



# New Zealand Gazette

OF THURSDAY, 23 JULY 2009

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WELLINGTON: FRIDAY, 24 JULY 2009 — ISSUE NO. 106

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## THE COMMUNITY TRUST OF WELLINGTON

### FINANCIAL STATEMENTS

PURSUANT TO SECTION 13 OF THE  
COMMUNITY TRUSTS ACT 1999

**Deloitte****AUDIT REPORT****TO THE TRUSTEES OF THE COMMUNITY TRUST OF WELLINGTON**

We have audited the financial statements on pages 7 to 19. The financial statements provide information about the past financial performance of The Community Trust of Wellington ('the Trust') and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on pages 10 to 13.

**Trustees' Responsibilities**

The Trustees are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which fairly reflect the financial position of the Trust as at 31<sup>st</sup> March 2009 and the results of operations for the year ended on that date.

**Auditors' Responsibilities**

It is our responsibility to express to you an independent opinion on the financial statements presented by the Trust.

**Basis of Opinion**

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

- the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. 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 obtain reasonable assurance that the financial statements are 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 statements.

Other than in our capacity as auditor, we have no relationship with or interests in Trust.

**Unqualified Opinion**

We have obtained all the information and explanations that we have required.

In our opinion the financial statements on pages 7 to 19, fairly reflect the financial position of the Trust as at 31<sup>st</sup> March 2009 and the results of its operations for the year ended on that date.

Our audit was completed on 2 July 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants  
WELLINGTON, NEW ZEALAND

**THE COMMUNITY TRUST OF WELLINGTON****Income Statement****For the Year Ended 31 March 2009**

	<b>Note</b>	<b>2009</b> \$	<b>2008</b> \$
<b>Revenue</b>			
Investment Income	2	(5,590,452)	(2,115,385)
Interest Received		219,972	186,077
Donations Returned		1,427	2,127
Rental Income		142,421	124,548
Other Income		33,476	23,722
Profit on Sale of Fixed Assets		-	1,561
<b>Total Operating Revenue</b>		<b>(5,193,156)</b>	<b>(1,777,350)</b>
<b>Less Expenses</b>			
Donation Expenses		10,144	20,659
Finance Expenses		64	806
Fund Management Fees		288,461	305,500
Personnel Expenses	4	186,790	178,591
Trustee Expenses		11,718	10,237
Trustee Fees		52,835	49,955
Operating Costs	3	223,846	252,978
Other Expenses	5	10,929	12,432
<b>Total Expenses</b>		<b>784,787</b>	<b>831,158</b>
<b>Net Deficit Before Donations</b>		<b>(5,977,943)</b>	<b>(2,608,508)</b>
<b>Less</b>			
Donations		1,184,252	1,397,126
<b>Net Deficit for the Year</b>		<b>(7,162,195)</b>	<b>(4,005,634)</b>

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The accompanying notes form part of these financial statements

# THE COMMUNITY TRUST OF WELLINGTON

## Statement of Changes in Equity For the Year Ended 31 March 2009

	2009 \$	2008 \$
<b>Surplus/(Deficit) and Revaluations</b>		
Net Deficit for the Year	(7,162,195)	(4,005,634)
Total Deficit and Revaluations for the Year	<u>(7,162,195)</u>	<u>(4,005,634)</u>
<b>Total Movements in Equity for the Year</b>	<u>(7,162,195)</u>	<u>(4,005,634)</u>
<b>Equity at 1 April 2008</b>	42,696,011	46,701,645
<b>Equity at 31 March 2009</b>	<u><u>35,533,816</u></u>	<u><u>42,696,011</u></u>

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The accompanying notes form part of these financial statements

