



New Zealand Gazette

OF THURSDAY, 14 AUGUST 2014

WELLINGTON: TUESDAY, 19 AUGUST 2014 — ISSUE NO. 95

WHANGANUI COMMUNITY FOUNDATION INCORPORATED

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

WHANGANUI COMMUNITY FOUNDATION INCORPORATED
SCHEDULE OF CONTENTS
FOR THE YEAR ENDED 31 MARCH 2014

Foundation Particulars

Directory

Annual Report

Audit Report

Consolidated Financial Statements

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Financial Position

Cashflow Statement

Parent Financial Statements

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Financial Position

Cashflow Statement

Notes to the Financial Statements

Whanganui Charitable Foundation Limited

Directory

Annual Report

Audit Report

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Financial Position

Notes to the Financial Statements

WHANGANUI COMMUNITY FOUNDATION INCORPORATED
DIRECTORY
FOR THE YEAR ENDED 31 MARCH 2014

Chairperson

P. Baker-Hogan

Trustees

P. Anderson	Resigned September 2013
C. Blomkvist	Retired May 2013
J. Duncan	
D. McKinnon	
S. Maru	
R. Millward	
S. Redmayne	Appointed June 2013
S. Sisson	Retired May 2013
S. Tapa Mosen	
A. Teki Clark	
J. Vickers	Appointed June 2013

Chief Executive

Judith Timpany
P O Box 365
WHANGANUI
Telephone (06) 348 8300
www.whanganuicommunityfoundation.org.nz

Bankers

Westpac
P O Box 638
WHANGANUI

Auditors

Deloitte
PO Box 1990
WELLINGTON

Solicitors

David Robertson
Armstrong Barton
Bell Street
WHANGANUI

Whanganui Community Foundation Incorporated**Annual Report 2014**

It has been another positive year at the Whanganui Community Foundation and we are proud to continue to work in such a rich and diverse community. On behalf of the Trustees, I am pleased to present the annual report for the year ended 31 March 2014.

At the Whanganui Community Foundation our purpose is to promote community well-being and connectedness, and this means providing assistance through good times and bad. Throughout the financial crisis the Foundation has maintained its support to a large number of community organisations. Grants and community support approved during the year amounted to slightly over \$1 million.

The financial markets have made a hesitant recovery and this financial year the Foundation made a surplus of \$1.5 million. While there has been some improvement in the equity markets, on-going financial uncertainty means that the Trustees are likely to continue to take a conservative approach to grant-making.

A programme of capacity building for community organisations continued in the last year with workshops on transforming conflict in the workplace and emotionally intelligent governance. A community party was also held in Raetihi to thank and celebrate the amazing work and support within this community from the very unfortunate major water contamination issue.

As part of the work we do, we encourage community organisations to review their directions, their approaches to their own issues, and the way in which they operate. We encourage best practice in all organisations. As a result of our commitment to best practice, the Board was keen to ensure that the Whanganui Community Foundation was operating as effectively as possible, and that our communities are getting the best value for their money. To this end, Trustees engaged external consultants to review our effectiveness and a further administrative review report. The outcome of these reviews has led the Board to make two major decisions.

The first was a decision to go to the market to tender for our investment advisory services. The successful tender was from Craigs Investment Partners Ltd and we are in the process of moving funds over to Craigs to manage on our behalf over the next year. The second decision to outsource our administrative function has resulted in the difficult decision to outsource our administrative structure, meaning we will no longer employ our own staff.

We have just held a function to thank our long standing staff for their commitment and dedication to the Foundation, with Chief Executive Judith Timpany leaving after seventeen years in the role, part-time administrator Jane Towers employed for thirteen years and casual staff member Leanna Fuentes, three years. We wish them all the very best for their future endeavors.

The Foundation offices will be open and staffed by Judith until the end of May 2014, working with our new administrative provider, Sewell and Wilson Ltd, Whanganui, lead by Douglas Wilson. We are aiming to ensure that handover is as seamless as possible and can assure the wider Whanganui community that our core functions of investing funds for the perpetual benefit of our communities and core grant work will continue to be our primary focus. Trustees will be further considering how we might best support capacity building and further work in the social change area in the near future.

Trustee and Board Chair for nearly two years, Prue Anderson retired from the Board this year. Prue was a caring, thoughtful and conscientious leader and her contribution to the Board was much appreciated.

The Foundation remains committed to improving the quality of life and social well being in our communities. It is a privilege and responsibility Trustees take very seriously. The Foundation welcomes any feedback or suggestions that could help us to do our work more effectively.

Philippa Baker-Hogan
Chair



**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF TRUSTEES OF WHANGANUI COMMUNITY FOUNDATION
INCORPORATED**

Report on the Financial Statements

We have audited the financial statements of Whanganui Community Foundation Incorporated (the "Foundation") and Group on pages 5 to 23, which comprise the statements of financial position as at 31 March 2014, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Trustees, as a body, in accordance with Section 16 (e) of the Trust Deed. Our audit has been undertaken so that we might state to the Trustees those matters 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of 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 and 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 the accounting policies used and the reasonableness of accounting estimates, as well as 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 Foundation or its subsidiary.

Opinion

In our opinion, the financial statements on pages 5 to 23 present fairly, in all material respects, the financial position of the Foundation and Group as at 31 March 2014, and their financial performance and cash flows for the year ended on that date in accordance with generally accepted accounting practice in New Zealand.

A handwritten signature in dark ink, appearing to read "Deloitte", written in a cursive style.

