



New Zealand Gazette

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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

Mr P O'Leary (Chairperson); BCom, Dip.Bus.Admin
Ms N Hornsey BA, LLB
Mrs M Brett
Mrs L Burdon JP
Mrs R De Joux
Ms S Frew BCom (Deputy Chairperson)
Mr R Whiting Adv.Dip.Tchg
Ms J Strauss BA LLB
Mr M Dirkzwager LLB (Hons)
Ms J Hide RN
Mrs J Taylor (completed term – October 2012)

Bankers

Westpac Bank
243 Stafford Street
Timaru

Auditors

Martin Wakefield
Chartered Accountants
26 Canon Street
Timaru

Chief Executive Officer

Mrs E Shea; Dip Bus.
PO Box 983
Community House
Timaru

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 MARCH 2013

Financial Performance

In this, our 25th year of operation, the level of investment returns for this financial year was very pleasing to the Community Trust and more than met expectations. The investment income at \$2.567M and movement in management funds providing \$2.092M gave a total income of \$4.660M equating to a 10.52% return on the managed funds.

The income at this level flows through the financial performance and provides a surplus that adds to the Community Trust's Equity which is now just under the \$46M mark.

The operating expenditure was contained well within the budgeted guidelines. The total for this year was \$289,638 compared to \$312,752 the previous year. This is a reduction of \$23,114 as a result of close budget monitoring of expenses.

The movement in equity statement depicts the total year and covers the donations approved of \$808,928 leaving \$3.443M to be added to the Trust's equity which now stands at \$45.837M compared to the beginning of the year when equity was \$42.494M.

In the financial accounts, Note 2 gives a breakdown of the capital fund and the positives from a year of high returns. This shows that the inflation reserve is equalised and a general reserve is reinstated at a level of \$2.007M.

Having completed our budgeting process early in 2013 it is expected that the Community Trust will have a steady year in the 2013/14 financial year.

We acknowledge the input from our Investment Advisor, Michael Chamberlain MCA NZ Limited, who collates our investment reports and advises on our strategies and objectives. The investment world is still very mixed and the need to have good policies in place is very prevalent. Our accounting services are provided by Paul Wolffenbuttel of H C Partners L P and the accounting advice received is appreciated.

Community House

During the 2011 year a decision was taken to remove Community House from our investment funds and recognise the property as a support to the South Canterbury welfare providers by supplying good quality subsidised office accommodation. It is expected that this property will do better than break even and we are not benchmarking commercial returns. This financial year we have achieved our target. In accomplishing this there was a need to increase rentals at the commencement of the financial year to accommodate higher insurance costs and the longer term maintenance.

Community House, as a community support hub, is being well utilised. We acknowledge the donation from the Timaru District Council's Community Development Committee towards the overall running costs of Community House, Timaru. This donation payment assists in keeping rentals for non-profit tenants at the lowest possible level.

Donations

The Community Trust approved in total \$808,928 in donations for the year and this compares with \$1.431M the previous year and an average of \$1.090M over the recent four year period.

The major allocations were Mid and South Canterbury schools \$134,323, Geraldine Historical Society \$75,000, Lister Home Inc \$50,000, Peel Forest Outdoor Pursuits Charitable Trust \$40,000 and \$25,000 each to Southern Netball Club and Te Aitarakihi Trust. The Community Trust had a conservative approach to donations this year, mainly because of the level of our investment returns the previous year and this, along with the higher level of donations made, had affected the total equity. We are conscious that this is an intergenerational funding base and the need to grow the total equity fund for the future.

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

During the donation budget process it was decided that the income of the previous year would be the guideline figure used to set the level of donations for the next year. However, as always, the quality and/or the significance of the application to meet community needs will be the main factor in determining donation request outcomes. The Community Trust has become more responsive to meeting community groups' needs by increasing the frequency of application consideration and decisions are now made on a monthly basis.

