



New Zealand Gazette

OF THURSDAY, 5 AUGUST 2010

WELLINGTON: TUESDAY, 10 AUGUST 2010 — ISSUE NO. 98

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

INDEX

Trust Particulars

Chairperson's Report

Statement of Financial Performance

Statement of Movements in Equity

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Auditors Report

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 \$	2009 \$
<u>Investment Account</u>			
Income			
Interest : Managed Funds		895,423	1,027,453
Interest : Other		972	890
Sundry		10,000	15,625
Dividends : Managed Funds		289,800	232,946
Total Income		1,196,195	1,276,914
Less Expenses			
<i>Direct Investment Expenditure</i>			
Management Fees		74,831	66,528
Consultancy Fees		35,896	36,874
Total Direct Investment Expenditure		110,727	103,402
		1,085,468	1,173,512
<i>Less Operating Expenditure</i>			
Advertising		12,564	11,225
Auditor's Fees		5,400	5,200
Legal Fees		-	959
Postage, Tolls and Fax		1,315	878
Printing and Stationery		6,091	5,908
Salary and Wages		106,562	100,829
Professional Fees			
: Accountancy and Advisory		8,850	9,070
: Project Costs		18,353	3,190
Sundry Administration Expenses		11,798	14,788
Conference Expenses		8,669	7,145
Internal Affairs Department Costs		438	1,601
Trust Rental		7,090	6,499
Trustees			
: Meeting Expenses		58,308	64,207
: Travel		12,597	11,083
: Honoraria		20,578	20,536
Trustees Insurance		1,435	1,847
Trustees Training		577	7,748
Total Operating Expenditure		280,625	272,713
Nett Income Before Movement in Managed Funds and Community House Rental Account		\$804,843	900,799

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

	Note	2010	2009 \$
<u>Community House Account</u>			
Income			
Sundry Rentals		9,978	-
Lease Rentals		62,439	67,690
Printing and Fax Charges Reimbursed		20,721	17,124
Carpark Rental		7,757	7,420
		100,895	92,234
Less Operating Expenditure			
Heating and Power		18,146	17,132
Maintenance		44,555	8,437
Cleaning		8,837	7,925
Rates		2,281	2,138
Insurance		9,762	7,789
Security and Alarm		2,759	2,479
Telephone and Tolls		17,824	14,840
Staff Expenses		-	39
General Administration		6,360	5,270
Depreciation : Improvements		63,188	63,180
Depreciation : Plant and Equipment		12,941	13,972
Loss on Disposal of Fixed Assets		-	6,153
Total Operating Expenditure		(186,653)	(149,354)
Nett Income/(Deficit) from Rental Account		(85,758)	(57,120)
Movement in Managed Funds			
NZ/Australian Property		16,800	-
Offshore Cash & Bonds/Foreign Exchange		1,276,330	17,426
Offshore Equity		3,111,059	(2,679,582)
New Zealand Cash & Bonds		1,067,702	161,500
New Zealand/Australian Equity		1,370,639	(1,498,136)
Nett Increase/(Decrease) in Managed Funds		6,842,530	(3,998,792)
Statement of Financial Performance			
Nett Income from Investments		804,843	900,799
Nett Income/(Deficit) from Rental Account		(85,758)	(57,120)
Nett Increase/(Decrease) in Managed Funds		6,842,530	(3,998,792)
		7,561,615	(3,155,113)
<u>Nett Income/(Deficit) Transferred to Capital Account</u>		7,561,615	(3,155,113)

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 \$	2009 \$
Opening Equity		36,246,467	40,204,948
Nett Surplus/(Deficit) for the year		7,561,615	(3,155,113)
Plus Donations No Longer Required / Lapsed		98,435	8,821
Less Donations Approved		(1,073,162)	(812,189)
Closing Equity		<u>42,833,355</u>	<u>36,246,467</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Note	2010 \$	2009 \$
Trust Capital			
Capital Fund	2	32,087,148	32,087,148
Inflation Reserve	3	10,746,207	4,159,319
		<u>42,833,355</u>	<u>36,246,467</u>
Represented By:			
Current Assets			
Westpac Bank : Current Account		48,508	35,949
Sundry Debtors		52,786	41,718
GST Refund Due		3,799	1,512
		<u>105,093</u>	<u>79,179</u>
Less Current Liabilities			
Sundry Creditors		71,632	50,948
Donations Approved not yet Paid	5	535,390	385,000
Total Current Liabilities		<u>607,022</u>	<u>435,948</u>
Working Capital		<u>(501,929)</u>	<u>(356,769)</u>
Add Non-Current Assets			
Fixed Assets			
Land & Buildings		2,274,365	2,337,553
Plant and Equipment		52,893	65,834
Total Fixed Assets		<u>2,327,258</u>	<u>2,403,387</u>
Management Funds Investments			
: New Zealand / Australia Property		2,012,766	-
: New Zealand Cash & Bonds		12,855,005	13,125,438
: New Zealand/Australian Equity		5,556,112	4,326,803
: Offshore Cash & Bonds		8,552,651	7,827,174
: Offshore Equity		12,031,492	8,920,434
Total Managed Funds		<u>41,008,026</u>	<u>34,199,849</u>
Nett Assets		<u>42,833,355</u>	<u>36,246,467</u>