Chartered Accountants
26 May 2014
Wellington, New Zealand

Whanganui Community Foundation Incorporated

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2014

Revenue	Note	2014	2013
		\$	\$
Investment Income	2	2,681,817	3,362,119
Unrealised Hedging Gains		463,171	-
less Investment Administration		(41,953)	(41,104)
Rent Received		32,000	32,000
Other Income		3,787	6,572
		<u>3,138,822</u>	<u>3,359,587</u>
Less Expenses			
Accident Compensation Levy		409	364
Advertising		-	5,918
Audit Fees		10,680	11,188
Brokerage		1,722	-
Communication		3,522	3,432
Consulting Fees		4,545	21,562
Computer Expenses		1,286	2,283
Grants Management System		5,490	6,061
General Expenses		2,046	3,019
Insurance		3,670	3,510
Occupancy Costs		7,996	6,875
Printing and Stationery		4,208	1,773
Professional Development		8,367	1,052
Promoting Generosity		5,500	287
Restructuring costs		179,564	-
Subscriptions		4,225	2,225
Travelling Expenses		2,388	1,335
Trustees' Fees and Expenses	11	70,277	68,694
Wages and Salaries	11	157,007	145,952
Total Expenses		<u>472,902</u>	<u>285,530</u>
Net Surplus before Depreciation and Community Distributions		2,665,920	3,074,057
Depreciation	7	20,195	20,173
Total Community Distributions	3	1,049,252	796,286
Net Surplus for the Year	4	<u>1,596,473</u>	<u>2,257,598</u>
Other Comprehensive Income - Building Impairment	7	(77,433)	-
Total Comprehensive Income		<u>1,519,040</u>	<u>2,257,598</u>

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements on pages 13 to 23.

Whanganui Community Foundation Incorporated

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2014

2014	Original Capital \$	Revaluation Reserves \$	Retained Earnings \$	Total Equity \$
Total Comprehensive income	-		1,596,473	1,596,473
Property Impairment		(77,433)	-	(77,433)
Total Comprehensive Income	-	(77,433)	1,596,473	1,519,040
Equity at Beginning of Year	4,400,000	368,813	30,411,071	35,179,881
Equity at End of Year	4,400,000	291,380	32,007,544	36,698,921

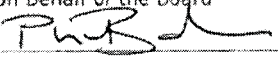
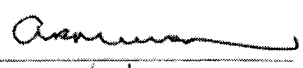
2013	Original Capital \$	Revaluation Reserves \$	Retained Earnings \$	Total Equity \$
Total Comprehensive Income	-	-	2,257,598	2,257,598
Change in Property Revaluation Reserve	-	-	-	-
Total Comprehensive Income	-	-	2,257,598	2,257,598
Equity at Beginning of Year	4,400,000	368,813	28,153,473	32,922,286
Equity at End of Year	4,400,000	368,813	30,411,071	35,179,881

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements on pages 13 to 23.

Whanganui Community Foundation Incorporated
Consolidated Statement of Financial Position as at 31 March 2014

Assets	Note	2014	2013
<u>Current Assets</u>		\$	\$
Cash and Cash Equivalents			
- Westpac		293,076	133,994
- On Call Account		1,394,981	1,106,720
- Term Deposits	5	11,270,000	7,620,000
- Hedging contract	5	463,171	-
Accrued Income		75,078	106,931
GST		10,490	5,247
Social Loans	12	134,000	62,000
Prepaid expenses		-	4,887
Total Current Assets		13,640,796	9,039,779
<u>Non Current Assets</u>			
Property Plant and Equipment	7	444,039	532,737
<u>Investments</u>			
State Street Global Assets	5	20,255,681	23,196,756
Bonds	5	2,038,730	2,297,325
Social loans	12	499,334	305,834
Shares in listed companies	5	161,500	-
Shares in Te Kete Putea Ltd.	6,7	16,500	20,750
Total Non Current Assets		22,971,745	26,353,402
Total Assets		37,056,580	35,393,181
<u>Liabilities</u>			
<u>Non Current Liabilities</u>			
Trust Funds Held	8	57,312	57,312
<u>Current Liabilities</u>			
Accounts Payable		61,006	48,333
Grants approved but not paid		71,930	93,407
Accrued employee entitlements		25,483	14,248
Restructuring provision		141,928	-
Total Current Liabilities		300,347	155,988
Total Liabilities		357,659	213,300
Net Assets		36,698,921	35,179,881
<u>Represented by Equity</u>			
Capital		36,407,362	34,811,068
Property Revaluation Reserve	9	291,559	368,813
Total Equity		36,698,921	35,179,881

Signed on Behalf of the Board

Trustee  Trustee 

Date 26/5/2014 Date 26/5/14

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements on pages 13 to 23.

Whanganui Community Foundation Incorporated

Consolidated Statement of Cashflows for the Year Ended 31 March 2014

	Note	2014	2013
		\$	\$
Cashflows from Operating Activities			
Cash was provided from:			
Rent Received		32,000	32,000
Other Income		3,787	6,572
Interest Payments		587,341	533,274
Loan Repayments		94,500	50,500
Bonds Falling Due		-	3,122,886
Bond sold		426,000	
Repatriation from State Street		5,100,000	2,200,000
		<u>6,243,628</u>	<u>5,945,232</u>
This cash was used to:			
Provide Donations and Community Support		1,070,729	959,376
Purchase Goods and Services		279,098	253,349
Pay Trustees' Honoraria		70,277	68,694
Trust Funds Paid		-	10,000
Advance loans		360,000	60,000
Purchase shares		161,500	-
Purchase bonds		200,000	-
Increase Term Deposits		3,550,000	4,000,000
		<u>5,691,604</u>	<u>5,351,419</u>
Net Cash Inflows/(Outflows) from Operating Activities	4	552,024	593,813
Net Cash Outflow from Investing Activities			
Purchase Fixed Assets		4,680	-
Which resulted in an increase/(decrease) of cash of		<u>547,343</u>	<u>593,813</u>
Opening Cash at 1 April 2013		<u>3,110,714</u>	<u>2,516,901</u>
Closing Cash balance at 31 March 2014		<u>3,658,057</u>	<u>3,110,714</u>
Represented by			
Cash at Westpac		293,076	133,994
On Call account		1,394,981	1,106,720
Term deposits maturing within three months		1,970,000	1,870,000
		<u>3,658,057</u>	<u>3,110,714</u>

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements on pages 13 to 23.