Trustees

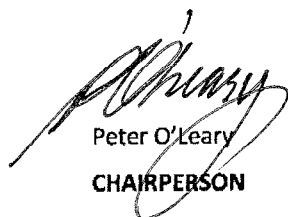
During the year the Ministerial trustee appointment process saw Jan Hide, a Timaru-based business retailer appointed on 1 November 2012 as a replacement for Jean Taylor. We acknowledge and thank Jean Taylor for her commitment to the Community Trust, along with her valued input to deliberations during her four year term. There was a change in Chairperson at the beginning of this financial year as Nicola Hornsey stood down from the role and was replaced by Peter O'Leary. We salute Nicola Hornsey for her leadership during her five years as Chairperson.

Staff

Since the implementation of a new structure to the organisation, Liz Shea as Chief Executive Officer and Clive Callow as Community Relations Manager have applied their knowledge and expertise to the benefit of the Community Trust. During this time, they have strengthened the trust and donation management processes and enhanced the quality and delivery of material for Trustee consideration. We appreciate their efforts and also acknowledge the valuable input of Sally Marsh, our Office Administrator.

25th Anniversary

2013 is the 25th Anniversary of the Community Trust and we would like to acknowledge past trustees and their contribution to the Community Trust over this time. The Community Trust has given over \$21m to organisations and projects in the Mid and South Canterbury region and it is very satisfying to know that this has made an appreciable difference to the health and wellbeing of the community.



Peter O'Leary
CHAIRPERSON

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 \$	2012 \$
INVESTMENT ACCOUNT			
Income			
Interest : Managed Funds		1,545,230	875,648
Interest : Other		1,462	964
Sundry		-	500
Share of Profit/(Loss) : Te Kete Putea LP		23,848	-
Dividends : Managed Funds		996,903	821,729
Total Income		2,567,442	1,698,841
Movement in Managed Funds			
New Zealand/Australian Property		360,883	1,733
Offshore Cash and Bonds		191,014	374,638
Offshore Equity		379,539	(1,414,095)
New Zealand Cash and Bonds		201,963	35,533
New Zealand/Australian Equity		959,303	(353,931)
		2,092,701	(1,356,122)
Total Income		4,660,143	342,719
Less Expenses :			
Direct Investment Expenditure			
Management Fees		119,716	92,362
Consultancy Fees		32,983	30,175
Total Direct Investment Expenditure		152,699	122,537
		4,507,444	220,182
Less Operating Expenditure			
Advertising		9,750	12,003
Auditor's Fees		6,000	5,800
Postage, Tolls and Fax		5,545	6,057
Printing and Stationery		4,256	7,757
Salary and Wages		120,222	116,839
Accountancy and Advisory Fees		10,655	11,040
Project Costs		6,044	10,209
General Professional Fees		4,586	9,779
Sundry Administration Expenses		7,846	12,908
Internal Affairs Department Costs		454	458
Conference Expenses		3,163	3,602
Rental		11,844	7,944
Trustees Travel		8,756	14,600
Trustees Honoraria		85,208	85,658
Trustees Insurance		2,305	1,610
Trustees Training		3,004	6,487
Total Operating Expenditure		289,638	312,752
Nett Income/(Deficit) from Investment Account		4,217,806	(92,570)

The accompanying notes form part of these financial statements

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2013 (continued)

	Note	2013 \$	2012 \$
COMMUNITY HOUSE ACCOUNT			
Income			
Sundry Rentals		7,291	5,427
Lease Rentals		96,889	77,574
Printing and Fax Charges Reimbursed		25,473	21,969
Carpark Rental		9,219	9,204
Donations		10,000	10,000
Total Income		148,872	124,174
Less Operating Expenditure			
Heating and Power		21,405	22,754
Maintenance		17,035	13,057
Cleaning		9,961	8,992
Rates		2,777	2,574
Insurance		22,257	10,707
Security and Alarms		2,910	2,843
Telephone and Tolls		11,428	12,227
Salary and Wages		19,500	19,500
General Administration		8,491	3,296
Loss on Sale of Fixed Assets		-	5,401
Depreciation : Land and Buildings		375	407
Depreciation : Plant and Equipment		14,399	13,746
Total Operating Expenditure		130,538	115,503
Nett Income/(Deficit) from Rental Account		18,334	8,671

