

**THE COMMUNITY TRUST OF MID & SOUTH  
CANTERBURY INC**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2019

# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

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## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Trust Particulars

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As at 31 March 2019

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

David Forman; LLB, Bcom (Chairperson)  
Alistair Wing JP; B Ag Com, FNZIV, FPINZ,  
Registered Valuer  
Lisa Stevenson; DipSocial Work  
Janine Quigley; Bcom  
Jan Hide; RN (Deputy Chairperson)  
Karen Simpson  
Jane Argyle-Reed; LLB, BA

#### Chief Executive Officer

Elizabeth Shea; Dip Bus

#### Investment Advisor

Michael Chamberlain, MCA NZ Ltd, Auckland

#### Investment Managers

Forsyth Barr  
Nikko Asset Management  
PIMCO/Hunter Investment Management Global Fund  
Elevation Capital

#### Custodians

BNP Paribas  
Public Trust

#### Accountants

HC Partners LP  
Chartered Accountants  
39 George Street  
TIMARU

#### Auditor

Martin Wakefield  
Chartered Accountants  
26 Canon Street  
Timaru 7910

#### Bankers

Westpac Bank, Timaru

## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Chairperson's Report

#### For the Year Ended 31 March 2019

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The past 12 months have been very busy for the Trust with significant changes to staff, trustees & the continued strengthening of our asset base. It has also been a year of celebration in reaching the 30-year milestone since it was formed. The Trust has an incredibly proud history of serving Mid and South Canterbury over that time, giving back over \$28m to our region. In doing so it has played a vital role in making our communities vibrant, healthy and caring. We believe we are firmly placed to continue that role over the next 30 years.

#### Investment Performance

I am pleased to report that the Trust has experienced a positive year, with its investment portfolio returning \$3.164 million. As a result, the total funds under investment at the end of the financial year rose to \$55.793 million. The Trust aims to grow the value its fund to keep pace with inflation, with a level of risk that ensures a sufficient return on funds to enable us to consistently give back to our community, regardless of the economic climate.

Michael Chamberlain of MCA Limited Auckland is the Trust's Investment Advisor. MCA provides regular comprehensive reports, advice and direction. The Board duly acknowledges the successful and valued input from MCA in the overall management of the Trust's investment portfolio over the last 18 years.

#### Grants

229 grants, totalling \$1,195,355 were made by the Trust over the last year. These grants went to a wide cross section of our community targeting improved outcomes for health and welfare, sport, culture and heritage, the environment, and education (including 103 Principals Discretionary Grants to schools, kindergartens and Early Learning Centres).

While it can equally be the smallest grant that has the greatest impact, we are very proud to support our major recipients, including the Ashburton Housing Support Trust (\$125,000 for the purchase of Cameron Courts), the YMCA South and Mid Canterbury (\$50,000 Resiliency Toolkit), and both AMPSS101 and Hakatere Maori Komiti who each received 12 months' salary funding for newly created strategic roles. We were also particularly excited to provide an extraordinary 30<sup>th</sup> Anniversary grant of \$30,000 to Foodbank Canterbury (formerly City Harvest Food Rescue) to establish a food collection and distribution centre serving the Mid and South Canterbury region. Foodbank Canterbury's collaborative model provides food supplies (donated from the wholesale and retail chain) to existing frontline agencies that are qualified to provide the full spectrum of support including appropriate referrals, and wrap around care and the establishment of the new facility was warmly endorsed by the local social sector.

Over the last five years the Trust has made grants totalling \$6,539,601 averaging \$1,307,920 per year. Our grant budget set for 2019/20 is \$1.5m.

#### Community House

The Board provides for Community House as a support hub for to the South Canterbury not-for-profit organisations of health, welfare, and education, and does not seek to make a profit. The Trust continues to provide high quality subsidised office space to these non-profit organisations which assists in the delivery of their services to a variety of clients. The building occupancy remains at near full capacity as there is a high demand for this type of office space in South Canterbury. The operations of Community House are budgeted to do just better than break even as it is not a current policy of the Community Trust to cover a negative result. This year the Community House posted a loss of \$21,862. This was due to the higher budgeted expenses for much needed repairs and maintenance of the House. Community House is a Heritage listed building and regular maintenance ensures it is kept in good condition for both the Trust and the Community House Tenants.

## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Chairperson's Report (Continued)

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#### For the Year Ended 31 March 2019

##### **Governance and Staff**

We have had a significant change to our board this year with Rob Smith, Peter O'Leary, Michelle Brett, and Michele Keggenhoff coming to the end of their term. Jennifer Strauss also retired early in the year. All of those trustees brought a wealth of knowledge, wisdom, and experience to their roles, and so we were sad to see them go.

As a result of those departures, four new trustees were appointed by the Minister. Two of those trustees, Te-Hurinui Clarke and Sam Callander moved out of our region shortly after appointment. However, we were privileged to welcome Jane Argyle-Reed, a lawyer and partner at the local law firm Argyle Welsh Finnigan, and Timaru based Janine Quigley, the business manager at Timaru Girls' High School. Both trustees brought their own valued knowledge, culture, experience, and community representation and so we are fortunate to have them on board.

A large organisation is nothing without its staff & together with Liz Shea CEO, Rosie Oliver, Community Relations Manager, and Sally Marsh, Administration, we are lucky to have such a dedicated and passionate team at the Community Trust.

##### **Looking Ahead**

As I look ahead, I am excited about the potential we have in Mid and South Canterbury. We have an amazing number of caring and successful community organisations, staff and volunteers, all giving their time and lives to make our communities better. By working together with these organisations and people, we have a real opportunity to grow our region and ensure our communities are vibrant, healthy and caring.

