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WEST COAST COMMUNITY TRUST

FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

West Coast Community Trust Summarised Financial Statements

For the Year Ended 31 March 2010

Financial Performance

	2010 \$	2009 \$
During the year we received income from the following:		
Income from Investments	542,497	184,285
We used this income for:		
Trustees' Fees & Expenses	24,597	24,420
Investment Advice & Management Fees	25,758	28,116
Other Administration Costs	52,732	51,235
Leaving a Profit / (Loss)	439,410	80,514

Financial Position

	2010 \$	2009 \$
We began the year with a total capital base of:	5,036,067	5,038,973
To this we added (deducted)		
Profit / (Loss)	439,410	80,514
And paid grants	(70,425)	(83,420)
And finished with Trust Funds of	5,405,052	5,036,067

These Trust Funds are represented by

Current Assets:		
Cash and cash equivalents	71,451	31,329
Non Current Assets:		
Investments	5,335,610	5,007,968
Fixed Assets	46	77
	5,335,656	5,008,045
Total Assets	5,407,107	5,039,374
Less Liabilities (all current)	(2,055)	(3,307)
TOTAL NET ASSETS	5,405,052	5,036,067

West Coast Community Trust
Statement of Accounting Policies & Notes
for the Year Ended 31 March 2010

1. **FORMATION**

The West Coast Community Trust was formed on 30 May 1988 through the creation of a trust deed in compliance with the Trustee Banks Restructuring Act, 1988. The Trust's original capital of \$3m came from the proceeds of the sale of Westland Bank Ltd. These accounts have been prepared in accordance with the 1993 Financial Reporting Act. The Trust has not adopted International Financial Reporting Standards and qualifies for Differential Reporting as it is not an issuer, does not have the power to tax, levy or rate and is not large as defined in the Framework for Differential Reporting.

The Trust has applied all the differential reporting exemptions allowed with the exception of SSAP3 – Accounting for Depreciation.

2. **MEASUREMENT SYSTEM**

The measurement system adopted is that of historical cost.

3. **PARTICULAR ACCOUNTING POLICIES**

The particular accounting policies adopted in the statements which have a significant effect on the results and financial position disclosed are:

a) **Income Determination**

Interest Income has been accrued to balance date on a daily basis.

b) **Valuation of Assets**

i) **Investments**

Investments are stated at net realisable value.

ii) **Fixed Assets**

All fixed assets are recorded at cost less accumulated depreciation to date.

c) **Depreciation**

Depreciation has been charged on a straight line basis allocated over an estimated economic life of the assets. Depreciation has been calculated as follows:

<u>Asset</u>	<u>Cost</u>	<u>Depn</u> <u>to Date</u>	<u>Estimated</u> <u>Life</u>	<u>Opening</u> <u>Value</u>	<u>Additions</u>	<u>Depn</u>	<u>Accum</u> <u>Depn</u>	<u>Closing</u> <u>Book Value</u>
	\$	\$		\$		\$	\$	\$
Typewriter	2,019	2,019	5 years	-	-	-	2,019	-
Photocopier	2,756	2,756	5 years	-	-	-	2,756	-
Fax Machine	349	349	5 years	-	-	-	349	-
Filing Cabinet	325	248	10 years	77	-	31	279	46
Computer Software	300	300	3.3 years	-	-	-	300	-
	5,749	5,672		77	-	31	5,703	46

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d) **Goods and Services Tax**

The Trust is exempt from registration for Goods and Services Tax under Section 14 (b) of the Goods and Services Tax Act.

These Financial Statements have therefore been prepared on a GST inclusive basis.

4. **TAXATION**

From 1 April 2004 the trust is exempt from Income Tax under section CB4(1)(m) of the Income Tax Act 1994. As a result the only taxation the trust pays is in relation to imputation credits and withholding payments deducted from dividends and overseas earnings, which are not eligible to be refunded.

5. **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in Accounting Policies.

6. **TRUST GOVERNANCE**

The Board of the Trust comprises nine Trustees appointed by the Minister of Finance for terms of four years. It is possible to serve for more than one term.