# THE COMMUNITY TRUST OF WELLINGTON

## Balance Sheet

As at 31 March 2009

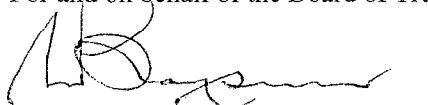
	Note	2009 \$	2008 \$
<b>Current Assets</b>			
Cash and Cash Equivalents		141,956	68,683
Held-to-Maturity Investments	8	1,500,000	833,383
Trade Receivables		23,244	24,259
Prepayments		4,400	2,831
Karori Wildlife Sanctuary Trust Inc	9	100,000	100,000
GST Refund Due		8,762	13,090
Investments at Fair Value through profit and loss	7	32,817,864	40,598,789
<b>Total Current Assets</b>		<b>34,596,226</b>	<b>41,641,035</b>
<b>Current Liabilities</b>			
Trade and Other Payables		113,646	91,441
<b>Working Capital</b>		<b>34,482,580</b>	<b>41,549,594</b>
<b>Non Current Assets</b>			
Property, Plant & Equipment	6	10,249	13,084
Karori Wildlife Sanctuary Trust Inc	9	1,033,333	1,133,333
Combined Community Trust Database Project		7,654	-
<b>Total Non Current Assets</b>		<b>1,051,236</b>	<b>1,146,417</b>
<b>Net Assets</b>		<b>35,533,816</b>	<b>42,696,011</b>

## REPRESENTED BY:


### EQUITY

Trust Equity Brought Forward	42,696,011	46,701,645
Trustees' Deficit for the Year	(7,162,195)	(4,005,634)
<b>Total Equity</b>	<b>35,533,816</b>	<b>42,696,011</b>

For and on behalf of the Board of Trustees:



Chairperson



Trustee

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Date

The accompanying notes form part of these financial statements

## THE COMMUNITY TRUST OF WELLINGTON

### Notes to the Financial Statements For the Year Ended 31 March 2009

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#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### Reporting Entity

The Community Trust of Wellington (The Trust) is an incorporated Charitable Trust under the Charitable Trusts Act 1957.

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice ('GAAP') in New Zealand. They comply with the New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and other Financial Reporting Standards as appropriate for not-for-profit entities that qualify for and apply differential reporting concessions.

These financial statements were authorised for issue by the Trustees on 24<sup>th</sup> June 2009.

##### Basis of Preparation

The accounting principles recognised as appropriate for the measurement and reporting of the income statement and balance sheet on a historical cost basis are followed by the Trust, except that certain investments are disclosed at fair value.

The information is presented in New Zealand dollars as it is the functional and presentational currency.

##### Differential Reporting

The Trust qualifies for Differential Reporting as it is not publicly accountable, and is not large as defined by the Framework for Differential Reporting. The Trust has taken advantage of all available differential exemptions.

##### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

##### (a) Revenue

Rental revenue in relation to operating leases is recognised in the income statement on a straight-line basis over the lease term.

Dividend revenue from investments is recognised when the Trust's rights to receive payment have been established. Interest income is recognised as interest accrues using the effective interest method.

**THE COMMUNITY TRUST OF WELLINGTON****Notes to the Financial Statements  
For the Year Ended 31 March 2009**

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**(b) Income Tax**

The Trust is exempt from income tax under section CW 52 of the Income Tax Act 2007.

**(c) Property, Plant & Equipment**

Property Plant and Equipment is stated at cost less accumulated depreciation and impairment.

**(d) Depreciation**

Depreciation has been calculated as follows.

Furniture and Equipment	9.0% - 80.4 %
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**(e) Investments including Investments in Managed Funds**

Shares in listed companies and quoted fixed interest investments are designated as "financial assets at fair value through the profit or loss" as the portfolios are managed on a fair value basis in accordance with a documented investment strategy. They are initially recorded at cost and subsequently revalued to market bid price each balance date. Gains and losses are recorded in the income statement as part of the investment income.

**(f) Financial Instruments**

Financial instruments are recognised if the Trust becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value plus transaction costs except for those classified as fair value through profit or loss which are initially measured at fair value. Financial assets are derecognised if the Trust's rights to the cash flows from the financial assets expire or if the Trust transfers a financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations, specified in the contract, expire, are discharged or cancelled.