The accompanying notes form part of these financial statements

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2013 (continued)

	Note	2013 \$	2012 \$
<u>CONFERENCE ACCOUNT</u>			
Income			
Registration		-	33,980
Sponsorship		-	85,912
Reimbursement of Costs		2,174	-
Registration Fees Refunded		(1,226)	-
Total Income		<u>948</u>	<u>119,892</u>
 Less Conference Expenditure		 91	 116,937
 Nett Income/(Deficit) from Conference Account		 <u>857</u>	 <u>2,955</u>

STATEMENT OF FINANCIAL PERFORMANCE

Nett Income/(Deficit) from Investment Account	4,217,806	(92,570)
Nett Income/(Deficit) from Rental Account	18,334	8,671
Nett Income/(Deficit) from Conference Account	857	2,955
Nett Income/(Deficit)	<u>4,236,997</u>	<u>(80,944)</u>
 Less Donations Approved	 (808,928)	 (1,430,574)
Plus Donations No Longer Required/Lapsed	15,295	23,817
Nett Income/(Deficit) Transferred to Capital Account	<u>3,443,364</u>	<u>(1,487,702)</u>

The accompanying notes form part of these financial statements

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

AS AT 31 MARCH 2013

	2013	2012
	\$	\$
BALANCE AT THE BEGINNING OF THE YEAR	<u>42,494,326</u>	<u>43,982,028</u>
UNAPPROPRIATED PROFITS/ LOSSES		
Net Surplus (Loss) for the period	<u>3,443,364</u>	<u>(1,487,702)</u>
Total recognised revenues and expenses for the period	<u>3,443,364</u>	<u>(1,487,702)</u>
BALANCE AT THE END OF THE YEAR	<u><u>45,937,690</u></u>	<u><u>42,494,326</u></u>

The accompanying notes form part of these financial statements

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	2013 \$	2012 \$
Trust Capital			
Capital Fund	2	45,937,690	42,494,326
		45,937,690	42,494,326
Represented By :			
Current Assets			
Westpac Bank : Current Account		58,430	46,665
Accounts Receivable		101,801	64,637
GST Receivable		3,266	4,978
Total Current Assets		163,497	116,280
Less Current Liabilities			
Accounts Payable		70,072	107,926
Donations Approved Not Yet Paid	4	708,796	1,238,000
Holiday Pay Creditor		4,185	-
Total Current Liabilities		783,053	1,345,926
Working Capital		(619,556)	(1,229,646)
Add Non-Current Assets			
Fixed Assets			
Land and Buildings		2,211,531	2,210,817
Plant and Equipment		41,445	55,844
Total Fixed Assets		2,252,976	2,266,661
Management Funds Investment			
New Zealand/Australia Property		3,399,572	2,045,557
New Zealand Cash and Bonds		12,021,472	13,196,693
New Zealand/Australian Equity		9,464,946	5,692,010
Offshore Cash and Bonds		7,642,551	9,484,630
Offshore Equity		11,750,715	11,038,421
Total Managed Funds		44,279,256	41,457,311
Other Non-Current Assets			
Units : Te Kete Putea LP		25,013	-
Total Other Non-Current Assets		25,013	-
Net Assets		45,937,690	42,494,326

