



New Zealand Gazette

OF THURSDAY, 3 SEPTEMBER 2009

WELLINGTON: FRIDAY, 4 SEPTEMBER 2009 — ISSUE NO. 132

THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE
COMMUNITY TRUSTS ACT 1999

INDEX

Statement of Financial Performance

Statement of Movements in Equity

Statement of Financial Position

Statement of Cash Flows

Fixed Assets Schedule

Notes to the Financial Statements

Auditors Report

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 \$	2008 \$
<u>Investment Account</u>			
Income			
Interest : Managed Funds		1,027,453	1,088,164
Interest : Other		890	5,283
Sundry		15,625	2,461
Dividends : Managed Funds		232,946	243,075
Total Income		1,276,914	1,338,983
Less Expenses			
<i>Direct Investment Expenditure</i>			
Management Fees		66,528	76,759
Consultancy Fees		36,874	35,271
Total Direct Investment Expenditure		103,402	112,030
		1,173,512	1,226,953
<i>Less Operating Expenditure</i>			
Advertising		11,225	12,650
Auditor's Fees		5,200	5,045
Legal Fees		959	6,486
Postage, Tolls and Fax		878	1,031
Printing and Stationery		5,908	6,759
Salary and Wages		100,829	95,952
Professional Fees			
: Accountancy and Advisory		9,070	7,819
: Project Costs		3,190	911
Sundry Administration Expenses		14,788	15,684
Conference Expenses		7,145	5,006
Internal Affairs Department Costs		1,601	1,380
Trust Rental		6,499	7,090
Trustees			
: Meeting Expenses		64,207	61,011
: Travel		11,083	10,277
: Honoraria		20,536	20,536
Trustees Insurance		1,847	1,760
Trustees Training		7,748	1,599
Total Operating Expenditure		272,713	260,996
Nett Income Before Movement in Managed Funds and Community House Rental Account		900,799	965,957

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2009 (Continued)

	Note	2009 \$	2008 \$
Community House Account			
Income			
Lease Rentals		67,690	59,862
Printing and Fax Charges Reimbursed		17,124	17,283
Carpark Rental		7,420	6,708
		<u>92,234</u>	<u>83,853</u>
Less Operating Expenditure			
Heating and Power		17,132	15,475
Maintenance		8,437	9,571
Cleaning		7,925	6,645
Rates		2,138	1,417
Insurance		7,789	8,220
Security and Alarm		2,479	3,671
Telephone and Tolls		14,840	13,999
Staff Expenses		39	549
General Administration		5,270	2,414
Depreciation : Improvements		63,180	62,893
Depreciation : Plant and Equipment		13,972	15,686
Loss on Disposal of Fixed Assets		6,153	-
Total Operating Expenditure		<u>149,354</u>	<u>140,540</u>
Nett Income/(Deficit) from Rental Account		(57,120)	(56,687)
Movement in Managed Funds			
Offshore Cash & Bonds/Foreign Exchange		17,426	710,273
Offshore Equity		(2,679,582)	(2,145,734)
New Zealand Cash & Bonds		161,500	(575,304)
New Zealand/Australian Equity		(1,498,136)	(650,888)
Nett Increase/(Decrease) in Managed Funds		<u>(3,998,792)</u>	<u>(2,661,653)</u>
Statement of Financial Performance			
Nett Income from Investments		900,799	965,957
Nett Income/(Deficit) from Rental Account		(57,120)	(56,687)
Nett Increase/(Decrease) in Managed Funds		(3,998,792)	(2,661,653)
		<u>(3,155,113)</u>	<u>(1,752,383)</u>
Nett Income/(Deficit) Transferred to Capital Account		<u>(3,155,113)</u>	<u>(1,752,383)</u>

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 \$	2008 \$
Opening Equity		40,204,948	43,037,458
Nett Surplus/(Deficit) for the year		(3,155,113)	(1,752,383)
Plus Donations No Longer Required		8,821	6,715
Less Donations Approved		(812,189)	(1,086,842)
Closing Equity		<u>36,246,467</u>	<u>40,204,948</u>