Whanganui Community Foundation Incorporated -Parent

Statement of Comprehensive Income for the Year Ended 31 March 2014

Revenue	Note	2014	2013
		\$	\$
Income received from Investments	2	2,660,841	3,362,119
Unrealised Hedging Gains		463,171	-
Less Investment Administration		(41,953)	(41,104)
Management Fee Received		5,870	5,870
Other Income		3,787	-
Total Income		3,091,716	3,326,885
Less Expenses			
Accident Compensation Levy		409	364
Advertising		-	5,918
Audit Fee		8,681	9,438
Brokerage		1,722	-
Communication		3,522	3,432
Computer Expenses		1,286	2,283
Consultancy Fees		4,545	21,562
Donations Management System		5,490	6,061
General Expenses		2,046	2,975
Insurance		3,670	3,510
Occupancy		29,242	28,296
Printing and Stationery		4,208	1,773
Professional Development		8,367	1,052
Promoting generosity		5,500	287
Restructuring costs		179,564	-
Subscriptions		4,225	2,225
Travelling Expenses		2,388	1,335
Trustees' Fees and Expenses		70,277	68,694
Wages and Salaries		157,007	145,952
		492,149	305,157
Net Surplus before Depreciation and Community Distributions		2,599,567	3,021,728
Depreciation	7	7,767	7,501
Total Community Distributions	3	1,049,252	796,286
Net Surplus for the year		1,542,548	2,217,941

NOTE: This statement is to be read in conjunction with the Notes to the financial statements on pages 13 to 23.

Whanganui Community Foundation Incorporated – Parent
Consolidated Statement of Changes in Equity for the Year Ended 31 March 2014

2014	Original Capital \$	Retained Earnings \$	Total Equity \$
Total Comprehensive Income	-	1,542,548	1,542,548
Equity at Beginning of Year	4,400,000	29,911,723	34,311,723
Equity at End of Year	<u>4,400,000</u>	<u>31,454,271</u>	<u>35,854,271</u>
2013	Original Capital \$	Retained Earnings \$	Total Equity \$
Total Comprehensive Income	-	2,217,941	2,217,941
Equity at Beginning of Year	4,400,000	27,693,782	32,093,782
Equity at End of Year	<u>4,400,000</u>	<u>29,911,723</u>	<u>34,311,723</u>

NOTE: This statement is to be read in conjunction with the Notes to the financial statements on pages 13 to 23.

Whanganui Community Foundation Incorporated - Parent
Statement of Financial Position as at 31 March 2014

ASSETS	Note	2014	2013
<u>Current Assets</u>		\$	\$
Cash and Cash Equivalents			
- Westpac Trust		195,045	2,513
- On Call Account		1,394,981	1,106,720
- Term Deposits	5	10,900,000	1,600,000
Accrued Interest		72,061	103,885
GST		13,717	8,073
Social loans (current portion)		134,000	62,000
Prepaid expenses		-	4,887
		<u>12,709,804</u>	<u>2,888,078</u>
<u>Non Current Assets</u>			
Property, Plant and Equipment		7,996	6,833
<u>Investments</u>			
State Street Global Assets	5	20,255,681	23,196,756
Term Deposit	5	-	5,750,000
Bonds	5	2,038,730	2,297,325
Hedging contract	5	463,171	-
Shares in listed companies	5	161,500	-
Social Loans		499,334	305,834
Shares in Te Kete Putea Ltd	6	16,500	20,750
		<u>23,434,916</u>	<u>31,570,665</u>
Total Assets		36,152,716	34,465,576
<u>Current Liabilities</u>			
Accounts Payable		59,104	46,198
Accrued Salaries and Wages		25,483	14,248
Grants approved but not yet paid		71,930	93,407
Restructuring provision		141,928	-
		<u>298,445</u>	<u>153,853</u>
Total Liabilities		<u>298,445</u>	<u>153,853</u>
Net Assets		35,854,271	34,311,723
Represented by Equity			
Capital	9	<u>35,854,271</u>	<u>34,311,723</u>

NOTE: This statement is to be read in conjunction with the Notes to the financial statements on pages 13 to 23.

Whanganui Community Foundation Incorporated – Parent

Statement of Cashflows for the Year Ended 31 March 2014

Cashflows from Operating Activities	Note	2014 \$	2013 \$
Cash was provided from:			
Bonds Falling Due		-	3,122,886
Bond sales		426,000	-
Other Income		9,657	5,870
Interest Received		566,334	533,875
Loan Advances Repaid		94,500	50,500
Funds repatriated from State Street		5,100,000	2,200,000
		<u>6,196,491</u>	<u>5,913,131</u>
This cash was used to:			
Provide Grants and Community Support		1,070,729	959,376
Purchase Goods and Services		298,512	273,503
Pay Trustees Honoraria		70,277	68,694
Increase Term Deposits		3,550,000	4,000,000
Loan Advances		360,000	60,000
Purchase shares		161,500	-
Purchase bonds		200,000	-
		<u>5,711,018</u>	<u>5,361,573</u>
Net Cashflows from Operating Activities		485,473	551,558
Cashflows from Investing Activities:			
Purchase Fixed Assets		4,680	-
Net Increase in Cash		<u>480,793</u>	<u>551,558</u>
Opening cash at 1 April 2013		2,709,233	2,157,675
Closing cash at 31 March 2014		<u>3,190,026</u>	<u>2,709,233</u>
Represented by:			
Cash and Cash equivalents			
Cash at Bank Westpac		195,045	2,513
On Call Account		1,394,981	1,106,720
Term Deposits maturing within three months		1,600,000	1,600,000
		<u>3,190,026</u>	<u>2,709,233</u>

NOTE: This statement is to be read in conjunction with the Notes to the financial statements on pages 13 to 23.