David Forman  
Chairperson



# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Statement of Comprehensive Revenue and Expense

For the Year Ended 31 March 2019

	Note	2019	2018
		\$	\$
<b><u>INVESTMENT OPERATIONS</u></b>			
<b>Revenue</b>			
Investment Income	2	3,109,488	1,567,954
Direct Investment Expenses	3	(267,381)	(203,603)
<b>Gross Surplus</b>		<b>2,842,107</b>	<b>1,364,351</b>
Administration Expenses	4	41,044	46,257
Standing Charges	5	2,795	14,439
Other Operating Expenses	6	278,815	270,713
<b>Total Direct Investment Expenditure</b>		<b>322,654</b>	<b>331,409</b>
<b>Surplus for the Year from Investment Operations</b>		<b>2,519,453</b>	<b>1,032,941</b>
<b><u>COMMUNITY HOUSE OPERATIONS</u></b>			
Revenue	7	138,730	139,615
Administration Expenses	8	14,128	15,057
Standing Charges	9	37,858	32,850
Other Operating Expenses	10	108,605	85,988
		160,591	133,895
<b>Surplus (Deficit) for the Year from Community House Operations</b>		<b>(21,862)</b>	<b>5,720</b>
<b><u>COMBINED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE</u></b>			
Surplus for the Year from Investment Operations		2,519,453	1,032,941
Surplus for the Year from Community House Operations		(21,862)	5,720
<b>Gross Surplus for the Year from Continuing Operations</b>		<b>2,497,592</b>	<b>1,038,662</b>
Grants Approved	11	(1,195,355)	(1,481,582)
Grants No Longer Required/Lapsed	12	81,818	15,904
<b>Total Comprehensive Revenue and Expense for Year</b>		<b>1,384,054</b>	<b>(427,016)</b>
<b>Surplus Attributable to:</b>			
Trust Capital Account		1,384,054	(427,016)
<b>Total Comprehensive Revenue and Expense Attributable to:</b>			
Trust Capital Account		1,384,054	(427,016)

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.



**THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC**

**Statement of Changes in Net Assets/Equity**

**For the Year Ended 31 March 2019**

	Notes	Initial Capital Fund	Inflation Reserve	General Reserves	Total equity
<b>2019</b>					
Balance at 1 April 2018		32,087,148	14,194,174	10,357,014	56,638,336
Profit/(loss) after income tax		-	694,220	689,834	1,384,054
<b>Total comprehensive income</b>		-	694,220	689,834	1,384,054
<b>Balance at 31 March 2019</b>		<u>32,087,148</u>	<u>14,888,394</u>	<u>11,046,848</u>	<u>58,022,390</u>
<b>2018</b>					
Balance at 1 April 2017		32,087,148	13,690,619	11,287,585	57,065,352
Share of Current Movement in Equity		-	503,555	(930,571)	(427,016)
<b>Total comprehensive income</b>		-	503,555	(930,571)	(427,016)
<b>Balance at 31 March 2018</b>		<u>32,087,148</u>	<u>14,194,174</u>	<u>10,357,014</u>	<u>56,638,336</u>

*These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.*




# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Statement of Financial Position

For the Year Ended 31 March 2019

	Note	2019	2018
		\$	\$
<b>Current Assets</b>			
Cash and Cash Equivalents	13	3,842,586	4,827,491
Receivables (from exchange transactions)	14	133,068	111,693
Receivables (from non-exchange transactions)	14	7,795	10,691
		<u>3,983,449</u>	<u>4,949,874</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	15	2,280,641	2,285,021
Investment : Term Deposit	16	51,500	25,587
Investments at Fair Value through Profit and Loss	16	49,481,628	48,081,505
Private Equity Financial Assets	16	2,417,074	1,438,970
		<u>54,230,843</u>	<u>51,831,082</u>
<b>Total Assets</b>		<u>58,214,292</u>	<u>56,780,957</u>
<b>Current Liabilities</b>			
Payables (from exchange transactions)	17	55,087	88,225
Payables (from non-exchange transactions)	18	128,015	54,397
Loans and Borrowings	19	1,920	-
		<u>185,022</u>	<u>142,622</u>
<b>Non-Current Liabilities</b>			
Loans and Borrowings	19	6,880	-
		<u>6,880</u>	<u>-</u>
<b>Total Liabilities</b>		<u>191,902</u>	<u>142,622</u>
<b>Equity</b>			
Trust Capital		56,638,336	57,065,352
Retained Earnings/Accumulated Losses		1,384,054	(427,016)
<b>Total Equity</b>		<u>58,022,390</u>	<u>56,638,336</u>
<b>Total Liabilities and Equity</b>		<u>58,214,292</u>	<u>56,780,957</u>

For and on behalf of the Board of Trustees:

  
Chairperson

Date 29/08/19

  
Trustee

Date 29/8/19

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.





# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Statement of Cash Flows

For the Year Ended 31 March 2019

	Note	2019	2018
		\$	\$
<b>Cash Flows From Operating Activities</b>			
Receipts from Operations		135,266	137,116
Grants & Donations Received		5,005	-
Payments to Suppliers and Employees		(458,451)	(465,816)
Management and Consultancy Fees		(298,310)	(196,122)
Grants		(1,039,920)	(1,518,281)
Net GST Refunds (Payments)		(1,816)	(1,172)
<b>Net Cash Flows Generated by Operating Activities</b>		<b>(1,658,226)</b>	<b>(2,044,275)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds on Sale of Financial Assets		(489,184)	905,805
Gain (Loss) on Conversion of Cash and Cash Equivalents		15,788	3,119
Dividends Received		1,413,328	1,323,323
Interest Received		744,118	939,805
Purchase of Property, Plant and Equipment		(6,714)	(19,017)
Purchase of Investments		(1,004,017)	(985,749)
<b>Net Cash Flows Generated by Investing Activities</b>		<b>673,319</b>	<b>2,167,286</b>
Net increase (decrease) in cash and cash equivalents held		(984,907)	123,011
Cash and cash equivalents at the beginning of the period		4,827,491	4,704,480
<b>Cash and cash equivalents at the end of the period</b>	13	<b>3,842,584</b>	<b>4,827,491</b>

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.



# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and forming part of the Financial Statements

For the Year Ended 31 March 2019

### 1 Statement of Accounting Policies

#### Reporting Entity

The Community Trust of Mid & South Canterbury is a Public Benefit Entity for Financial Reporting purposes in accordance with its governing legislation the Community Trusts Act 1999 s2.

The financial statements for the year ended 31 March 2019 were approved and authorised for issue by the Board of Trustees as per the date noted in the Statement of Financial Position.

#### Reporting Period

The financial reports have been prepared for the period 1 April 2018 to 31 March 2019 and in accordance with the requirements of the Community Trusts Act 1999 s13.

#### Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

#### Financial Reporting Standards Applied

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"), applying PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The Trust is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

#### PBE Accounting Standards Reduced Disclosure Regime

The Trust qualifies for Tier 2 as the Trust is not publically accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

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

#### Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the year.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position in the financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

#### (a) Assumptions and Estimation Uncertainties

The Trustees have not made any assumptions or estimations regarding future activities of the Community Trust of Mid and South Canterbury.



## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Notes to and forming part of the Financial Statements (continued)

For the Year Ended 31 March 2019

#### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Trust, and measured at the fair value of consideration received or receivable.

(b) Dividend Income

Dividend Income is included in the Statement of Financial Performance when it is received.

(c) Grants

Grants, Special Projects and Community Loans are accounted for when they are approved for payment.

(d) Investments

*Financial Assets at Fair Value through Profit or Loss*

Investments held as managed funds are shown at market value. Net income, including unrealised gains or losses from holding such investments are recorded in the Statement of Financial Performance.

Shares in listed companies and managed funds qualify as financial assets at fair value through profit or loss because they are portfolio investments and derivative assets. They are initially recorded at cost and subsequently revalued to market bid price as a measure of fair value. Gains and losses are recorded in the Statement of Financial Performance.

(e) Trust Capital

Trust Capital is made up of:

*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.

*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.

(f) Depreciation

Depreciation has been calculated as follows using the Diminishing Value method:

Property, Plant, and Equipment	8% - 50%
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(g) Foreign Currencies

Transactions in foreign currencies are converted at spot rate at the date of the transaction or a rate approximating that rate.

At balance date, foreign monetary assets and liabilities are translated at the spot rate and movements, both realised and unrealised gains and losses, are recognised in the statement of financial performance.



## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Notes to and forming part of the Financial Statements (continued)

#### For the Year Ended 31 March 2019

##### (h) Vesting Employment Benefits

The Trust provides for holiday pay as a current liability, which is vesting to staff. Holiday pay is calculated as the maximum liability payable as at balance date.

##### (i) Fixed Assets

Items of Fixed Assets are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of Fixed Assets is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All other repairs and maintenance are recognised as expenses in the Statement of Financial Performance in the financial period in which they are incurred.

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

##### *Cash Generating Assets*

The Community Trust does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

##### *Non Cash Generating Assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an assets fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

##### (j) Income Tax

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

##### (k) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and forming part of the Financial Statements (continued)

### For the Year Ended 31 March 2019

#### (l) Capital Commitments

The Community Trust of Mid and South Canterbury has uncalled capital commitments as follows:

	2019	2018
	\$	\$
Waterman Fund 3	405,000	783,750
Direct Capital Fund 5	656,029	930,073
Pioneer Capital Fund 3	966,767	1,347,207
	<b>2,027,796</b>	<b>3,061,030</b>

#### (m) Contingent Liabilities

There are no Contingent Liabilities as at 31 March 2019 (2018 : Nil).

#### (n) Contingent Assets

There are no Contingent Assets as at 31 March 2019 (2018 : Nil).

#### (o) Advances

There are no advances outstanding at Balance Date.

#### (p) Financial Instruments

The following table analyses Financial Instruments carried at fair value by valuation method. The different levels have been defined in Note (s).

	2019	2018
	\$	\$
<i>Level 1</i>		
Australasian Equities	16,760,114	15,110,525
	<b>16,760,114</b>	<b>15,110,525</b>
<i>Level 2</i>		
Global Equities	22,559,624	23,054,164
Global Fixed Interest	-	(200,868)
	<b>22,559,624</b>	<b>22,853,296</b>
<i>Level 3</i>		
Private Equity	8,055,375	7,863,014
Unlisted Property	4,523,590	3,693,640
	<b>12,578,965</b>	<b>11,556,654</b>

*Credit Risk* - 34% 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:

	2019	2018
	\$	\$
Accounts Receivable	122,067	97,662
GST Refund Due	5,654	8,057
Managed Fund Equities	36,262,997	34,106,712
	<b>36,390,719</b>	<b>34,212,431</b>



**THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC**  
**Notes to and forming part of the Financial Statements (continued)**

**For the Year Ended 31 March 2019**

(p) Financial Instruments (continued)

*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.