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2009

	Note	2009 \$	2008 \$
Trust Capital			
Capital Fund	2	32,087,148	32,087,148
Inflation Reserve	3	4,159,319	8,117,800
		<u>36,246,467</u>	<u>40,204,948</u>
Represented By:			
Current Assets			
Westpac Bank : Current Account		35,949	11,988
Sundry Debtors		41,718	58,112
GST Refund Due		1,512	3,665
		<u>79,179</u>	<u>73,765</u>
Less Current Liabilities			
Sundry Creditors		50,948	70,462
Donations Approved not yet Paid	5	385,000	918,550
Total Current Liabilities		<u>435,948</u>	<u>989,012</u>
Working Capital		<u>(356,769)</u>	<u>(915,247)</u>
Add Non-Current Assets			
Fixed Assets			
Land & Buildings		2,337,553	2,397,733
Plant and Equipment		65,834	67,547
Total Fixed Assets		<u>2,403,387</u>	<u>2,465,280</u>
Management Funds Investments			
: New Zealand Cash & Bonds		13,125,438	13,401,368
: New Zealand/Australian Equity		4,326,803	5,840,133
: Offshore Cash & Bonds		7,827,174	7,573,201
: Offshore Equity		8,920,434	11,840,213
Total Managed Funds		<u>34,199,849</u>	<u>38,654,915</u>
Nett Assets		<u>36,246,467</u>	<u>40,204,948</u>

Signed on Behalf of the Board of Trustees

Chairperson:

Trustee:

Date:

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2009

	2009 \$	2008 \$
Cash Flows from Operating Activities		
Cash was Provided From:		
Interest on Deposits	890	5,283
Operating Income	112,830	87,051
	<u>113,720</u>	<u>92,334</u>
Cash was Applied to:		
Suppliers of Goods and Services (Nett of GST)	(395,150)	(340,024)
Donations Paid	(1,336,918)	(1,270,877)
	<u>(1,732,068)</u>	<u>(1,610,901)</u>
Nett Cash Flows from Operating Activities	<u>(1,618,348)</u>	<u>(1,518,567)</u>
Cash Flows from Investing Activities		
Cash was Provided From:		
Withdrawal of Managed Funds	1,663,721	1,631,079
Sale of Fixed Assets	8,889	-
	<u>1,672,610</u>	<u>1,631,079</u>
Cash was Applied to:		
Fixed Assets	(30,301)	(116,919)
Nett Cash Flows from Investing Activities	<u>1,642,309</u>	<u>1,514,160</u>
 Increase/(Decrease) in Cash Held	 23,961	 (4,407)
Add Opening Cash 1 April 2007	11,988	16,395
Cash as at 31 March 2009	<u>35,949</u>	<u>11,988</u>
 Comprised of:		
Westpac Bank		
Online Saver Account	21,039	-
Current Account	14,910	11,988
	<u>35,949</u>	<u>11,988</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2009 (Continued)

	Note 2009 \$	2008 \$
<u>Reconciliation of Nett Surplus and Nett Cash Flows From Operating Activities</u>		
Nett Surplus / (Deficit) Transferred to Equity	(3155,113)	(1,752,383)
Plus Donations Returned	8,821	6,715
Less Donations Approved	(812,189)	(1,086,842)
	<u>(3,958,481)</u>	<u>(2,832,510)</u>
Plus/(Less) Non Cash Items		
Managed Funds Gains/(Losses)	2,804,921	1,407,173
Depreciation and Loss on Sale	83,305	78,579
	<u>2,888,226</u>	<u>1,485,752</u>
	<u>(1,070,255)</u>	<u>(1,346,758)</u>
Movements in Working Capital		
Increase/(Decrease) in Donations Approved not yet Paid	(533,550)	(190,750)
Increase/(Decrease) in Creditors	(19,514)	18,204
(Increase)/Decrease in GST	2,153	2,468
(Increase)/Decrease in Sundry Debtors	2,818	(1,731)
Movements in Working Capital	<u>(548,093)</u>	<u>(171,809)</u>
Nett Cash Flow from Operating Activities	<u>(1,618,348)</u>	<u>(1,518,567)</u>