Signed on Behalf of the Board of
Trustees

Chairperson: _____

Date 31 March 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

	2010 \$	2009 \$
Cash Flows from Operating Activities		
Cash was Provided From:		
Interest on Deposits	972	890
Operating Income	110,000	112,830
	<u>110,972</u>	<u>113,720</u>
Cash was Applied to:		
Suppliers of Goods and Services (Nett of GST)	(418,824)	(395,150)
Donations Paid	(824,337)	(1,336,918)
	<u>(1,243,161)</u>	<u>(1,732,068)</u>
Nett Cash Flows from Operating Activities	<u>(1,132,189)</u>	<u>(1,618,348)</u>
Cash Flows from Investing Activities		
Cash was Provided From:		
Withdrawal of Managed Funds	1,144,748	1,663,721
Sale of Fixed Assets	-	8,889
	<u>1,144,748</u>	<u>1,672,610</u>
Cash was Applied to:		
Fixed Assets	-	(30,301)
Nett Cash Flows from Investing Activities	<u>1,144,748</u>	<u>1,642,309</u>
Increase/(Decrease) in Cash Held	12,559	23,961
Add Opening Cash 1 April 2009	35,949	11,988
Cash as at 31 March 2010	<u>48,508</u>	<u>35,949</u>
Comprised of:		
Westpac Bank		
Online Saver Account	35,273	21,039
Current Account	13,235	14,910
	<u>48,508</u>	<u>35,949</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

	Note	2010 \$	2009 \$
<u>Reconciliation of Nett Surplus and Nett Cash Flows From Operating Activities</u>			
Nett Surplus / (Deficit) Transferred to Equity		7,561,615	(3,155,113)
Plus Donations Returned		98,435	8,821
Less Donations Approved		(1,073,162)	(812,189)
		<u>6,586,888</u>	<u>(3,958,481)</u>
Plus/(Less) Non Cash Items			
Managed Funds Gains/(Losses)		(7,952,922)	2,804,921
Depreciation and Loss on Sale		76,126	83,305
		<u>(7,876,796)</u>	<u>2,888,226</u>
		<u>(1,289,908)</u>	<u>(1,070,255)</u>
Movements in Working Capital			
Increase/(Decrease) in Donations Approved not yet Paid		150,390	(533,550)
Increase/(Decrease) in Creditors		20,684	(19,514)
(Increase)/Decrease in GST		(2,287)	2,153
(Increase)/Decrease in Sundry Debtors		(11,068)	2,818
Movements in Working Capital		<u>157,719</u>	<u>(548,093)</u>
Nett Cash Flow from Operating Activities		<u>(1,132,189)</u>	<u>(1,618,348)</u>

DEPRECIATION SCHEDULE

FOR THE YEAR ENDED 31 MARCH, 2010

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	DEPN	CLOSING WDV
<u>Land and Buildings</u>							
Pynes Building - Land	.000D	0.000	399,539	-	399,539	-	399,539
Pynes Building - Buildings	3.000P	0.000	2,089,704	156,922	1,932,782	62,691	1,870,091
Signage (Pynes Building)	9.500D	0.000	6,370	1,138	5,232	497	4,735
			<u>2,495,613</u>	<u>158,060</u>	<u>2,337,553</u>	<u>63,188</u>	<u>2,274,365</u>
<u>Plant and Equipment</u>							
Fuji Xerox Copier	33.000D	0.000	19,125	16,009	3,116	1,028	2,088
Filing Cabinet	12.000D	0.000	125	57	68	8	60
Television & Video	33.000D	0.000	35	30	5	2	3
Refrigerator	9.500D	0.000	222	84	138	13	125
Microwave	9.500D	0.000	178	68	110	10	100
Electronic Whiteboard	33.000D	0.000	2,989	2,535	454	150	304
Laminator	40.000D	0.000	289	245	44	18	26
Banner	15.000D	0.000	351	156	195	29	166
Office Chair	15.000D	0.000	339	143	196	29	167
Refrigerator	9.500D	0.000	1,129	240	889	84	805
Office Furniture (Nov 2006)	15.000D	0.000	18,292	5,896	12,396	1,859	10,537
Drapes/Blinds	15.000D	0.000	1,260	396	864	130	734
Office Furniture (Dec 2006)	15.000D	0.000	9,844	3,086	6,758	1,014	5,744
New Computer	40.000D	0.000	1,600	1,100	500	200	300
Phone System	33.000D	0.000	2,323	1,280	1,043	344	699
Vacuum Cleaner	50.000D	0.000	529	342	187	94	93
Window							
Shades/Curtains	15.000D	0.000	5,410	1,502	3,908	586	3,322
Large Clock	15.000D	0.000	8,296	1,860	6,436	965	5,471
Board Table	15.000D	0.000	5,079	1,086	3,993	599	3,394
Computer and Printer	40.000D	0.000	2,655	1,699	956	382	574
Shredder	40.000D	0.000	549	231	318	127	191
Toyota Camry	20.000D	0.000	22,889	3,048	19,841	3,968	15,873
Heat Pump	40.000D	0.000	4,113	956	3,157	1,263	1,894
Meeting Room Table	15.000D	0.000	299	37	262	39	223
			<u>107,920</u>	<u>42,086</u>	<u>65,834</u>	<u>12,941</u>	<u>52,893</u>
Total Assets			<u>2,603,533</u>	<u>200,146</u>	<u>2,403,387</u>	<u>76,129</u>	<u>2,327,258</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