**Held-to-Maturity Investments**

If the Trust has the intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

**Investments at Fair Value through profit and loss**

An instrument is classified at fair value through the profit and loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through the profit and loss if the Trust manages such investments and makes purchase and sale decisions based on their fair value. They are initially recorded at cost and subsequently revalued to market bid price each balance date. Upon initial recognition, attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, financial instruments at fair value through profit and loss are measured at fair value and changes therein are recognised in the income statement.

# THE COMMUNITY TRUST OF WELLINGTON

## Notes to the Financial Statements For the Year Ended 31 March 2009

### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Cash and cash equivalents comprise cash balances and call deposits.

### **(g) Impairment**

The carrying amount of the Trust's assets is reviewed each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the income statement.

The estimated recoverable amount of investments carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

The estimated recoverable amount of other assets is the greater of their fair value, less costs to sell, and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount.

An impairment loss on an investment in shares classified as available-for-sale or on property carried at fair value is reversed through the relevant reserve. All other impairment losses are reversed through the income statement.

### **(h) Operating Leases**

Operating lease payments, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items, are included in the determination of the net surplus in equal instalments over the lease term.

## **2. Investment Income**

	2009	2008
	\$	\$
Portfolio Income-Realised Revenue	(3,375,444)	3,513,894
Net Change in Fair Value of Financial Assets	(2,215,008)	(5,629,279)
Total Investment Income	<u>(5,590,452)</u>	<u>(2,115,385)</u>



## THE COMMUNITY TRUST OF WELLINGTON

### Notes to the Financial Statements For the Year Ended 31 March 2009

#### 3. Operating Costs

	2009 \$	2008 \$
Accident Compensation Levy	922	679
Awards Projects	2,254	19,807
Bank Charges	84	127
Communication Expenses	7,908	3,396
Computer Expenses	1,549	3,288
Consultants/Contract Employees	24,004	30,377
Conventions & Seminars	1,200	422
Equipment Rental	5,885	6,550
Governance Costs	-	785
Insurance - Professional	2,903	5,515
Insurance - Office	1,133	118
Light & Power	1,889	2,986
Postage & Stationery	7,046	5,446
Printing	745	2,320
Professional Fees	480	1,764
Public Relations & Promotion	487	1,218
Publications	-	4
Rent	151,757	151,400
Repairs & Maintenance	1,769	4,520
Subscriptions	3,000	3,000
Telephone	5,395	5,035
Tenancy Expenses	2,093	1,593
Travel Expenses	1,343	2,628
<b>Total Operating Costs</b>	<b>223,846</b>	<b>252,978</b>

#### 4. Personnel Expenses

	2009 \$	2008 \$
Wages & Salaries	180,550	172,351
Other Staff Expenses	6,240	6,240
<b>Total Personnel Expenses</b>	<b>186,790</b>	<b>178,591</b>

# THE COMMUNITY TRUST OF WELLINGTON

## Notes to the Financial Statements For the Year Ended 31 March 2009

### 5. Other Expenses

	2009	2008
	\$	\$
Auditor's Fees	7,500	7,800
Depreciation	3,429	4,632
<b>Total Other Expenses</b>	<b>10,929</b>	<b>12,432</b>

### 6. Property, Plant & Equipment

	2009	2008
	\$	\$
Opening Balance at Cost	38,685	41,728
Purchases	595	2,624
Less Accumulated Depreciation	29,031	31,268
<b>Net Book Value</b>	<b>10,249</b>	<b>13,084</b>
<b>Depreciation Charge for the Year</b>	<b>3,429</b>	<b>4,632</b>

### Other Investments

### 7. Financial Assets designated as Fair Value through the profit and loss:

	2009	2008
	\$	\$
International Equities - ING NZ Ltd	10,145,161	-
NZ Fixed Interest - ING NZ Ltd	2,753,494	5,976,812
Trans Tasman Equities - ING NZ Ltd	4,714,433	2,691,789
Trans Tasman Properties - Mint Asset Management Ltd	3,619,454	4,701,316
International Equities - Tyndall Investment Management Ltd	-	16,549,073
International Fixed Interest - Tower Asset Management Ltd	11,585,322	9,506,152
Trans Tasman Equities - Walker Capital Management Ltd	-	1,173,647
<b>Total</b>	<b>32,817,864</b>	<b>40,598,789</b>