Signed on Behalf of the Board of Trustees

Chairperson

Date 29/07/2013

Trustee

The accompanying notes form part of these financial statements

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 201

	Note	2013 \$	2012 \$
Cash Flows from Operating Activities			
<i>Cash was Provided From:</i>			
Interest on Deposits		1,462	964
Withdrawal of Interest & Dividends - Managed Funds		1,657,551	1,103,866
Operating Income		<u>184,030</u>	<u>232,753</u>
		1,843,043	1,337,583
 <i>Cash was Applied to:</i>			
Suppliers of Goods and Services (Nett of GST)		482,338	523,984
Donations Paid		<u>1,322,837</u>	<u>774,441</u>
		1,805,175	1,298,425
 Nett Cash Flows from Operating Activities		<u>37,868</u>	<u>39,158</u>
 Cash Flows from Investing Activities			
<i>Cash was Provided From:</i>			
Sale of Fixed Assets		-	8,696
		-	<u>8,696</u>
 <i>Cash was Applied to:</i>			
Te Kete Putea LP Units		25,013	
Fixed Assets		<u>1,089</u>	<u>38,729</u>
		26,102	38,729
 Nett Cash Flows from Investing Activities		<u>(26,102)</u>	<u>(30,033)</u>
 Increase/(Decrease) in Cash Held		11,766	9,125
Add Opening Cash 1 April 2012		<u>46,664</u>	<u>37,539</u>
Cash as at 31 March 2013		<u>58,430</u>	<u>46,664</u>
 Comprised of:			
<i>Westpac Bank</i>			
Online Saver Account		39,408	22,772
Current Account		<u>19,022</u>	<u>23,892</u>
		58,430	46,664

The accompanying notes form part of these financial statements

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2013 (continued)

	Note	2013 \$	2012 \$
Reconciliation of Nett Surplus and Nett Cash Flows			
From Operating Activities			
Nett Surplus / (Deficit) Transferred to Equity		<u>3,443,364</u>	<u>(1,487,702)</u>
		3,443,364	(1,487,702)
Plus/(Less) Non Cash Items			
Managed Funds (Gains)/Losses		(2,821,945)	821,003
Depreciation and Loss on Sale		<u>14,774</u>	<u>19,554</u>
		(2,807,171)	840,557
		<u>636,193</u>	<u>(647,145)</u>
Movements in Working Capital			
Increase/(Decrease) in Donations Approved not yet Paid		(529,204)	632,317
Increase/(Decrease) in Creditors		(37,854)	55,427
Increase/(Decrease) in Holiday Pay Creditor		4,185	-
(Increase)/Decrease in GST		1,712	1,465
(Increase)/Decrease in Sundry Debtors		<u>(37,164)</u>	<u>(2,906)</u>
Movements in Working Capital		(598,325)	686,303
Nett Cash Flow from Operating Activities		<u>37,868</u>	<u>39,158</u>

The accompanying notes form part of these financial statements

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DEPRECIATION SCHEDULE

FOR THE YEAR ENDED 31 MARCH 2013

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	ADDITIONS	DEPN	CLOSING WDV
<u>Land and Buildings</u>								
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	2,492	3,878	-	368	3,510
Farmers Market Plugs	8.000D	0.000	-	-	-	1,089	7	1,082
			2,495,613	284,796	2,210,817	1,089	375	2,211,531

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DEPRECIATION SCHEDULE

FOR THE YEAR ENDED 31 MARCH 2013

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	ADDITIONS	DEPN	CLOSING WDV
Plant and Equipment								
Filing Cabinet	12.000D	0.000	125	78	47	-	6	41
Television & Video	33.000D	0.000	35	34	1	-	1	-
Refrigerator	9.500D	0.000	222	120	102	-	10	92
Microwave	9.500D	0.000	178	97	81	-	8	73
Electronic Whiteboard	33.000D	0.000	2,989	2,852	137	-	45	92
Laminator	40.000D	0.000	289	279	10	-	4	6
Banner	15.000D	0.000	351	231	120	-	18	102
Office Chair	15.000D	0.000	339	218	121	-	18	103
Refrigerator	9.500D	0.000	1,129	469	660	-	63	597
Office Furniture (Nov 2006)	15.000D	0.000	18,292	10,679	7,613	-	1,142	6,471
Drapes/Blinds	15.000D	0.000	1,260	730	530	-	80	450
Office Furniture (Dec 2006)	15.000D	0.000	9,844	5,694	4,150	-	622	3,528
New Computer	40.000D	0.000	1,600	1,492	108	-	43	65
Phone System	33.000D	0.000	2,323	2,009	314	-	104	210
Vacuum Cleaner	50.000D	0.000	529	506	23	-	12	11
Window Shades/Curtains	15.000D	0.000	5,410	3,010	2,400	-	360	2,040
Large Clock	15.000D	0.000	8,296	4,344	3,952	-	593	3,359
Board Table	15.000D	0.000	5,079	2,627	2,452	-	368	2,084
Computer and Printer	40.000D	0.000	2,655	2,449	206	-	82	124
Shredder	40.000D	0.000	549	480	69	-	28	41
Heat Pump	40.000D	0.000	4,113	3,431	682	-	273	409
Meeting Room Table	15.000D	0.000	299	137	162	-	24	138
HP ProBook 4320s	50.000D	0.000	1,235	797	438	-	219	219
50" Plasma TV	40.000D	0.000	1,277	561	716	-	286	430
Xerox Copier	40.000D	0.000	9,000	3,600	5,400	-	2,160	3,240