DEPRECIATION SCHEDULE
FOR THE YEAR ENDED 31 MARCH, 2009

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	ADDITIONS	SALE PRICE	PROFIT (LOSS)	DEPN	CLOSING WDV
<u>Land and Buildings</u>										
Pynes Building - Land	3.000D	0.000	399,539	-	399,539	-	-	-	-	399,539
Pynes Building - Buildings	3.000P	0.000	2,086,704	94,291	1,992,413	3,000	-	-	62,631	1,932,782
Signage (Pynes Building)	9.500D	0.000	6,370	589	5,781	-	-	-	549	5,232
			<u>2,492,613</u>	<u>94,880</u>	<u>2,397,733</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>63,180</u>	<u>2,337,553</u>

DEPRECIATION SCHEDULE
FOR THE YEAR ENDED 31 MARCH, 2009

Plant and Equipment

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	ADDITIONS	SALE PRICE	PROFIT (LOSS)	DEPN	CLOSING WDV
Fuji Xerox Copier	33.000D	0.000	19,125	14,475	4,650	-	-	-	1,534	3,116
Shelving/Joinery	9.500D	0.000	720	203	517	-	-	(517)	-	-
Various (1998)	15.000D	0.000	1,644	748	896	-	-	(896)	-	-
Office Furniture (1999)	15.000D	0.000	624	284	340	-	-	(340)	-	-
Filing Cabinet	12.000D	0.000	125	48	77	-	-	-	9	68
Boiler & Brew Unit	9.000D	0.000	389	116	273	-	-	(273)	-	-
Television & Video	33.000D	0.000	35	28	7	-	-	-	2	5
Cleaner	50.000D	0.000	2	2	-	-	-	-	-	-
Refrigerator	9.500D	0.000	222	70	152	-	-	-	14	138
Xerox Copier & Fax	33.000D	0.000	579	448	131	-	-	(131)	-	-
Lap Top Computer	40.000D	0.000	264	224	40	-	-	(40)	-	-
Personal Computer	40.000D	0.000	227	193	34	-	-	(34)	-	-
Microwave	9.500D	0.000	178	56	122	-	-	-	12	110
Computers (2)	40.000D	0.000	3,492	2,964	528	-	-	(528)	-	-
Electronic Whiteboard	33.000D	0.000	2,989	2,312	677	-	-	-	223	454
Printer	40.000D	0.000	269	205	64	-	-	(64)	-	-
Shredder	40.000D	0.000	177	133	44	-	-	(44)	-	-
Computer	40.000D	0.000	3,415	2,555	860	-	-	(860)	-	-
Laminator	40.000D	0.000	289	216	73	-	-	-	29	44
Banner	15.000D	0.000	351	122	229	-	-	-	34	195
Office Chair	15.000D	0.000	339	109	230	-	-	-	34	196
Plants/Roses	15.000D	0.000	1,050	329	721	-	-	(721)	-	-
Toyota Camry	20.000D	0.000	17,000	6,842	10,158	-	8,889	(1,269)	-	-
Curtains	15.000D	0.000	611	175	436	-	-	(436)	-	-
Refrigerator	9.500D	0.000	1,129	147	982	-	-	-	93	889
Office Furniture (Nov 2006)	15.000D	0.000	18,292	3,709	14,583	-	-	-	2,187	12,396
Drapes/Blinds	15.000D	0.000	1,260	243	1,017	-	-	-	153	864