*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.

(q) 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 2019 totalled \$13,128 (2018 : \$11,844).

(r) Leases as Lessor

The Trust leases out premises and car parks on periodic licences. The future minimum rentals are as follows:

31 March 2020	\$94,703
31 March 2021	\$94,703

The licences have a duration of 12 months but can be cancelled by one months notice at any stage by either party. The anticipated minimum rentals are expected to stay at the same level as the current rentals due.

(s) Financial Assets at Fair Value Through Profit or Loss

The fair value of financial assets is classified by reference to the fair value hierarchy within *NZ IFRS7 Financial Instruments: Disclosures*

- Level 1: quoted prices (unadjusted) in active markets for identical assets.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset that are not based on observable market data (unobservable data).

The Trust financial assets are classified as follows:

*Level 1: Australasian Equities, New Zealand Fixed Interest and Cash*

The Trust financial assets classified as Level 1 include its investments in Australasian equities, New Zealand fixed interest and cash. These financial assets are traded in active markets and their fair value is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Trust is the current bid price at close of business on balance date.

*Level 2: Global Equities and Global Fixed Interest*

The Trust investments in global equities and global fixed interest are held through units or shares in pooled funds. The units or shares are not traded on an active market but their values are derived from the quoted market value of the underlying equity or fixed interest securities. Therefore these investments are classified as Level 2.

## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Notes to and forming part of the Financial Statements (continued)

#### For the Year Ended 31 March 2019

##### (s) Financial Assets at Fair Value Through Profit or Loss (continued)

###### *Level 3: Private Equity, Global Credit and Unlisted Property*

The Trust classifies its investments in private equity, global credit and unlisted property as Level 3 financial assets. These investments are not traded in an active market and their fair value is determined by using valuation techniques in which one or more of the significant inputs is not based on observable market data.

The fair value of investments in private equity is determined internally by the fund manager, in accordance with NZ GAAP, and using valuation techniques including the discounted cash flow method and earnings multiples. The valuation relies on financial data of investee companies and estimates by management.

The fair value of unlisted property is based on external independent market valuation for investment properties. This valuation is dependent on management estimates of capitalisation and discount rates, inflows from rental income and maintenance requirements. Independent external valuations of projects under construction or refurbishment are also undertaken.

##### (t) Financial Instruments at Fair Value through Profit or Loss

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 right 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.

##### (u) Private Equity Financial Assets

Private Equity Financial Assets of the Community Trust of Mid & South Canterbury consist of three investments carried at cost being Waterman Fund 3, Direct Capital Fund 5, and Pioneer Capital Fund 3.

##### (v) Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash balances and call deposits with a maturity of less than 90 days from 31 March 2019. The carrying value approximates their fair value.

##### (w) Use of Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

###### *(i) Assumptions and Estimation Uncertainties*

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 include the following:

- Key assumptions underlying determining the recoverable amounts for impairment testing.
- Likelihood and magnitude of outflows in determining recognition and measurement of provisions.
- Useful life, recoverable amount, depreciation/amortisation method and rate.

##### (x) New IPSAS PBE Tier 2 standards and interpretations issued but not yet effective

A number of new standards and interpretations have been issued but are not yet effective for the current year-end. The reported results and financial position of the trust is not expected to change on adoption of these pronouncements as they do not result in any changes to the entity's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Trust does not intend to adopt any of the new pronouncements before their effective dates.



**THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC**

**Notes to and Forming Part of the Financial Statements**

**For the Year Ended 31 March 2019**

	Note	2019	2018
		\$	\$
<b>INVESTMENT OPERATIONS</b>			
<b>2. REVENUE</b>			
<b>Revenue From Exchange Transactions:</b>			
Portfolio Income (Realised Revenue)		1,579,983	1,202,281
Net Change in Fair Value of Financial Assets (Unrealised)		1,529,505	365,673
		<b>3,109,488</b>	<b>1,567,954</b>
<b>3. DIRECT INVESTMENT EXPENSES</b>			
Management Fees		190,521	126,998
Custodian Fees		40,695	43,963
Consultancy Fees		36,165	32,642
		<b>267,381</b>	<b>203,603</b>
<b>4. ADMINISTRATION EXPENSES</b>			
Accountancy and Advisory Fees		9,030	9,035
Advertising		8,632	9,232
Auditor's Fees		7,150	7,150
Postage, Tolls and Phone		3,752	6,326
Printing and Stationery		1,658	4,758
Sundry Administration Expenses		10,822	9,755
		<b>41,044</b>	<b>46,257</b>
<b>5. STANDING CHARGES</b>			
Rental	1(r)	-	11,844
Trustees Insurance		2,795	2,595
		<b>2,795</b>	<b>14,439</b>
<b>6. OTHER OPERATING EXPENSES</b>			
Conference Expenses		17,718	4,251
Depreciation : Plant & Equipment		5,507	4,192
General Professional Fees		1,625	7,643
Salary and Wages	6a	150,516	138,323
Smartygrant Database Costs		10,734	7,266
TKP Database Costs		-	8,420
Trustees & Staff Training		7,981	2,322
Trustees Travel		11,154	13,870
Trustees Honoraria & Meeting Expenses	6b	73,580	84,427
		<b>278,815</b>	<b>270,713</b>
<b>6a. EMPLOYEE BENEFIT EXPENSE</b>			
Salary and Wages expense includes the following Employee Benefit Expense:			
Defined Contribution Plans		5,614	3,730
		<b>5,614</b>	<b>3,730</b>

The Trust does not provide any post-employment benefits to its employees.



# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

	Note	2019	2018
		\$	\$
<b>6b. PERSONNEL EXPENSES</b>			
The Trust has a relationship with its key management personnel. Key management personnel includes the Trust's Board of Trustees and Senior Management. Key management personnel compensation includes the following expenses:			
Salaries (EFT : 2.1)		179,976	167,323
Trustee Honoraria (EFT : 0.6)		68,153	79,723
Trustee Meeting Expenses		5,427	4,704
		<b>253,556</b>	<b>251,750</b>
No amounts were paid to family members of key personnel.			
<b>COMMUNITY HOUSE OPERATIONS</b>			
<b>7. REVENUE</b>			
<b>Revenue From Exchange Transactions:</b>			
Sundry Rentals		6,726	5,117
Lease Rentals		96,072	101,940
Printing and Fax Charges Reimbursed		15,552	21,994
Carpark Rental		14,265	10,550
Sundry Income		361	13
Depreciation Recovered on the Sale of Fixed Assets		748	-
<b>Revenue From Non-Exchange Transactions:</b>			
Grants		5,005	-
		<b>138,730</b>	<b>139,615</b>
<b>8. ADMINISTRATION EXPENSES</b>			
General Administration		5,850	6,817
Telephone & Tolls		8,278	8,240
		<b>14,128</b>	<b>15,057</b>
<b>9. STANDING CHARGES</b>			
Insurance		29,285	25,055
Rates		3,391	3,372
Security and Alarms		5,182	4,423
		<b>37,858</b>	<b>32,850</b>
<b>10. OTHER OPERATING EXPENSES</b>			
Cleaning		12,903	12,383
Depreciation : Land & Buildings		5,769	7,173
Depreciation : Plant & Equipment		10,491	8,121
Heating and Power		17,072	18,533
Maintenance		32,910	10,778
Salary & Wages		29,460	29,000
		<b>108,605</b>	<b>85,988</b>



# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 31 March 2019

	\$ AMOUNT
<b>11. GRANTS APPROVED</b>	
Addiction Mental Health Peer Support Services 101	25,688
Age Concern Ashburton	2,000
Age Concern Canterbury Inc	1,000
Albury Ice Hockey Association	3,000
Alzheimers South Canterbury	10,000
Anglican Diocese of Christchurch, Parish of Temuka - St Peters Anglican Church	2,500
Anglican Methodist South Canterbury Glenwood Home Trust Board	20,000
Aoraki Multicultural Council Inc	7,500
Aoraki Rugby League Inc	5,000
Aorangi Golf Association	5,000
Arowhenua Whanau Services	2,000
Ashburton Civic Music Council	290
Ashburton Community Alcohol & Drug Service Inc	1,000
Ashburton County Scottish Society Inc	3,370
Ashburton Learning Centre Inc	5,000
Ashburton Menzshed Inc	20,000
Ashburton Multi Cultural Trust	2,000
Ashburton Operatic Society	5,000
Ashburton Parents Centre Inc	10,000
Ashburton Rugby League Football & Sports Club Inc	1,539
Ashburton Safer Community Council Trust Board	5,000
Ashburton Senior Citizens Inc	5,000
Ashburton Youth Cafe Charitable Trust	8,500
Aviva Charitable Trust (incorporating Christchurch Women's Refuge)	10,000
Bike Methven	6,916
Camp Lindisfarne Trust	9,500
Canteen The NZ Organisation Supporting Young People Living with Cancer Inc	4,000
Canterbury Men's Centre	6,000
Canterbury West Coast Sports Trust	5,000
Centrecare Conselling Waimate	9,560
Cholmondeley Children's Centre Inc	5,000
Citizens Advice Bureau South Canterbury Inc	7,500
City Harvest Food Rescue Canterbury	30,000
Community House Mid Canterbury	5,000
Cystic Fibrosis Association of New Zealand	5,000
Epilepsy Association of New Zealand Inc	5,000
Fairlie Golf Club Inc	2,000
Fairlie Playgroup	1,083
Fale Pasifika O Aoraki Trust Society Inc	2,000
Family Mental Health Support Inc	5,000
Friends of the Aigantighe Art Gallery Inc	1,070
Geraldine Arts & Plants Festival Inc	2,000
Hakatere Maori Komiti	25,000
Hearing Association South Canterbury Inc	5,000
Highfield Tennis Club Inc	6,000
Hospice Mid Canterbury Trust	10,000
Ingenious Educational Xperiences Ltd	5,000
K2 Youth Development Trust	5,000
Ka Toi Maori O Aoraki Inc	3,500
Lake Tekapo Bright Stars Community Trust	10,000
Learning for You - South Canterbury	5,000
Life Education Trust Mid & South Canterbury	8,830
Methven Football Club	15,000
Mid Canterbury Aero Club Inc	20,000
Mid Canterbury Choir	4,076





# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 31 March 2019

	\$ AMOUNT
<b>11. GRANTS APPROVED (continued)</b>	
Mid Canterbury Emergency Relief Charitable Trust	3,000
Mid Canterbury Hockey Inc	5,000
Mid Canterbury Mountain Bike Club Inc	9,420
Mid Canterbury Netball	5,000
Mid Canterbury Newcomers Network	7,500
Mid Canterbury Vintage Machinery Club Inc	5,000
Mount Cook Residents' Association	500
Multiple Sclerosis & Parkinson's Society of Canterbury Inc	8,000
National Heart Foundation of NZ	5,000
Netball South Canterbury	5,000
New Zealand Alpine Club	10,000
NZ Council of Victim Support Groups Inc	7,500
Orari River Protection Group (2017/18 grant amendment)	364
Parkinsonism Society of South Canterbury Division Inc	10,000
Peel Forest Outdoor Pursuits Charitable Trust	5,000
Pleasant Point Bowling Club	3,990
Presbyterian Support Services South Canterbury	4,464
Presbyterian Support South Canterbury	10,000
Presbyterian Support Upper South Island	5,000
Presbyterian Support Upper South Island/The Ashburton Housing & Support Trust	125,000
Project Peel Society Inc	21,000
Rakaia Toy Library Trust	2,000
Ronald McDonald House Charities New Zealand Trust	5,000
Royal New Zealand Foundation of the Blind	2,000
Royal New Zealand Plunket Trust	10,000
Royal NZ Society for the Prevention of Cruelty to Animals Inc	3,000
South Canterbury Amateur Athletics Club	3,325
South Canterbury Highland Pipe Band Inc	7,000
South Canterbury Indian Cultural Society Inc	2,500
South Canterbury Justices of the Peace Association Inc	1,922
South Canterbury Multiple Sclerosis Society Inc	10,000
South Canterbury Neighbourhood Support	10,000
South Canterbury Piping & Dancing Assoc	575
South Canterbury Stroke Club	3,000
South Canterbury Traction Engine & Transport Museum Inc	20,000
South Canterbury Women's Wellness Centre Inc	2,000
Southern Alps Country Music Awards Association Inc	2,000
Southern Rugby Club (Mid Canterbury) Inc	5,000
St Andrews Church	6,000
Stopping Violence Services (Christchurch)	5,000
Te Aitakihi Trust Inc	15,000
Ted d'Auvergne Sculpture Fundraising Committee	9,900
Temuka & Districts Projects Trust	5,000
Temuka Golf Club Inc	5,000
Temuka Returned Services Association Inc	2,684
The Ashburton Railway & Preservation Society Inc	10,000
The Geraldine Academy of Performance & Arts Inc	8,000
The Mid Canterbury Cricket Association Inc	3,000
The Salvation Army New Zealand - Ashburton Corps	5,000
The Salvation Army New Zealand - Timaru Corps	5,000
The Salvation Army New Zealand Trust - Timaru	10,000
The Salvation Army New Zealand Trust - Ashburton	10,000
The Scout Association of New Zealand	3,000
The South Canterbury District Cricket Association Inc	3,000
The Trott's Garden Charitable Trust	10,800
Thistle AFC	5,680



# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

	\$ AMOUNT
<b>11. GRANTS APPROVED (continued)</b>	
Timaru Community Menzshed Inc	10,000
Timaru Community Patrol Inc	6,000
Timaru Municipal Band Inc	5,000
Timaru Parents Centre Inc	1,017
Twizel Promotions & Development Association	1,000
Twizel Sports Development Board	3,300
Volunteering Mid & South Canterbury	20,000
Waimate Aero Club Inc	16,965
Waimate Community Church	2,000
Waimate Golf Club Inc	4,000
Waimate Rugby Football Club Inc	15,000
Waitaki Community Gardens Trust	1,000
Waterwatch Education Trust	3,400
West End Croquet Club (South Canterbury Inc)	4,400
Young Mens' Christian Association of South & Mid Canterbury Inc	50,000
Schools	172,727
Kindergartens	11,000
Early Learning Centres	7,000
	<b>1,195,355</b>

## 12. GRANTS NO LONGER REQUIRED/LAPSED

Geraldine ANZAC Commemorations Trust	7,500
Southern Alps Country Music Awards	1,425
Timaru Indoor Bowls Association	3,405
Pro-ject Waimate	50,000
Geraldine Academy of Performance & Arts	3,000
Squash Midlands	4,114
Peel Forest Outdoor Pursuits	4,005
Anglican Care South Canterbury	41
Twizel Sports	1,468
Aoraki Rugby League	1,214
Tinwald Reserve Board	5,514
Collegiate Rugby	130
	<b>81,818</b>



# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

	Note	2019	2018
		\$	\$
<b>13. CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents comprise cash balances and call deposits.			
<b>Current Assets:</b>			
Forsyth Barr Property Portfolio		245,955	52,037
Forsyth Barr Equities		105,354	428,301
Nikko AM NZ Cash Fund		3,069,054	3,802,339
Elevation Capital Cash Accounts		42,369	371,570
Elevation Capital Off-Shore Cash Accounts		278,698	47,788
Westpac Bank		101,155	125,456
		<u>3,842,586</u>	<u>4,827,491</u>
<b>Current Liabilities:</b>			
<b>Cash and Cash Equivalents in the Statement of Cash Flows</b>		<u><b>3,842,586</b></u>	<u><b>4,827,491</b></u>

There are no restrictions over any of the cash and cash equivalent balances held by the Trust.

