 \$
Approved Donations not yet Paid Out Include		
Hakaterere Marae	-	100,000
Ashburton Stadium Complex	500,000	500,000
Geraldine Historical Society	-	75,000
South Canterbury Hunt	500	500
Southern Netball Club	-	25,000
South Canterbury Pottery Group Inc	-	500
Te Ana Whakairo Ltd	-	6,275
Timaru Mental Health Support Trust	-	1,521
Mania-o-Roto Scout Zone	35,000	-
Cave Tennis Club	7,500	-
Blue Cliffs Hall Committee	5,543	-
Big Little Theatre Company	2,500	-
	551,043	708,796

5. Taxation

The Trust is exempt from tax in accordance with Section CW52 of the Income Tax Act 2007.

6. Goods and Services Tax

These Financial Statements are stated on a GST exclusive basis, except for debtors and creditors which are stated on a GST inclusive basis.

7. Capital Commitments

There were no capital commitments as at 31 March 2014 (2013 : Nil).

8. Contingent Liabilities

There are no Contingent Liabilities at 31 March 2014 (2013 : \$Nil).

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014 (Continued)

9. Contingent Assets

There are no Contingent Assets at 31 March 2014 (2013 : \$81,000).

10. Advances

There are no advances outstanding at Balance Date.

11. Financial Instruments

Fair Values

Investments are stated at estimated market value at balance date. Interest accrued, Accounts Receivable, Accounts Payable, Term Loans and donations approved, not yet paid, are stated at the amounts expected to be received or paid.

Accordingly, the Trustees consider that the fair value of each class of financial assets and financial liabilities is the same as the carrying value in the Statement of Financial Position.

Credit Risk

44% of the assets of the Trust are represented by debt investments and Current Account balances with Westpac Bank and through Managed Funds. The Trustees consider the risk of non-recovery of these investments at balance date to be within satisfactory guidelines.

The maximum exposure to credit risk of other financial instruments are:

	2014 \$	2013 \$
Accounts Receivable	68,760	101,801
GST Refund Due	4,863	3,266
Managed Fund Equities	24,211,427	24,615,233
	<u>24,285,050</u>	<u>24,720,300</u>

Currency Risk

The Trust is party, through its Managed Funds, to financial instruments with off Balance Sheet risk to reduce exposure to fluctuations in foreign currency exchange rates. Forward exchange contracts are entered into to hedge foreign currency transactions.

The Trust is also party through its Managed Funds, to financial instruments with off Balance Sheet risk to reduce exposure to fluctuations in foreign currency interest rates. Future contracts are entered into to hedge foreign currency fixed interest transactions.

Interest Rate Risk

The following investments of the Trust are sensitive to changes in interest rate: Bank Call Accounts and Term Deposits, and various Managed Fund investments.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014 (Continued)

12. Related Party Transactions

Trustees

The trustees are associated with the following organisations:

2014

Name	Organisation	Association
Peter O'Leary	Order of St John SI Region	Committee Member
Nicola Hornsey	Presbyterian Support Services	Board member
Rex Whiting	Timaru Budget Advisory Service Ashburton Budget Advisory Service Life Education Trust	Mentor Mentor Spouse is a Trustee
Michelle Brett	Hakaterere Marae Order of St John SI Region	Trustee and Vice Chair Employee
Jan Hide	Alzheimers S C	Patron and Trainer
Sheryl Frew	Events Waimate – Strawberry Fare Pro-ject Waimate	Committee member Committee member
Karen Simpson	Mackenzie Alpine Trust	Spouse is a committee member

The above Trustees were absent from any decision making meetings involving their associated organisations.

2013

Name	Organisation	Association
Peter O'Leary	St John South Island Region	Ashburton Committee Member
Nicola Hornsey	Presbyterian Support Services SC Lake Tekapo School	Board Member Trustee
Michelle Brett	St John South Island Region Hakaterere Marae	Employee Trustee
Raeleen De Joux	Hockey South Canterbury Te Aitaraikihi Trust	Trustee Trustee

The above Trustees were absent from any decision making meetings involving their associated organisations.