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DEPRECIATION SCHEDULE

FOR THE YEAR ENDED 31 MARCH 2013

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	ADDITIONS	DEPN	CLOSING WDV
Kia LX Hatch (GBK876)	30.000D	0.000	25,209	3,781	21,428	-	6,428	15,000
D-Link 24 Port Gigabit Switch	50.000D	0.000	700	233	467	-	234	233
HP Mini Tower Computer & MS Office	50.000D	0.000	880	220	660	-	330	330
Heartstart AED Defibrillator	30.000D	0.000	2,940	145	2,795	-	838	1,957
			107,147	51,303	55,844	-	14,399	41,445
Total Assets			2,602,760	336,099	2,266,661	1,089	14,774	2,252,976

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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 2013 (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

Changes in Accounting Policies

Donations are now reported in the Statement of Financial Performance as donations approved \$808,928 (2012 : \$1,430,574) and donations no longer required/lapsed (\$15,295) (2012 : \$23,817) respectively. These transactions have been moved from the Statement of Movements in Equity because they are not transactions with owners. The financial effect of this is to decrease Nett Income by \$793,633 (2012 : \$1,406,757).

In the Statement of Cash Flows, revenue from investments is classified as Income from Operating Activities. This is because the Trust's main operational activity to generate funds for distribution is investment. This change has no effect upon the Nett Income of the Trust.

There have been no other changes in accounting policies.

2. Capital Fund

	2013 \$	2012 \$
Initial Capital Fund	32,087,148	32,087,148
Inflation Reserve		
Opening Balance	10,407,178	11,894,880
Share of Current Movement in Equity	1,435,469	(1,487,702)
Closing Balance	11,842,647	10,407,178
General Reserves		
Opening Balance	-	-
Share of Current Movement in Equity	2,007,895	-
Closing Balance	2,007,895	-
Capital Fund at End of Year	45,937,690	42,494,326

3. Reserves

(i) Capital Fund

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

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

(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 2013 is \$11,842,647.

(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

	2013 \$	2012 \$
Approved Donations not yet Paid Out		
Include		
Hakaterere Marae	100,000	100,000
Aoraki Foundation - CBay	-	350,000
Sacred Heart Parish	-	3,000
Highfield Gym Club	-	30,000
Aoraki Foundation – CBay	-	150,000
Ashburton Stadium Complex	500,000	500,000
Aoraki Foundation – MRI Scanner	-	100,000
Timaru Municipal Band Inc.	-	5,000
Geraldine Historical Society	75,000	-
South Canterbury Hunt	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	-
	<u>708,796</u>	<u>1,238,000</u>

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 2013 (2012 : Nil).

8. Contingent Liabilities

There are no Contingent Liabilities at 31 March 2013 (2012 : \$Nil).

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

9. Contingent Assets

The Trust granted a donation to Project Waimate to assist with the purchase of a building. The donation was provided on the basis that should the property for which the grant was used be sold the donation should be paid back to the Trust. The Trust has a 2nd registered mortgage over the property. At present the Trust has provided funding of \$81,000 towards this project. Continuation of the project is conditional upon confirmation of additional funding from other sources.