## 14. RECEIVABLES

### Receivables from Exchange Transactions

Forsyth Barr Dividends	96,510	94,693
Waterman Fund	23,416	-
Prepaid Expenses	12,970	16,575
TKP Database Costs refund due	-	334
Westpac Bank Accrued Interest	171	91
	<u><b>133,068</b></u>	<u><b>111,693</b></u>

### Receivables from Non-Exchange Transactions

GST Refund Receivable	5,654	8,057
Sundry Receivables	2,141	2,634
	<u><b>7,795</b></u>	<u><b>10,691</b></u>

## 15. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and Equipment Comm House	Plant and Equipment Trust	Total
<b>Cost or Valuation</b>				
Balance as at 1 April 2018	2,542,819	77,628	68,126	2,688,573
Additions (exchange)	1,125	14,383	2,131	17,639
Additions (non-exchange)	-	-	-	-
Disposals	-	(1,000)	-	(1,000)
<b>Balance as at 31 March 2019</b>	<u><b>2,543,944</b></u>	<u><b>91,011</b></u>	<u><b>70,257</b></u>	<u><b>2,705,212</b></u>
<b>Accumulated Depreciation and Impairment</b>				
Balance as at 1 April 2018	305,488	41,758	56,306	403,552
Depreciation	5,769	10,491	5,507	21,767
Impairment	-	-	-	-
Disposals	-	(748)	-	(748)
<b>Balance as at 31 March 2019</b>	<u><b>311,257</b></u>	<u><b>51,501</b></u>	<u><b>61,813</b></u>	<u><b>424,571</b></u>



THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

Notes to and Forming Part of the Financial Statements

For the Year Ended 31 March 2019

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land and Buildings	Plant and Equipment Comm House	Plant and Equipment Trust	Total
<b>Cost or Valuation</b>				
<i>Balance as at 1 April 2017</i>	2,542,819	61,907	64,830	2,669,556
Additions (exchange)	-	15,721	3,296	19,017
Additions (non-exchange)	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>2,542,819</b>	<b>77,628</b>	<b>68,126</b>	<b>2,688,573</b>
<b>Accumulated Depreciation and Impairment</b>				
<i>Balance as at 1 April 2017</i>	298,315	33,637	52,114	384,066
Depreciation	7,173	8,121	4,192	19,486
Impairment	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>305,488</b>	<b>41,758</b>	<b>56,306</b>	<b>403,552</b>
<b>Net Book Value</b>				
<i>As at 1 April 2017</i>	<b>2,244,504</b>	<b>28,270</b>	<b>12,716</b>	<b>2,285,490</b>
<i>As at 31 March 2018</i>	<b>2,237,331</b>	<b>35,870</b>	<b>11,820</b>	<b>2,285,021</b>
<i>As at 31 March 2019</i>	<b>2,232,687</b>	<b>39,510</b>	<b>8,444</b>	<b>2,280,641</b>

Note	2019	2018
	\$	\$

16. OTHER INVESTMENTS AND DERIVATIVE ASSETS

Assets:

*Loans and Receivables*

Cash and Cash Equivalents	3,842,586	4,827,491
Receivables	140,863	122,384
Investments : Term Deposits	51,500	25,587
<b>Total Loans and Receivables</b>	<b>4,034,948</b>	<b>4,975,462</b>

*Financial Instruments at Fair Value*

1(p)

Portfolio Investments:

Forsyth Barr Property Portfolio	4,523,590	3,693,640
Nikko Asset Management NZ Bonds	8,055,375	7,863,014
Forsyth Barr NZ Equity	7,653,370	6,358,321
Forsyth Barr Australian Equity	6,689,670	7,313,234
Hunter Investment Management Global Fund	7,580,330	7,550,748
Elevation Capital Offshore Equity	14,979,294	15,503,415
BNP Paribas FX Account	-	(200,868)
<b>Total Financial Instruments at Fair Value</b>	<b>49,481,628</b>	<b>48,081,505</b>

*Private Equity Financial Assets*

Waterman Fund	1,205,540	716,250
Direct Capital Fund	678,301	569,927
Pioneer Capital Fund	533,233	152,793
<b>Total Available-for-sale Financial Assets</b>	<b>2,417,074</b>	<b>1,438,970</b>





# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 31 March 2019

	Note	2019	2018
		\$	\$
<b>17. PAYABLES - EXCHANGE TRANSACTIONS</b>			
<i>Financial Liabilities Measured at Amortised Cost</i>			
Trade Payables from Exchange Transactions		26,582	62,629
Sundry Accruals		28,505	25,595
<i>Total Financial Liabilities Measured at Amortised Cost</i>		<b>55,087</b>	<b>88,225</b>
<b>18. PAYABLES - NON-EXCHANGE TRANSACTIONS</b>			
<i>Grants Approved not yet Paid Out:</i>			
Arowhenua Whanau Services		2,000	-
Ashburton Multi Cultural Trust		2,000	-
Ashburton County Scottish Society Pipe Band		3,370	-
Ashburton Learning Centre		10,000	-
Ashburton Youth Café		8,500	-
Collegiate Rugby Football Club Inc		-	1,400
Geraldine ANZAC Commemorations Trust		-	7,500
Geraldine Arts & Plants Festival		2,000	-
Geraldine Bowling Club		-	3,500
Hospice Mid Canterbury		-	5,000
Mid Canterbury Hockey		5,000	-
Mid Canterbury Mountain Bike Club		9,420	-
Mid Canterbury Rugby Union Inc		-	2,500
Netball South Canterbury		5,000	-
Orari River Protection Group		1,725	2,373
Presbyterian Support		42,000	-
Project Peel		14,000	-
Salvation Army (Ashburton)		5,000	-
Salvation Army (Timaru)		5,000	-
SC Gymsports		10,000	20,000
Southern Alps Country Music Awards		2,000	2,000
Timaru Group Riding for the Disabled Inc		-	8,675
Twizel Promotions		1,000	-
Waimate Croquet Club		-	1,449
<i>Total Grants Approved not yet Paid Out:</i>		<b>128,015</b>	<b>54,397</b>
<b>19. LOANS AND BORROWINGS</b>			
<i>Financial Liabilities Measured at Amortised Cost</i>			
Heartland Technology Limited			
Current Borrowings		1,920	-
Non-Current Borrowings		6,880	-
<i>Total Financial Liabilities Measured at Amortised Cost</i>		<b>8,800</b>	-





# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Notes to and Forming Part of the Financial Statements

### For the Year Ended 31 March 2019

#### 20. Related Party Transactions

##### Trustees

The Trustees are associated with the following organisations:

##### 2019

<i>Name</i>	<i>Organisation</i>	<i>Association</i>
Argyle-Reed, Jane	Mid Canterbury Choir	Member
	Mid Canterbury Vintage Car Club	Family Connection
	Trott's Garden	Family Connection
Brett, Michelle	Royal NZ Plunket Society	Past Board Member
	YMCA	Board Member
Clarke, Te Hurinui	Mid Canterbury Choir	Friendship Connection
	Ashburton Civic Music Council	Friendship Connection
	Mid Canterbury Emergency Relief	Friendship Connection
	Connecting Mid Canterbury Charitable Trust	Friendship Connection
Forman, David	Mackenzie Ice Hockey	Family Connection
	YMCA	Trustee Connection
	Timaru Boys High School	Board Member
Hide, Jan	Presbyterian Support	Board Member
	Alzheimers Society South Canterbury	Board Member
	Project Peel	Family Connection
	Temuka RSA	Family Connection
Keggenhoff, Michele (former Trustee)	YMCA	Employee
O'Leary, Peter (former Trustee)	Ashburton Golf Club	Member
Simpson, Karen	Lake Tekapo Bright Stars Trust	Family Connection
	ESNZ Eventing	Family Connection
Smith, Rob (former Trustee)	Peel Forest Outdoor Pursuits	QEII Trust Connection
	Waimate Rugby Football Club	Client Connection
	Waimate District Digital Trust	Client Connection
	Royal NZ Plunket Society	Client Connection
	South Canterbury Museum	Client Connection
	Ka Toi Maori O Aoraki	Employee
	Arowhenua Mhanau Services	Employee
Stevenson, Lisa	Ashburton Railway & Preservation Society	Chairperson Tinwald Reserve
Wing, Alistair		

*The above Trustees were absent from any decision making meetings involving their associated organisations.*

##### 2018

<i>Name</i>	<i>Organisation</i>	<i>Association</i>
Brett, Michelle (former Trustee)	Safer Ashburton	Chair Hauora Leadership
de Joux, Raeleen (former Trustee)	Riparian Support Trust	Family Connection
	Hockey South Canterbury	Member
	Highfield Tennis Club	Family Connection
Hide, Jan	Project Peel	Family Member
Forman, David	SC Highland Pipe Band	Business Connection
	Waimate Shears	Client
	Citizens Advice Bureau	Client Connection
	Hearing Assn	Client Connection
	Pleasant Point Golf Club	Client Connection
	Bushtown Waimate	Client Connection
	Life Education Trust	Family Connection
Keggenhoff, Michele (former Trustee)	Canty Youth Workers Collective	YMCA Employee
	Stopping Violence Services	YMCA Employee
	YMCA	Employee



## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Notes to and Forming Part of the Financial Statements

#### For the Year Ended 31 March 2019

#### 20. Related Party Transactions (Continued)

O'Leary, Peter (former Trustee)	Allenton Sports Club	Family Connection
	Ashburton Operatic Society	Member
	Mid Canterbury Rugby Union	Past President
Smith, Rob (former Trustee)	Waimate Historical Society	Treasurer
	SC Forest & Bird Society	Trust Connection
	Waimate Golf Course	Member
	Squash Midlands Assn	Client Connection
	Riverbridge Native Species Trust	Client Connection
	Waimate Toy Library	Client Connection
	Orari River Trust	QEI Trust Connection
Stevenson, Lisa	Arowhenau Whanau Services	Employee
Strauss, Jenifer (former Trustee)	SC Highland Pipe Band	Family Connection
	Squash Midlands Assn	Client Connection
	Orari River Trust	Friend Connection
Whiting, Rex (former Trustee)	Life Education Trust	Family Connection
	Safer Ashburton	Board Member
	Age Concern Ashburton	Family Connection
	Ashburton Senior Citizens	Committee Member
Wing, Alistair	MC Vintage Machinery Club	Chairperson Tinwald Reserve
	Waimate Shears	Family Member
	Tinwald Reserve Board	Board Member

*The above Trustees were absent from any decision making meetings involving their associated organisations.*

#### Staff

The following staff members are associated with the following organisations:

#### 2019

*No employees were involved in any associated organisations.*

#### 2018

*No employees were involved in any associated organisations.*





## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

We have audited the financial statements of The Community Trust of Mid & South Canterbury Inc. on pages 5 to 24, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Community Trust of Mid & South Canterbury Inc. as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Community Trust of Mid & South Canterbury Inc. in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, The Community Trust of Mid & South Canterbury Inc. .

#### Restriction on Responsibility

This report is made solely to the Trustees, as a body, in accordance with Community Trusts Act 1999. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Other Information

The Trustees are responsible for the other information. The other information comprises the Chairman's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Trustees' Responsibility for the Financial Statements**

The Trustees are responsible on behalf of the entity for the preparation and fair presentation of the financial statements in accordance with Tier 2 PBE, 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.

In preparing the financial statements, the Trustees are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at [www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/](http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/).

The engagement partner on the audit resulting in this independent auditor's report is Derily MacLean.  
Signed:

*Mark Wakefield*

Timaru  
30 August 2019