**Whanganui Community Foundation Incorporated – group and Parent
Notes to the Financial Statements for the
Year Ended 31 March 2014**

1. Summary of Significant Accounting Policies

Reporting Entity

The Whanganui Community Foundation Incorporated (the "Foundation"), is a Trust established pursuant to section 14(1) of the Trustee Banks Restructuring Act 1988. This Act has since been repealed and replaced by the Community Trusts Act 1999 (the "Act"). Pursuant to the Act the Whanganui Community Foundation is incorporated under the Charitable Trusts Act 1957.

The Group consists of the Foundation and its subsidiary Whanganui Charitable Foundation Limited (the "Company"). The Foundation is a tax exempt entity pursuant to CW42 of the Income Tax Act 2007.

The Company is a limited liability company registered as a charitable entity under the Charities Act 2005 (CC21727).

The Foundation is a Public Benefit Entity which makes grants to qualifying not for profit entities in the Whanganui, Rangitikei, Waimarino and Southern Taranaki regions.

Accounting Policies

The measurement basis adopted is that of historical cost except for land and buildings which are revalued every 3 years and financial assets and liabilities which are recorded at fair value.

Statement of Compliance: The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as represented by the New Zealand Equivalents to the International Financial Reporting Standards (NZ IFRS). For this purpose the Foundation has designated itself a public benefit entity.

Reliance is placed on the fact that the Foundation is a going concern. The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993.

The Foundation's functional currency is New Zealand Dollars.

Basis of Preparation

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements are made by management in the application of NZ IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 13: Financial Assets and Liabilities.

Consolidated financial statements

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line by line basis. All balances and transactions between the Foundation and the Company are eliminated on consolidation.

Statement of Cashflows

The business of the Foundation is the distribution of funds for community benefit. This is supported by the investment portfolio function. Therefore operating activities includes all community distribution and investment functions and the administration that supports these functions.

Cash comprises cash at bank and call deposits but does not include cash or deposits held by the Fund Managers. Therefore the Statement of Cashflows does not reflect the cash flows within the Fund Managers' investment portfolios.

Revenue - Dividends, Pooled Funds and Interest

Income from Pooled Funds is recognised on declaration date. Interest income is recognised on an accrual basis using the effective interest method.

Grants

Approval of a grant by Trustees results in the recognition of that grant within the Foundation's financial statements whether or not payment has been made.

Approved grants are payable on the satisfaction of any conditions placed on the recipients. Grants no longer required or not fully utilised by grant recipients are shown separately in the Statement of Comprehensive Income.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, which are held to meet short term cash requirements.

Property, Plant & Equipment

Property, plant and equipment are valued at cost, less accumulated depreciation and impairment losses except for freehold land and buildings which are subsequently revalued on a cyclical basis. Land and Buildings are revalued every 3 years.

Valuations are at net current value, as determined by an independent valuer. Any revaluation surplus arising on the revaluation of land and buildings is transferred directly to the asset revaluation reserve. A revaluation deficit in excess of the asset revaluation reserve balance for the land and buildings is recognised in the Statement of Comprehensive Income in the period it arises. Revaluation surpluses which reverse previous revaluation deficits recorded in the Statement of Comprehensive Income are recognised as revenue in the Statement of Comprehensive Income.

Property, plant and equipment is reviewed annually to determine any impairment losses. Impairment losses are recognised in the Statement of Comprehensive Income.

When an item of property, plant and equipment is disposed of, any gain or loss is recognised in the Statement of Comprehensive Income and is calculated as the difference between the sale price and the carrying value of the item.

Depreciation

Depreciation is provided over the useful life of the assets. Land is not depreciated. Buildings are depreciated at 2% per annum on straight line basis. Office equipment and furniture are depreciated on a diminishing value basis. The rates used are those approved by Trustees as follows:

Land	Nil	
Buildings	2% to 4%	SL
Office Equipment & Furniture	15% to 48%	DV
Shares in Te Kete Putea Ltd (Grants Management System)	17%	SL

Impairment

If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item recorded at historical cost is recognised as an expense in the Statement of Comprehensive Income. When a revalued item is written down to recoverable amount, the write down is recognised as a downward revaluation to the extent of the corresponding revaluation reserve, and any balance recognised in the Statement of Comprehensive Income.

The carrying amount of an item of property, plant and equipment that has previously been written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down. The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred.

Reversals of impairment write downs are accounted for as follows:

- On property, plant and equipment that are not revalued, the reversal is recognised in the Statement of Comprehensive Income; and
- On revalued property, plant and equipment, the reversal is recognised as an upward revaluation in the Statement of Comprehensive Income.

Foreign Currency Transactions and Balances

Foreign currency transactions are translated to New Zealand dollars at the spot exchange rate applying at the date of the transaction.

All amounts denominated in foreign currencies at balance date are translated to New Zealand dollars at the balance date closing exchange rate.

All realised and unrealised gains and losses on foreign currency transactions are recognised in the Statement of Comprehensive Income.

Financial Assets

Financial assets are recognised in the Statement of Financial Position when the Foundation becomes party to a financial contract. They include cash balances, hedge contracts, investments, term deposits, accrued income and intercompany balances.

All assets that are financial instruments are recognised in the Statement of Financial Position.

All financial assets are initially recognised at fair value, being the fair value of consideration paid. After initial recognition, financial assets designated at fair value through profit or loss are revalued to fair value at each reporting date.

For investments that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the reporting

date. Investments in pooled funds are valued at the unit exit price ("bid price") determined by the Fund Manager at the close of business on the reporting date.

All realised and unrealised gains or losses on investments are recognised in the Statement of Comprehensive Income.

Investment transactions are recorded by Fund Managers on a transaction date basis.

Financial assets are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Foundation, as disclosed in Note 13.

The Foundation ceases to recognise a financial asset when and only when the contractual rights to cash flows from the financial asset expire.

Taxation

The Income Tax Act 2007 provides exemption from income tax for Community Trusts established under the Trustee Banks Restructuring Act 1988. The amendment applied from the 2005 income year, and consequently no taxation has been provided for in these financial statements. The Company is registered as a charitable entity under the Charities Act 2005 (CC21727) and is therefore exempt from tax.

Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis except for the amounts included for accounts receivable and accounts payable, which include GST where invoiced.

Accounts Receivable and Payable

Receivables and payables are initially recorded at fair value and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts). All accounts receivable are considered to be receivable in full and therefore there has been no requirement to provide a provision for doubtful debts.

Employee benefits

Liabilities for annual leave, sick leave and long-service leave are accrued and recognised in the Statement of Financial Position.

There were no changes in accounting policies during the year.

2 Investment Income

	2014		2013	
	Group	Parent	Group	Parent
	\$	\$	\$	\$
Global Equities - Unrealised	2,158,925	2,158,925	2,737,475	2,737,475
Bonds	153,698	153,698	314,123	314,123
Bank Deposits - Interest	339,167	318,190	290,516	290,516
Interest Foregone on social loans	30,027	30,027	20,005	20,005
Investment Income	2,681,817	2,660,840	3,362,119	3,362,119

3 Community Distributions

	2014		2013	
	Group	Parent	Group	Parent
	\$	\$	\$	\$
Community Support	22,544	22,544	14,218	14,218
Grants	1,033,448	1,033,448	782,068	782,068
Less Prior Year Grants Cancelled or Returned	(6,740)	(6,740)	-	-
Total Community Distributions	1,049,252	1,049,252	796,286	796,286

4 Reconciliation of Net Surplus to Net Cashflows from Operating Activities

Group	2014	2013
		\$
Net Surplus for the Year	1,596,473	2,257,598
Add (Less) Non Cash Items		
Depreciation	20,195	20,173
Changes in Investment Values	(511,830)	(1,414,588)
	1,104,838	863,181
Working Capital Movements		
(Increase) in Accrued Income and GST receivable	(436,561)	(91,370)
Increase in Accounts Payable	165,837	9,479
Decrease in Grants Approved but Not Paid	(21,477)	(163,090)
Decrease in Trust Funds Held	-	(10,000)
(Increase)/Decrease in social loans	(265,500)	(9,500)
Decrease/(Increase) in prepayments	4,887	(4,887)
	(552,814)	(269,368)
Net Cash Inflow from Operating Activities	552,024	593,813
Parent	2014	2013
		\$
Net Surplus/(Deficit) for the Year	1,542,548	2,217,941
Add/(Less) Non Cash Items		
Depreciation	7,767	7,501
Changes in Investment Values	(511,830)	(1,414,589)
	1,038,485	810,853
Working Capital Movements		
Increase in Accrued Income	(436,991)	(90,769)
Increase in Accounts Payable	166,069	8,951
Decrease in Grants Approved but Not Paid	(21,477)	(163,090)
(Increase)/Decrease in Social Loans	(265,500)	(9,500)
(Increase)/decrease in Prepayments	4,887	(4,887)
	(553,012)	(259,295)
Net Cash Inflow/(Outflow) from Operating Activities	485,473	551,558

5 Investments

The following were the investment portfolio allocations as at 31 March 2014

Group

	2014	%	2013	%
	\$		\$	
Global Equities	20,255,681	59.0	23,196,756	69.0
Bonds and Term Deposits	13,308,730	39.2	10,417,325	31.0
Hedging contracts	463,171	1.3	-	-
New Zealand Shares	161,500	0.5	-	-
	34,189,082	100.0	33,614,081	100.0

Parent

	2014	%	2013	%
	\$		\$	
Global Equities	20,255,681	59.9	23,196,756	69.6
Bonds and Term Deposits	12,738,730	38.3	10,147,325	30.4
Hedging Contracts	463,171	1.3	-	-
Shares in New Zealand Companies	161,500	0.5	-	-
	33,819,082	100.0	33,344,081	100.0

6 Grants Management System Loan

The Foundation capitalised \$25,000 as a loan for the development of a grants management system in conjunction with 10 other community trusts. This loan has been converted into shares in a limited partnership (Te Kete Putea Ltd.) The underlying asset of the partnership is a grants database that will amortise over its economic life. The database will be amortised over a period of 6 years, which reflects the economic life of the asset.

7 Property, Plant and Equipment**Group**

2014	Cost	Depreciation	Impairment	Accumulated Depreciation	Book Value
	\$	\$	\$	\$	\$
Land and Building	535,000	11,590	(77,433)	23,180	434,387
Office Equipment and Furniture	39,285	4,355	-	29,633	9,652
Shares in Te Kete Putea Ltd	25,000	4,250	-	8,500	16,500
	599,285	20,195	(77,433)	61,313	460,539

2013	Cost	Depreciation	Revaluation	Accumulated Depreciation	Book Value
	\$	\$	\$	\$	\$
Land and Building	535,000	11,590	-	11,590	523,410
Office Equipment and Furniture	34,605	4,333	-	25,278	9,327
Shares in Te Kete Putea (grants database)	25,000	4,250	-	4,250	20,750
	594,605	20,173	-	41,118	553,487

Reconciliation of Carrying Value of Property, Plant and Equipment

	2014	2013
		\$
Book value at 1 April 2013	553,487	548,660
Plus additions	4,680	25,000
Revaluations	(77,433)	-
Less depreciation	(20,195)	(20,173)
Book value at 31 March 2014	460,539	553,487

As at 31 March 2014, had the land and buildings been carried at historical cost less accumulated depreciation their carrying value would have been approximately \$123,907 (2013: \$126,436).

Valuation

The freehold land and buildings was revalued at 31 March 2012 at fair value as determined by an independent registered valuer, K D Pawson (ANZIV, SPINZ, B Com(VPM)), of the firm Morgans Property Advisers. All values were determined directly by reference to observable prices in an active market.

Impairment

Having considered carefully the saleability of buildings of a similar age, structure and location, the impact of the termination of a tenancy and potential offers, Trustees have agreed that there is a significant potential for impairment in the value of the building. For this reason an allowance has been made for impairment.