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

56% 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:

	2013 \$	2012 \$
Accounts Receivable	51,374	64,637
GST Refund Due	3,266	4,661
Managed Fund Equities	21,215,661	16,730,431
	<u>21,270,301</u>	<u>16,799,729</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 2013 (Continued)

12. Related Party Transactions**Key Management Personal**

The Trust paid no legal fees (2012 : \$754) to Timpany Walton, a law firm of which Mr M Dirkzwager is a partner. The prior year fees were charged on normal terms and conditions. There were no amounts outstanding at balance date relating to this transaction.

Trustees

The trustees are associated with the following organisations:

Mr P O'Leary	St John South Island Region (Ashburton Committee Member)
Ms N Hoinsey	Presbyterian Support Services SC (Board Member) Lake Tekapo School (Trustee)
Mrs M Brett	St John South Island Region (Employee) Hakatere Marae (Trustee)
Mrs R De Joux	Hockey South Canterbury (Trustee) Te Aitaraiki Trust (Trustee)

Staff

The following staff members are associated with the following organisations:

Sally Marsh	South Canterbury Women's Wellness Centre Inc (Employee)
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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 2013 totalled \$11,844 (2012 : \$7,944).

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DONATION LIST FOR 2012/2013

ORGANISATION	DONATION (\$)
3rd Timaru Girls Brigade Company	1,000
Allenton Sports Club Inc.	7,000
Alzheimers Canterbury	1,000
Anglican Care South Canterbury	10,000
Aoraki Volleyball Assn Inc	1,000
Arthritis Foundation of New Zealand Inc	5,000
Ashburton Budget Advisory Service	10,000
Ashburton Cadet Corp Assn	1,000
Ashburton Community Alcohol & Drug Service	2,000
Ashburton District Neighbourhood Support Inc	3,000
Ashburton Learning Centre	5,000
Ashburton Mackenzie Community Group Inc	3,500
Ashburton Museum & Historical Society	13,000
Ashburton Parents Centre	2,000
Ashburton Pottery Society Inc	4,000
Ashburton Senior Citizens	5,000
Ashburton Toy Library Inc	500
Asthma New Zealand S C Branch	5,000
Autism New Zealand Canterbury Branch	2,500
Barnardos New Zealand - Timaru Children's Access Service	2,800
Caring for Carers Inc	5,000
CCS Disability Action	2,500
Centrecare Counselling Waimate Inc	5,000
Child Cancer Foundation Inc - Canterbury/West Coast	4,000
Community House Mid Canterbury Charitable Trust	3,500
Epilepsy New Zealand Cnty West Coast Branch	2,000
Fairlie Community Vehicle Trust	10,000
Fairlie District Promotions Assn	2,000
Fundview NZ	743
Geraldine Archery Club	1,000
Geraldine Community Resource Centre Trust	4,600
Geraldine Historical Society Inc	75,000
Geraldine Pony Club	15,000
Geraldine Rugby Football Club	2,000
Geraldine Toy Library	750
Geraldine Volunteer Fire Brigade	4,000
Glenavy Community Hall Trust	750
Hearing Assn South Canterbury Inc	1,500
Highfield Tennis Club	2,000
IHC IDEA Services South Canterbury	2,500
Lake Tekapo Recreational Park	3,500
Learning For You S C	5,000
Lifeline Christchurch	5,000
Lister Home Inc	50,000
Literacy South Canterbury Inc	5,000
Mackenzie Highland Pipe Band Inc	2,000
Mid Canterbury Hockey Inc	5,000
Mid Canterbury Newcomers Network Inc	2,500
Mid Canterbury Playcentre Assn Inc	1,000
Mid Canterbury Rugby Union	1,500
Mid South Canterbury Life Education Trust	4,443
Muscular Dystrophy Assn Canterbury	5,000
New Zealand Deerstalkers Assn Ashburton Branch	2,140
New Zealand Equestrian Federation (SCNO Area Showjumping)	2,000