Staff

The following staff members are associated with the following organisations:

2014

Name	Organisation	Association
Sally Marsh	South Canterbury Women's Wellness Centre Inc	Employee

The above employees absent from any decision making meetings involving their associated organisations.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014 (Continued)

2013

Name	Organisation	Association
Sally Marsh	South Canterbury Women's Wellness Centre Inc	Employee

The above employees absent from any decision making meetings involving their associated organisations.

13. Rental

The Trust records an internal charge for "rental" between the Community Trust operating activity and the Community House to reflect the utilisation of the Community House for Community Trust activities.

The Rental for the year to 31 March 2014 totalled \$11,844 (2013 : \$11,844).

14. Operating Leases

Operating Lease as Lessor

The Trust leases out premises and car parks on non-cancellable operating leases. The future minimum lease Rentals are as follows:

Minimum Rentals due	Current
	\$
31 March 2014	90,193
31 March 2013	92,870

The leases have no fixed duration and can be cancelled by notice at any stage by either party. The future minimum rentals are expected to stay at the same level as the current rentals due.

15. Securities

The Trust has provided a registered security to Fuji Xerox Finance Limited over the photocopier. This security is due to expire on 25 March 2016.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DONATION LIST FOR 2013/2014

ORGANISATION	DONATION (\$)
Alzheimers Society S C Inc	6,000
Aoraki Multicultural Council	15,000
Arthritis Foundation of New Zealand Inc	5,000
Ashburton Area Equestrian Sports NZ Inc	1,500
Ashburton Aviation Museum Society Inc	7,000
Ashburton Budget Advisory Service	10,000
Ashburton Cadet Corps Assn	2,000
Ashburton Community Alcohol & Drug Service	3,000
Ashburton Golf Club	3,000
Ashburton Learning Centre	5,000
Ashburton Mackenzie Community Group Inc	4,000
Ashburton Museum & Historical Society	100,000
Ashburton Parents Centre	4,000
Ashburton Playcentre	500
Ashburton Toy Library Inc	500
Ashburton Youth Café Charitable Trust	4,000
Ashburton Youth Health Trust	5,000
Barnabas Christian Trust	20,000
Barnardos New Zealand	3,000
Bike Methven	5,000
Bluecliffs Hall	5,543
Bushtown Waimate Inc	8,000
CanTeen Canterbury/West Coast	2,000
Canterbury Mens Centre	3,000
Caroline House (Inc)	6,000
Cave Tennis Club	7,500
CCS Disability Action	5,000
Centrecare Counselling Waimate Inc	3,000
Child Cancer Foundation Inc - Canterbury/West Coast	5,000
Christchurch Symphony Trust	5,000
Community House Mid Canterbury Charitable Trust	5,000
Environmental Education for Resource Sustainability Trust	2,000
Friends of Alps 2 Ocean Inc	100,000
Geraldine Community Resource Centre Trust	1,560
Geraldine Toy Library	750
Hakataramea Cemetery Trust	2,000
Hearing Assn South Canterbury Inc	992
Height of Harmony Chorus	580
Holy Family Catholic Parish of Timaru	1,000
IHC IDEA Services South Canterbury	2,500
Lake Tekapo Footbridge Society Inc	75,000
Lake Tekapo Recreational Park	1,673
Learning For You S C	5,000
Lifeline NZ	5,000
Literacy South Canterbury Inc	5,000
Mackenzie Alpine Trust	2,500
Mackenzie Highland Pipe Band Inc	2,500
Mania-o-Roto Scout District	35,000
Mid Canterbury Childrens Events and Activities Trust	1,000
Mid Canterbury Hockey Inc	3,000
Mid Canterbury Newcomers Network Inc	3,000
Mid Canterbury Rugby Union	1,000
Mid Canterbury Softball Assn	4,000
Mid South Canterbury Life Education Trust	5,000

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DONATION LIST FOR 2013/2014 (Continued)

Youthline Central South Island	5,000
Schools	136,165
Kindergartens	7,200
Total Donations	978,814

Donations no longer required/lapsed:

Hakataramea Cemetry Trust	2,000
Holy Family Catholic Parish	1,000
Bushtown (Waimate) Inc	8,000
Lions Club of Temuka	511
Temuka Citizens Indoor Bowls	1,124
	12,635

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DONATION LIST FOR 2013/2014 (Continued)

Mid South Canty Sub Centre of Athletics Canterbury	2,500
Muscular Dystrophy Assn Canterbury	5,000
New Zealand Equestrian Federation (SCNO Area Showjumping)	3,000
Northdown Te Rangi Scout Group	1,200
Order of St John South Island Region	4,500
Parent to Parent Greater Canterbury Region	4,000
Parkinsons Society South Canterbury	5,000
Pleasant Point Playcentre	1,000
Pleasant Point Railway & Historical Society Inc	548
Presbyterian Support Services South Canterbury Inc	5,000
Presbyterian Support Upper South Island	5,000
Raincliff Trust Board	8,000
Rakaia Rugby Club	8,644
Relationships Aotearoa - Ashburton	5,000
Riparian Support Trust	15,000
RMH Auckland Trust	10,000
RNZPS - Temuka & Districts Community Toy Library	1,000
Seniornet Ashburton Inc	1,905
Seniornet Waimate Inc	2,500
Society of St Vincent de Paul Ashburton	30,000
Society of St Vincent de Paul Timaru	30,000
South Canterbury Aero Club	5,000
South Canterbury Citizens Advice Bureau Inc	5,000
South Canterbury Cricket Assn	3,000
South Canterbury Gliding Club Inc	5,000
South Canterbury International Festival Inc	2,000
South Canterbury Traction Engine & Vintage Steam Club	1,600
South Canterbury Women's Wellness Inc	3,000
Sport Canterbury - Mid and South Canterbury Offices	20,000
Stroke Foundation of N Z Inc	4,000
Temuka Artists Guild	1,000
Temuka Community Care Trust	5,000
Temuka Pipe Band Inc	3,000
Temuka United Tennis Club	1,000
The Big Little Theatre Company Inc	2,500
The Multiple Sclerosis and Parkinsons Society of Canterbury Inc	7,000
The National Heart Foundation of New Zealand	3,000
The Salvation Army New Zealand Trust	5,000
The Victoria Trust	9,000
Timaru Budget Advisory Trust	10,000
Timaru Community Patrol Inc	6,000
Timaru Indoor Bowls Assn	20,000
Timaru Woodturners Club	2,000
Tinwald Reserve Board	7,000
Twizel Community Care Trust	5,000
Twizel Swimming Club	2,806
University of Canterbury Foundation	5,000
Victoria Park Scout Group	400
Volunteering Mid South Canterbury	5,000
Waimate Advisory Committee Foundation for Blind	500
Waimate Competitions Society Inc	1,000
Waimate Pony Club	1,553
Waimate Rugby Football Club	1,000
Waitaki Community Recreation Centre Trust	695
Wilson Street Baptist Church	10,000



**MARTIN
WAKEFIELD**



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Email: reception@martinwakefield.co.nz
Web: www.martinwakefield.co.nz

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Christchurch 8149 | Tel: (64) (3) 343 4012 | Fax: (64) (3) 961 1727
Email: bodycorp@martinwakefield.co.nz
Web: www.mwbodycorp.com

INDEPENDENT AUDITOR'S REPORT

To the Members of The Community Trust of Mid & South Canterbury Incorporated

Report on the Financial Statements

We have audited the financial statements of The Community Trust of Mid & South Canterbury Incorporated on pages 4 to 22, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of movements in equity 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 for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand 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 Responsibilities

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, 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 Community Trust of Mid & South Canterbury Incorporated.

Opinion

In our opinion, the financial statements on pages 4 to 22 present fairly, in all material respects the financial position of The Community Trust of Mid & South Canterbury Incorporated as at 31 March 2014 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Auditor: Martin Wakefield

Date: 28 July 2014

Address (city): Canon Street, TIMARU

NZ CA



Partners: **William R. Baillie** B.Com C.A. **Hamish T. Moorhead** B.Com C.A. **Derily O. MacLean** B.Com (Hons) C.A.