Parent

2014	Cost	Depreciation	Accumulated Depreciation	Book Value
	\$	\$	\$	\$
Office Equipment and Furniture	21,031	3,517	13,035	7,996
Shares in Te Kete Putea Ltd.	25,000	4,250	8,500	16,500
Total	46,031	7,767	21,535	24,496

2013	Cost	Depreciation	Accumulated Depreciation	Book Value
	\$	\$	\$	\$
Office Equipment and Furniture	16,351	3,251	9,518	6,833
Shares in Te Kete Putea (grants database)	25,000	4,250	4,250	20,750
Total	41,351	7,501	13,768	27,583

8 Trust Funds Held

	Group		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Heart Fund	95	95	95	95
Youth Fund	5,500	5,500	5,500	5,500
Disaster Recovery Fund	51,717	51,717	51,717	51,717
Total Trust Funds Held	57,312	57,312	57,312	57,312

9 Trust Funds and Reserves**Original Capital**

The Trust Capital of the Foundation arose from the endowment of shares in Trust Bank Limited. The Original Capital, Retained Earnings and Revaluation Reserves form the Trust Capital.

Revaluation Reserves

The Revaluation Reserve of \$291,559 as at 31 March 2014 comprises the cumulative revaluation of a building owned by the Company (2013: \$368,813).

Retained Earnings

Retained earnings is the accumulation of surpluses and losses since inception.

10 Related Party Information

The Trustees are key management personnel of the Foundation as defined by NZ IAS 24: Related Party Disclosures. As the Trustees are not employees of the Foundation, they do not receive short term employee benefits, post employment benefits, other long term benefits, or termination benefits. Trustees are appointed by the New Zealand Government and remunerated at rates set by the Government. These rates were last set in June 2011. During the year Trustees received honoraria and meeting fees of \$63,250 (2013: \$68,694).

The Foundation has paid rent to the Company of \$23,478 (2013: \$23,478).

The Company has paid a management fee to the Foundation of \$5,870 (2013: \$5,870).

The Foundation owed the Company nil at 31 March 2014 (2013: \$nil).

No related party debts have been written off or provided for as doubtful.

11 Key Personnel Compensation

	Group		Parent	
	2014	2013	2014	2013
	\$	\$	\$	\$
Salaries	129,288	125,338	129,288	125,338
Trustee Fees and expenses	70,277	68,694	70,277	68,694
Total Compensation	199,565	194,032	199,565	194,032

12 Social Loans

The Foundation has made a loans to four community organisations The loans are secured and regular monthly repayments are made. The loans are at a concessionary interest rate of 6% which is accounted for as a community distribution grant with interest foregone being added back to income.

	Current	Term	Total	current	Term	Total
	2014	2014	2014	2013	2013	2013
	\$	\$	\$	\$	\$	\$
Whanganui Regional Health Network	50,000	208,334	258,334	50,000	258,334	308,334
Community House	12,000	33,000	45,000	12,000	47,000	59,000
YMCA	36,000	129,000	165,000			
Te Oranganui	36,000	129,000	165,000			
	134,000	499,334	633,334	62,000	305,334	367,334

13 Financial Instruments

Fair Value Measurement

Financial instruments are required to be specified in a hierarchy of fair value based on the degree to which fair value is observable.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (ie as prices) or indirectly (ie derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

All financial instruments held by the Group at fair value are classified as Level 1 except for hedge Contracts which are classified as level 2 and there have been no transfers between levels during the year

Risks arising from the Group's financial assets and liabilities are inherent in the nature of the Group's activities, and are managed through an ongoing process of risk identification, measurement and monitoring. The Group is exposed to credit risk, liquidity risk, and market risk (including currency, interest rate and pricing risks).

The Group's income is generated from its financial assets. Liabilities which arise from its operations are met from cash flows provided by these assets.

Information regarding the fair value of assets and liabilities exposed to risk is regularly reported to the Foundation's management, the Foundation's Investment Audit and Compliance Committee and ultimately to the Board of Trustees. The Investment Portfolio is regularly rebalanced to ensure that asset classes remain within the Strategic Asset Allocation set out in the Foundation's Statement of Investment Policy and Objectives (SIPO).

The SIPO sets out the Foundation's investment objectives. These can be summarised as:

- to ensure that the investment fund is invested prudently;
- to provide inter-generational equity with regard to distribution levels over time;
- to ensure that money is available for distribution, as required, to meet the needs and distribution policies of the Foundation; and

- to maintain the value of the investment fund's capital base in real terms and to grow such capital value at a level equal to the population base growth of the region. Real in this context relates to the changes in the Consumer Price Index (CPI).

The Investment Portfolio

The Foundation manages its Investment Portfolio in terms of its SIPO. The SIPO is monitored on a regular basis by the Board of Trustees and, as required, amended to reflect international best investment practice. The Portfolio's Strategic Asset Allocation is reviewed at three yearly intervals. The Strategic Asset Allocation was last reviewed in 2013. Michael Chamberlain and Associates has assisted both management and Trustees with investment advice and portfolio monitoring.

Portfolio Characteristics

The Foundation is not directly involved with the analysis, sale or purchase of individual asset securities other than bonds and term deposits. Investments are made into either pooled funds or segregated accounts with Fund Managers. The performance of each asset class is measured against an appropriate internationally accepted standard or index for each asset class.

Global Equities:

This portfolio is measured against the MSCI World Indices, and is 50% hedged back to New Zealand Dollars by State Street Global Advisors.

New Zealand Bonds:

The New Zealand Bond Portfolio is managed in-house. The Investment Guidelines provide strict limits on the underlying investment categories, along with credit and duration restrictions. The portfolio is measured against the NZX Government Stock Index.

Cash:

The Cash Portfolio is managed in-house. The investment guidelines places limits on the underlying investment categories, along with credit and duration restrictions. The portfolio is measured against the NZX 90 day bank bill index.

The SIPO sets out the following risks and mitigations:

Interest rate risk, reinvestment risk, default risk, currency risk, inflation risk, market volatility risk, market downturn risk, manager risk and timing risk. Comprehensive strategies are in place to mitigate each of these risks.