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DONATION LIST FOR 2012/2013 (Continued)

New Zealand Land Search and Rescue	5,000
No 24 (Ashburton) Squadron ATC	1,000
Order of St John South Island Region	2,000
Parent to Parent Greater Canterbury Region	2,500
Peel Forest Outdoor Pursuits Charitable Trust	40,000
Pink Pilates Trust	5,000
Pleasant Point Bowling Club Inc	3,662
Pleasant Point Railway & Historical Society Inc	2,000
Plunket Car Seat Service Mid South Canterbury	2,500
Presbyterian Support Services South Canterbury Inc	10,000
Presbyterian Support Upper South Island	2,500
RMH Auckland Trust	8,000
RNZPS - Aoraki Community Toy Library	1,000
Rock Quest Charitable Trust	2,500
Ronald McDonald House S I Trust	4,000
Royal N Z Foundation of the Blind	5,000
Royal NZ Plunket Society - Temuka & Districts Community Toy Library	500
Safer Ashburton District	5,000
South Canterbury Basketball Assn	2,000
South Canterbury Citizens Advice Bureau Inc	5,000
South Canterbury Highland Pipe Band Inc	5,000
South Canterbury Hospice Inc	5,000
South Canterbury Hunt Inc	500
South Canterbury International Festival Inc	1,000
South Canterbury Neighbourhood Support	3,000
South Canterbury Organ Transplant Support Trust	213
South Canterbury Pigeon Flying Club	3,000
South Canterbury Pottery Group	500
South Canterbury Stroke Club	2,721
South Canterbury Violence Intervention Project Inc	7,000
South Canterbury Women's Wellness Inc	3,000
South Island German Shepherd League Inc	1,550
Southern Netball Club	25,000
Special Olympics South Canterbury	1,500
Sport Canterbury - Mid and South Canterbury Offices	20,000
St Andrews Golf Club	10,000
Stroke Foundation of N Z Inc - Southern Region	4,000
Te Aitakihi Trust	25,000
Te Ana Whakairo Ltd	6,275
Temuka Bowling Club Inc	5,000
Temuka Citizens Indoor Bowls Club	1,500
Temuka Community Care Trust	10,000
Temuka Sports Group Inc	3,000
The Big Little Theatre Company Inc	2,500
The Lions Club of Temuka Inc	3,000
The Multiple Sclerosis and Parkinsons Society of Canterbury Inc	5,000
The Salvation Army Timaru Ministries	5,000
The Victoria Trust	3,000
Timaru Gymnastics Club Inc.	3,215
Timaru Mental Health Support Trust	1,521
Timaru Rowing Club (Inc)	5,500
Timaru Woodturners Club	3,000
Timaru Yacht and Power Boat Club Inc	2,500
Twizel Youth Centre	5,000
Volunteering Mid South Canterbury	4,500

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

DONATION LIST FOR 2012/2013 (Continued)

Waimate Advisory Committee Foundation for Blind	500
Waimate Bridge Club Inc	3,000
Waimate Community Garden Inc.	700
Waimate Competitions Society Inc	1,000
Waimate Croquet Club Inc	1,300
Waimate District Hunt Inc	4,500
Waimate Golf Club Inc.	3,000
Waimate Regent Theatre Trust	900
Waimate Scottish Heritage Committee	500
Waimate Trackways Inc	1,122
West End Croquet Club	2,000
YMCA South & Mid Canterbury Inc	25,000
Youthline Central South Island	5,000
Schools	134,323
Kindergartens	7,200
Total Donations	808,928
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Donations no longer required/lapsed	15,295

**MARTIN
WAKEFIELD**

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 21, which comprise the statement of financial position as at 31 March 2013, 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 21 present fairly, in all material respects the financial position of The Community Trust of Mid & South Canterbury Incorporated as at 31 March 2013 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Auditor: Martin Wakefield

Date: 2 August 2013

Address (city): Canon Street, TIMARU