# THE COMMUNITY TRUST OF WELLINGTON

## Notes to the Financial Statements For the Year Ended 31 March 2009

### 8. Held-to-Maturity Investments

	2009 \$	2008 \$
ASB Term Deposit - 079	-	731,999
ASB Term Deposit - 083	500,000	-
BNZ Term Deposit - 03027	-	101,384
BNZ Term Deposit - 03034	100,000	-
BNZ Term Deposit - 03035	200,000	-
BNZ Term Deposit - 03036	700,000	-
Total Held-to-Maturity Investments	<u>1,500,000</u>	<u>833,383</u>

ASB Bank 083

Maturity Date: 29th June 2009

Interest Rate: 4.10%p.a.

Current Balance: \$500,000.00

BNZ 03034

Maturity Date: 30th April 2009

Interest Rate: 3.40%p.a.

Current Balance: \$100,000.00

BNZ 03035

Maturity Date: 30th May 2009

Interest Rate: 3.89%p.a.

Current Balance: \$200,000.00

BNZ 03036

Maturity Date: 29th June 2009

Interest Rate: 4.28%p.a.

Current Balance: \$700,000.00

### 9. Loans and Receivables

	2009 \$	2008 \$
<b>Karori Wildlife Sanctuary Trust Inc</b>		
Current Portion	100,000	100,000
Term Portion	1,033,333	1,133,333
Total Karori Wildlife Sanctuary Trust Inc	<u>1,133,333</u>	<u>1,233,333</u>

The Loan is guaranteed by the Wellington City Council. The loan has a repayment term of 15 years which commenced on 1 August 2005. The interest rate is calculated against an agreed formula. The rate for the year under review was 6.7%- 8.42%.

## THE COMMUNITY TRUST OF WELLINGTON

### Notes to the Financial Statements For the Year Ended 31 March 2009

#### 10. Financial Instruments

##### Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied in respect of each of the class of financial assets are disclosed in note 1 to the financial statements.

The Trustees have approved a Statement of Investment Policy and Objectives (SIPO) which establishes investment portfolio objectives and target asset allocations. Performance against these targets is reviewed at least quarterly by the Trustees and asset reallocations undertaken as required.

##### Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the Trust's accounting policies.

##### Liquidity Risk

All financial assets at fair value through profit and loss can be realised within 12 months. There are no significant financial liabilities.

The Trust's investments are managed to ensure that the Trust will have sufficient liquidity to meet expected cashflow requirements. Liquidity risk is managed through the Trust's asset allocation strategy, which provides exposure to both growth and income assets, and the benchmark portfolio against which investment returns are monitored. The Trust's benchmarks are maintained through rebalancing between investment managers to bring the weights to benchmark.

##### Credit Risk

Financial instruments which potentially expose the Trust to credit risk consist of cash and short term deposits, fixed interest securities and receivables and, indirectly, investments in unitised products which invest in cash and fixed interest investments. The maximum exposure to credit risk is the carrying value of these financial instruments:

	2009	2008
	\$	\$
Cash and Short term Deposits	1,500,000	833,382
Fixed Interest - Domestic	2,753,495	5,976,812
Fixed Interest - Offshore	11,585,322	9,506,152

The significant counterparties of the Trust are its investment managers: ING NZ Ltd, Tower Asset Management Ltd, Tyndall Investment Management NZ Ltd, and Mint Asset Management Ltd which the Trustees consider to be financial institutions of high quality. The investments are held in trust by the investment managers for the benefit of the Trust. The managers operate within the portfolio mix approved by the Trustees.

**THE COMMUNITY TRUST OF WELLINGTON****Notes to the Financial Statements  
For the Year Ended 31 March 2009**

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**Currency Risk**

The Trust is indirectly exposed to currency risk in that future currency movements will affect the valuation of investments in unitised products which invest in foreign currency denominated investments. The Trust has no directly held investments denominated in a foreign currency.