(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).
- (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. This amount is intended to be allocated from Trust profit on an annual basis.
- (iii) General Reserves - intended to enable the Trustees to continue with distributions should the Trust incur a deficit in a particular income year.

(e) Depreciation

The assets of the Trust are stated at cost price less depreciation based on rates as allowed by the Inland Revenue Department.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in Accounting Policies.

2. Capital Fund

	2010 \$	2009 \$
Initial Capital Fund	32,087,148	32,087,148
Balance at End of Year	<u>32,087,148</u>	<u>32,087,148</u>

3. Inflation Reserve

	2010 \$	2009 \$
Balance at Beginning of the Year	4,159,319	8,117,800
Transfer (To) From General Reserves	6,586,888	(3,958,481)
Balance at End of Year	<u>10,746,207</u>	<u>4,159,319</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

4. General Reserves

	2010 \$	2009 \$
Balance at Beginning of the Year	-	-
Add Surplus for the Year	7,561,615	(3,155,113)
Donations Returned / Lapsed	98,435	8,821
	<u>7,660,050</u>	<u>(3,146,292)</u>
Deduct Donations Approved	(1,073,162)	(812,189)
Transfer From/(To) Inflation		
Reserve	(6,586,888)	3,958,481
Balance at End of the Year	<u>Nil</u>	<u>-</u>

5. Donations Approved not yet Paid

	2010 \$	2009 \$
Approved Donations not yet Paid Out Include		
South Canterbury Netball	-	20,000
Arowhenua Whanau Services	-	10,000
Ngai Tahu Maori Rock Art Trust	50,000	50,000
Mid Canterbury Childrens Theatre	-	1,000
Methven District Heritage Association Inc	-	150,000
Geraldine Aged Persons Welfare Assn Inc		80,000
Ashburton Vintage Car Club	50,000	50,000
Longbeach School	4,000	4,000
Bluestone House	20,000	20,000
Aoraki Foundation	350,000	
Sacred Heart Parish	3,000	
Timaru Patchwork & Quilters	3,000	
Opihi College Service Academy	50,000	
NZ Mountain Safety Council	390	
Ashburton District Neighbourhood Support	5,000	
	<u>535,390</u>	<u>385,000</u>

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC**NOTES TO THE FINANCIAL STATEMENTS***FOR THE YEAR ENDED 31 MARCH 2010 (Continued)***6. Taxation**

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

7. 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.

8. Capital Commitments

There were no capital commitments as at 31 March 2010. (2009: Nil).

9. Contingent Liabilities/Contingent Assets

- (a) There are no Contingent Liabilities at 31 March 2010 (2009: Nil).
- (b) 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

10. Advances

There are no advances outstanding at Balance Date.

11. Reserves

- (i) Capital Fund
The initial Capital Fund (being the realised value of Trust Bank shares) was \$32,087,148.
- (ii) Inflation Reserve
It is intended to increase the inflation reserve each year by applying the Consumer Price Index to the sum of the initial Capital Fund and opening Inflation Reserve. The nominal Inflation Reserve required under this policy at 31 March 2010 is \$11,694,800.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

(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.

12. Financial Instruments**Fair Values**

Investments are stated at estimated market value at balance date. Interest accrued, Sundry Debtors, Sundry Creditors, 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

59% 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:

	2010	2009
	\$	\$
Debtors	52,786	41,718
GST Refund Due	3,799	1,512
Managed Fund Equities	17,587,604	13,247,237
	<u>17,644,189</u>	<u>13,290,467</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.

NOTES TO THE FINANCIAL STATEMENTS*FOR THE YEAR ENDED 31 MARCH 2010 (Continued)*

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.



**MARTIN
WAKEFIELD**
TIMARU, NZ



AUDIT REPORT

To the Trustees of The Community Trust of Mid & South Canterbury Inc..

We have audited the financial statements of The Community Trust of Mid & South Canterbury Inc. on pages 5 to 19, which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in equity for the year then ended, the statement of cashflows 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 determines 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 Inc..

Opinion

In our opinion, the financial statements on pages 5 to 19 give a true and fair view of the financial position of The Community Trust of Mid & South Canterbury Inc. as at 31 March 2010, and of its financial performance and cashflows for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations that we have required. In our opinion proper accounting records have been kept by The Community Trust of Mid & South Canterbury Inc. as far as appears from an examination of those records.

Auditors

Date:

25 June 2010

Address (city):

TIMARU