The Board establishes the Trust's objectives, strategies and the overall investment and donation policy framework. The Secretary has delegated authority for the day-to-day management of the trust.

Trust Purpose

The Trust's purpose is for the Trustees to be responsible for the investment of the Trust Fund and apply it for charitable, cultural, philanthropic, recreational and other purposes being beneficial to the community principally in the West Coast region.

Conflicts of Interest

It is recognised that Trustees may have a wide range of involvement with the community and the potential of conflicts of interest will arise from time to time. A Trustee who has any direct or indirect association with any organisation is required to disclose that interest to the Board and have it recorded in the minutes of the meeting. The Trustees have adopted a Code of Conduct. There were no breaches of this code during the financial year ended 31 March 2010. A Register of Interest is available for public inspection.

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Trustee Attendance - Meetings

Name of Trustee	Board Meetings		Honorary and Meeting Fees
	Held	Attended	
Peter Kerridge	2	2	4,750
Dennis Straker	4	4	3,645
John Sturgeon	4	4	2,350
Rowan Sullivan	4	4	2,350
Elizabeth Rock	4	4	2,350
Eunice Brown	4	4	2,350
Mark Lockington	4	4	2,350
Carol Keoghan	4	3	2,100
Anthony Sullivan	4	3	1,675
Mary Molloy	2	2	<u>675</u>

Total remuneration paid in the year ended 31 March 2010 **\$24,595**

Rates of remuneration, including honoraria and meeting fees, are set by the Minister of Finance.
The Trust has also insured all trustees against liability to other parties that may arise from their position as trustees, excluding liability for gross negligence or criminal actions.

Appointment and Retirement

Peter Kerridge Resigned on 30 September 2009 and Mary Molloy was Appointed on the same date.

7. **TRUST FUNDS**

Although the trust does not maintain an inflation reserve, it does seek to maintain the trust capital in real terms. The trust calculates that an amount of \$1,784,227 is required to be retained to stabilise the original \$3m fund from inflation. Our current retained earnings is \$2,405,052 which leaves \$620,825 as the growth of the trust in real terms.

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for the Year Ended 31 March 2010

8. **INVESTMENTS**

The value of investments which are held in equities and fixed interest are subject to market fluctuations. The total investment portfolio is diversified in a way such that over time reductions in value in particular asset classes should be more than offset by increases in other classes. Investments are disclosed at market value at balance date and any gains (losses) arising from that treatment are shown under Revenue in the Statement of Financial Performance. No provision has been made for potential gains or losses that could occur due to future market fluctuations. The investment portfolio as at 31 March 2010 is diversified as follows:

	2010		2009	
	\$000	%	\$000	%
New Zealand Equities (Passive)	-	-	215	4.2
New Zealand Equities (Strategic)	344	6.5	-	-
New Zealand Fixed Interest	1,601	30.0	1,174	23.5
New Zealand Enhanced Yield	1,218	22.8	1,381	27.6
New Zealand Cash Fund	1,127	21.1	1,201	24.0
Global Equities	1,045	19.6	687	13.7
Global Equities (Passive)	-	-	350	7.0
TOTAL	\$5,335	100.0	\$5,008	100.0

9. **DISTRIBUTIONS**

Distributions made during the year	\$70,875.00
Less distributions returned/not banked during year	<u>-450.00</u>
Net Distributions made	<u>\$70,425.00</u>

R.J. Wilding C.A.
B.M. Smith C.A.



Wilding Smith & Co.

Chartered Accountants

Auditors Report

To the readers of the Summarised Financial Statements of the West Coast Community Trust:

We have audited the Financial Statements from which the accompanying summarised financial statements for the year ended 31 March 2010 have been extracted. In our full report dated 6 August 2010 we expressed an opinion that the Financial Statements:

- Comply with generally accepted accounting practice in New Zealand; and
- Fairly reflect the financial position of the Trust as at 31 March 2010 and the results of operations for the year ended on that date.

In our opinion, the accompanying summarised Financial Statements are correctly extracted from the Financial Statements.

Wilding Smith & Co
Chartered Accountants
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