DEPRECIATION SCHEDULE
FOR THE YEAR ENDED 31 MARCH, 2009

	RATE & TYPE	% PVT USE	INITIAL COST	ACCUM DEPN	OPENING WDV	ADDITIONS	SALE PRICE	PROFIT (LOSS)	DEPN	CLOSING WDV
Office Furniture (Dec 2006)	15.000D	0.000	9,844	1,893	7,951	-	-	-	1,193	6,758
New Computer	40.000D	0.000	1,600	767	833	-	-	-	333	500
Phone System	33.000D	0.000	2,323	767	1,556	-	-	-	513	1,043
Vacuum Cleaner Window	50.000D	0.000	529	154	375	-	-	-	188	187
Shades/Curtains	15.000D	0.000	5,410	812	4,598	-	-	-	690	3,908
Large Clock	15.000D	0.000	8,296	724	7,572	-	-	-	1,136	6,436
Board Table	15.000D	0.000	5,079	381	4,698	-	-	-	705	3,993
Computer and Printer	40.000D	0.000	2,655	1,062	1,593	-	-	-	637	956
Shredder	40.000D	0.000	549	19	530	-	-	-	212	318
Toyota Camry	20.000D	0.000	-	-	-	22,889	-	-	3,048	19,841
Heat Pump	40.000D	0.000	-	-	-	4,113	-	-	956	3,157
Meeting Room Table	15.000D	0.000	-	-	-	299	-	-	37	262
			111,082	43,535	67,547	27,301	8,889	(6,153)	13,972	65,834
Total Assets			2,603,695	138,415	2,465,280	30,301	8,889	(6,153)	77,152	2,403,387

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

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.
- (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009 (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.

Changes in Accounting Policies

There have been no changes in Accounting Policies.

2. Capital Fund

	2009 \$	2008 \$
Initial Capital Fund	32,087,148	32,087,148
Balance at End of Year	32,087,148	32,087,148

3. Inflation Reserve

	2009 \$	2008 \$
Balance at Beginning of the Year	8,117,800	8,121,257
Transfer to General Reserves	(3,958,481)	(3,457)
Balance at End of Year	4,159,319	8,117,800

4. General Reserves

	2009 \$	2008 \$
Balance at Beginning of the Year	-	2,829,053
Add Surplus for the Year	(3,155,113)	(1,752,383)
Donations Returned	8,821	6,715
	(3,146,292)	1,083,385
Deduct Donations Approved	(812,189)	(1,086,842)
Transfer from Inflation Reserve	3,958,481	3,457
Balance at End of the Year	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009 (Continued)

6. Taxation

The Trust is exempt from tax with effect from 1 April 2004 in accordance with Section CB 4 (1) (m) of the Income Tax Act 1994.

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 2009. (2008 : Nil).

9. Contingent Liabilities

There are no Contingent Liabilities at 31 March 2009 (2008 : \$Nil).

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

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 2009 is \$10,708,986.

(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.

NOTES TO THE FINANCIAL STATEMENTS*FOR THE YEAR ENDED 31 MARCH 2009 (Continued)***Credit Risk**

58% 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:

	2009 \$	2008 \$
Debtors	41,718	58,112
GST Refund Due	1,512	3,665
Managed Fund Equities	13,247,237	17,680,346
	<u>13,290,467</u>	<u>17,742,123</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.

A full list of all distributions of income by way of donations for the year ended 31 March 2009 is available from the trust's office on request at 27 Strathallan Street, PO Box 983, Timaru, or email msccomtrust@xtra.co.nz



**MARTIN
WAKEFIELD**
TIMARU, NZ



AUDIT REPORT

To the Readers of the financial report of the The Community Trust of Mid & South Canterbury Inc.:

We have audited the financial report on pages 4 to 17. The financial report provides information about the past financial performance of the Incorporated Society and its financial position as at 31 March 2009. The information is stated in accordance with the accounting policies set out on pages 13 and 14.

Board of Trustees Responsibilities

The Board of Trustees are responsible for the preparation of a financial report which gives a true and fair view of the financial position of the Incorporated Society as at 31 March 2009 and of the results of operations for the 12 months ended 31 March 2009.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Board of Trustees and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- * the significant estimates and judgements made by the Board of Trustees in the preparation of the financial report, and
- * whether the accounting policies are appropriate to the Incorporated Society circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than in our capacity as auditors we have no relationship with or interest in the Incorporated Society.

Unqualified Opinion

We have obtained all the information and explanations we have required.
In our opinion:

- * proper accounting records have been kept by the Incorporated Society as far as appears from our examination of those records: and
- * the financial report on pages 4 to 17.
 - complies with generally accepted accounting practice;
 - gives a true and fair view of the financial position of the Incorporated Society as at 31 March 2009 and the results of its operations for the 12 months ended on that date.

Our audit was completed on 24 July 2009 and our unqualified opinion is expressed as at that date.

Auditors

Martin Wakefield

Address (city): TIMARU