**Interest Rate Risk**

The Trust is exposed to interest rate risk in that future interest rate movements will affect cash flows and net market values of fixed interest assets and, indirectly, the valuation of investments in unitised products which invest in cash and fixed interest investments.

Interest rate risk management activities are undertaken by the investment manager in accordance with the investment mandate set by the Trustees.

**11. Contingent Liabilities**

There are no contingent liabilities as at 31 March 2009 (2008:\$Nil).

# THE COMMUNITY TRUST OF WELLINGTON

## Notes to the Financial Statements For the Year Ended 31 March 2009

### 12. Commitments

#### (a) Donations

As at 31 March 2009 The Community Trust of Wellington had the following commitments:

	2009	2008
	\$	\$
Less than One Year	370,000	90,200
Between One and Five Years	470,000	-
	<u>840,000</u>	<u>90,200</u>

#### (b) Lease Commitments

Commitments existed for non cancellable operating leases as follows:

	2009	2008
	\$	\$
Less than One Year	154,924	154,816
Between One and Five Years	354,097	52,136
More than Five Years	-	-
	<u>509,021</u>	<u>206,952</u>

The premises lease expires 10th July 2009 with a right of renewal for three years to 10th July 2012. On the 4th May 2009 the right of renewal was accepted. The sublease for Property Pack (Wellington) Ltd expires 9th July 2009 with the right of renewal to 9th July 2012. The remaining tenants are required to give 3 months notice to terminate their tenancies. Rental payments of \$74,294 are expected to be received during 2010.

During the year ended 31 March 2009, \$160,651 was recognised as an expense in the income statement in respect of operating leases (2008: \$157,949). \$142,564 was recognised as income in the income statement in respect of subleases (2008: \$124,548).

#### (c) Capital Commitments

There are no capital commitments as at 31 March 2009 (2008:\$Nil).

## THE COMMUNITY TRUST OF WELLINGTON

### Notes to the Financial Statements For the Year Ended 31 March 2009

#### 13. Related Party Transactions

The Community Trust of Wellington has a code of conduct and a register of interests in regard to related party transactions. The code of conduct requires Trustees and management to declare any interests in transactions that the Trust may undertake and the following grants were made in respect of related party transactions.

	2009 \$	2008 \$
<u>Frances Russell</u>		
NZ Affordable Art Trust	15,000	15,000
Wellington Zoo Trust	-	100,000
Wellington Museums Trust	-	10,000

Frances Russell is the Executive Director of The Community Trust of Wellington and also a Trustee of The Affordable Art Trust and the Wellington Zoo Trust. Frances Russell's partner was the Chairperson of the Wellington Museums Trust for part of the 2008 financial year.

#### Patricia Hall and Richard Fernyhough

Changemakers Refugee Forum Inc	20,200	20,000
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Patricia Hall and Richard Fernyhough are Trustees of The Community Trust of Wellington. In the 2009 financial year Patricia Hall continued to mentor the CEO of Changemakers Refugee Forum Inc and Richard Fernyhough joined the advisory committee for Changemakers Refugee Forum Inc.

#### Moira Lawler

Nga Uruora Kapiti Project Inc	-	12,040
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Moira Lawler was a Trustee of The Community Trust of Wellington until 31st May 2008 and is also a Committee Member for the Nga Uruora Kapiti Project Inc.

#### Karen Sagaga

Netball Wellington Region	10,000	-
The Wainuiomata JEDI Trust	12,577	-

Karen Sagaga is a Trustee of the Community Trust of Wellington and is also President of Netball Hutt Valley. Netball Hutt Valley is one of the five associations who are members of Netball Wellington Region. Karen Sagaga is also a Trustee of the Wainuiomata JEDI Trust. The Community Trust undertakes contract work for this trust.

**A copy of the complete Annual Report, which includes a list of the successful recipients for the 2008/2009 financial year, is available on request from the office of the Trust, level 1, 28 Grey Street, Wellington, or by phoning 499 7966. Website: [www.comtrustwn.co.nz](http://www.comtrustwn.co.nz)**