The credit quality of Foundation's New Zealand Bond portfolio is managed by the Foundation using Standard & Poor's rating categories as follows:

Group

	AAA to A	A+to A-	BBB	NR	2014	2013
NZ Corporate Bonds	-	-	48.7	51.3	2,038,730	2,297,325
Term Deposits	100%	-	-	-	11,270,000	7,620,000

Parent

	AAA to A	A+to A-	BBB	NR	2014	2013
NZ Corporate Bonds	-	-	48.7	51.3	2,038,730	2,297,325
Term Deposits	100%	-	-	-	10,900,000	7,350,000

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities. This risk is managed through the Group's investment in a diversified portfolio of financial assets.

The Foundation's investment portfolio consists of only listed securities which under normal market conditions are readily convertible to cash. In addition the Group maintains sufficient cash and cash equivalents to meet normal operating requirements.

Summary of Quantitative Risks relating to Financial Instruments

Global Equities are held in pooled funds on the following basis:

35% North America
35% Europe and the United Kingdom
30% Asia and Japan

Hedging

BNZ Wholesale Banking uses financial instruments to reduce exposure to fluctuations in foreign currency denominated assets which indirectly impact the value of the Foundation's pooled funds. Forward exchange contracts are entered into to hedge foreign currency denominated assets. These are converted to the New Zealand dollar rate at balance date with all realised and unrealised gains and losses being recognised in the Statement of Financial Performance. Hedges are placed on a three month basis. All hedges are valued at fair value as at balance date and mature on 14th May 2014. At maturity the fair value of the hedges was \$423,485.

Financial Liabilities

The Foundation's financial liabilities comprise accounts payable, and grants approved but not yet paid.

At balance date, all accounts other payable were current, and are normally settled on the 20th of the month following invoice date.

Grants approved but not yet paid are held as current liabilities pending the satisfaction of conditions under which the grant was made. At balance date grants approved but not yet paid totalled \$93,407 (2013): \$256,497).

Maturity analysis of Financial Liabilities

Financial liabilities comprise accounts payable, accrued employees entitlements and grants that have been approved but not yet paid. All are considered to be current. No conditions placed on grants to be satisfied before payment would prevent payment within the next 12 months.

14 Capital Commitments and Contingent Liabilities

The Group had no capital commitments or contingent liabilities at balance date. (2013: Nil).

15 Operating Lease Commitments – Lessor

The ground floor of the building is tenanted to a third party. Lease payments due until the next renewal date amount to \$80,000. There is no fixed lease term for the portion of the building tenanted by the Foundation.

16 Material Events after balance date

There were no material events after balance date which required adjustment to the financial statements for the year ended 31 March 2014 (2013: Nil).

WHANGANUI CHARITABLE FOUNDATION LIMITED
DIRECTORY
FOR THE YEAR ENDED 31 MARCH 2014

Directors

P. Baker-Hogan (Chair)
P. Anderson Resigned September 2013

C. Blomkvist Retired May 2013
J. Duncan
D. McKinnon
S. Maru
R. Millward
S. Redmayne Appointed June 2013
S. Sisson Retired May 2013
S. Tapa Mosen
A. Teki Clark
J. Vickers Appointed June 2013

Sole Shareholder

Whanganui Community Foundation Incorporated

Nature of Business

Charitable Company

Place of Business

Greater Whanganui Region

Bankers

Westpac
116 Victoria Avenue
WHANGANUI

Solicitors

David Robertson
Armstrong Barton
Bell Street
WHANGANUI

Auditors

Deloitte
PO Box 1990
WELLINGTON

Registered Office

7 Park Place
WHANGANUI

Whanganui Charitable Foundation Limited

Annual Report
For the Year Ended 31 March 2014

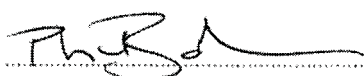
The Board of Directors presents its Annual Report including the financial statements of the Company for the year ended 31 March 2014 and the auditor's report.

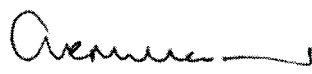
The business of the Company is the operation of a charitable investment and philanthropic company.

The Company is registered as a charitable entity under the Charities Act 2005 (CC21727).

The Shareholder of the Company has exercised its right under section 211(3) of the Companies Act 1993 (the "Act"), and unanimously agreed that this Annual Report need not comply with any of paragraphs (a) and (e)-(j) of section 211(1) of the Act.

Signed on behalf of the Board

.....Director

.....Director

26/5/2014.....Date



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
WHANGANUI CHARITABLE FOUNDATION LIMITED**

Report on the Financial Statements

We have audited the financial statements of Whanganui Charitable Foundation Limited (the "Company") on pages 27 to 32, which comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholder, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholder those matters 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 company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements, in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Board of Directors 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 and 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 of financial statements that give a true and fair view of the matters to which they relate 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 the accounting policies used and the reasonableness of accounting estimates, as well as 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 Company.

Opinion

In our opinion, the financial statements on pages 27 to 32:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the financial position of the Company as at 31 March 2014, and its financial performance for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We also report in accordance with section 16 of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2014:

- we have obtained all the information and explanations we have required; and
- in our opinion proper accounting records have been kept by the Company as far as appears from our examination of those records.

A handwritten signature in dark ink, appearing to read "D. S. H.", written over a light blue horizontal line.

Chartered Accountants
26 May 2014
Wellington, New Zealand

Whanganui Charitable Foundation Limited

Statement of Comprehensive Income For the Year Ended 31 March 2014

		2014	2013
Revenue			\$
Rent Received	9	55,479	55,478
Income Received from Investments		20,977	6,572
		<u>76,456</u>	<u>62,050</u>
 Less Expenses			
Management Fees	9	5,870	5,870
Audit Fees		2,000	1,750
General Expenses		-	44
Occupancy costs		2,232	2,058
		<u>10,102</u>	<u>9,722</u>
 Net Surplus before Depreciation		66,354	52,328
 Less Depreciation Adjustments			
Depreciation	6	12,428	12,672
 Net Surplus for the Year		<u>53,926</u>	<u>39,656</u>

NOTE: This statement is to be read in conjunction with the Notes to the financial statements on page 30.

Whanganui Charitable Foundation Limited

Statement of Changes in Equity For the Year Ended 31 March 2014

2014	Revaluation Reserves	Retained Earnings	Total Equity
	\$	\$	\$
Net Surplus for the Year	-	53,926	53,926
Property Impairment	(77,433)	-	(77,433)
Total Comprehensive Income For the Year	(77,433)	53,926	(23,507)
Equity at Beginning of Year	368,813	499,346	868,158
Equity at End of Year	291,380	553,272	844,650

2013	Revaluation Reserves	Retained Earnings	Total Equity
	\$	\$	\$
Net Surplus for the Year	-	39,656	39,656
Equity at Beginning of year	368,813	459,690	828,503
Equity at End of year	368,813	499,346	868,158

NOTE: This statement is to be read in conjunction with the Notes to the financial statements on page 30.

Whanganui Charitable Foundation Limited

Statement of Financial Position as at 31 March 2014

		2014	2013
Assets			
<u>Current Assets</u>			
Westpac trust		98,031	131,481
Term Deposits		370,000	270,000
Accrued Income		3,017	3,046
		<u>471,048</u>	<u>404,527</u>
<u>Non Current Assets</u>			
Property, Plant and Equipment	6	436,043	525,904
Total Assets		<u>907,091</u>	<u>930,431</u>
Less Liabilities			
<u>Trust Funds Held</u>			
Heart Fund	4	95	95
Youth Fund	4	5,500	5,500
Disaster Recovery Fund	4	51,717	51,717
		<u>57,312</u>	<u>57,312</u>
<u>Current Liabilities</u>			
Accounts Payable		1,902	2,135
GST		3,227	2,826
Total Current Liabilities		<u>5,129</u>	<u>4,961</u>
Total Liabilities		<u>62,441</u>	<u>62,273</u>
Net Assets		<u>844,650</u>	<u>868,158</u>
Represented by Equity			
Capital		553,091	499,345
Property Revaluation Reserve		291,559	368,813
		<u>844,650</u>	<u>868,158</u>

NOTE: This statement is to be read in conjunction with the Notes to the financial statements on page 30.

WHANGANUI CHARITABLE FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1 Statement of Accounting Policies

Reporting Entity Whanganui Charitable Foundation Limited (the "Company") is a company registered under the Companies Act 1993. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993.

The Financial statements of the Company have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the Financial Reporting Act 1993.

As the Company is not large and not publicly accountable it qualifies for differential reporting. It has therefore taken advantage of all available differential reporting exemptions.

Measurement Base Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historic cost basis have been followed by the Company. The exception is land and buildings which are valued at market value.

Specific Accounting Policies The following specific accounting policies which materially affect the measurement of profit and financial position have been applied.

Revenue Rental income from operating leases is recognised on a straight line basis over the term of the lease.

Taxation The Company is exempt from income tax and is registered as a charitable entity under the Charities Act 2005 (CC21727).

Goods and Services Tax The financial statements have been prepared on a GST exclusive basis except for accounts receivable and accounts payable which include GST where invoiced.

Property Plant & Equipment Property, Plant & Equipment are recognised at cost less accumulated depreciation and impairment losses except for land and buildings which are subsequently revalued on a cyclical basis every 3 years. Depreciation has been calculated using rates as follows:

Land and Buildings	2-4%	SL
Office Furniture and equipment	15-48%	DV

From 1 April 2011, the building has been depreciated at 2% per annum on a straight line basis.

Change in Accounting Policies There were no changes in accounting policy during the year.

2 Charitable Status

The Company is registered as a charitable entity under the Charities Act 2005 (CC21727) with the Charities Commission.

3 Authorised Capital

The share capital of the Company is two dollars (\$2.00) divided into two ordinary shares which are held by the Parent, Whanganui Community Foundation Incorporated (the "Foundation"). No call has been made on those shares.

4 Trust Funds Held

Trust funds relate to amounts held in trust for specific purposes. Funds are not discretionary as to their use.

	Opening Balance	Receipts	Payments	Closing Balance
Heart Fund	95	-	-	95
Disaster Recovery Fund	51,717	-	-	51,717
Youth Fund	5,500	-	-	5,500
TOTAL	57,312	-	-	57,312

5 Operating Lease Commitments – Lessor

The ground floor of the building is tenanted to a third party. Lease payments due until the next renewal date amount to \$80,000. There is no fixed lease term for the portion of the building tenanted by the Foundation.

6 Property, Plant & Equipment**2014**

Asset	Cost Price	Depreciation	Accumulated Depreciation	Impairment	Book Value
			31-Mar-14		31-Mar-14
	\$	\$	\$	\$	\$
Land and Buildings	535,000	11,590	23,180	(77,433)	434,387
Office Furniture and Equipment	21,627	838	19,971	-	1,656
	556,627	12,428	43,151	(77,433)	436,043

2013

Asset	Cost Price	Depreciation	Accumulated Depreciation	Impairment	Book Value
			31-Mar-13		31-Mar-13
	\$	\$	\$	\$	\$
Land and Buildings	535,000	11,590	11,590		523,410
Office Furniture and Equipment	21,627	1,082	19,133		2,494
	556,627	12,672	30,723		525,904

7 Capital Commitments

There were no capital commitments at balance date (2013: Nil).

8 Contingent Liabilities

There were no contingent liabilities at balance date (2013: Nil).

9 Related Party Transactions

The Foundation has paid rent to the Company of \$23,478 during the year ended 31 March 2014 (2013: \$23,478).

The Company has paid a management fee to the Foundation of \$5,870 during the year ended 31 March 2014 (2013: \$5,870).

10 Material Events after Balance Date

There were no material events after balance date which required adjustment to the financial statements for the year ended 31 March 2014 (2013: Nil).