

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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Trust Particulars

As at 31 March 2022

<b>Nature of Business</b>	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 & recreational benefits to the community.
<b>Trustees</b>	Nathan Mills (Chairperson); BBC - Journalism Alistair Wing (Deputy Chairperson); JP, B Ag Com, FNZIV, FPINZ Lisa Stevenson; DipSocial Work Janine Quigley; BCom Pauline Luyten; LLB BSc PGDipSpt Med Gail Thompson Jane Argyle-Reed; LLB, BA Tania Reuben Tina Stevenson; DipBusiness, DipAccounting, ACA Mark Adams
<b>Chief Executive Office</b>	Elizabeth Shea; JP, Dip Bus
<b>Investment Advisor</b>	Michael Chamberlain, MCA NZ Ltd, Auckland
<b>Investment Managers</b>	Forsyth Barr Nikko Asset Management Hunter Investment Management Global Fund Elevation Capital
<b>Custodians</b>	BNP Paribas Public Trust
<b>Accountants</b>	HC Partners LP Chartered Accountants 39 George Street TIMARU
<b>Auditor</b>	BDO Christchurch Chartered Accountants PO Box 246 Christchurch 8140
<b>Bankers</b>	Westpac Bank, Timaru
<b>IRD Number</b>	051-648-994

## For the Year Ended 31 March 2022

## Trustees

The Trustees are associated with the following organisations:

## 2022

<i>Name</i>	<i>Organisation</i>	<i>Association</i>
Adams, Mark	High Country Medical Trust	Personal Connection
	MacKenzie Care Charitable Trust	Committee Member
	Mid Canterbury Emergency Relief	Professional Connection
	Orari River Protection Group	Professional Connection
	Southern Canterbury A&P Association	Personal Connection
Argyle-Reed, Jane	Ashburton Senior Centre Trust	Client Connection
	Ashburton Trust Event Centre	Personal Connection
	Ashburton Youth Café CT (BASE)	Client Connection
	Ashburton Youth Health Trust	Personal Connection
	Birthright Canterbury Trust	Personal Connection
	Cancer Society Canterbury-West Coast	Personal Connection
	Girl Guides Association NZ Inc	Personal Connection
	Hakatere Ceramics & Pottery Ashburton	Work Connection
	Mid Canterbury Youth Trust	Personal Connection
	Staveley Hall Society	Client Connection
	Volunteering Mid & South Canterbury	Client Connection
	Fale Pasifika	Connect to Board
Luyten, Pauline	Te Aitakihi Trust	Work Connection
	Volunteering Mid & South Canterbury	Client Connection
	Ashburton Baptist Church	Professional Connection
Mills, Nathan	Trotts Community Garden Charitable Trust	Client Connection
	Waimate Golf Club	Member
	YMCA South & Mid Canterbury	Trustee of Related Entity
Reuben, Tania	Ashburton Youth Café CT (BASE)	Personal Connection
	Volunteering Mid & South Canterbury	Personal Connection
Thompson, Gail	Peel Forest Outdoor Pursuits	Client Connection
	Te Aitakihi Trust	Client Connection
	YMCA South & Mid Canterbury	Work Connection
Wing, Alistair	Heart Kids NZ	Personal Connection

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



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



**For the Year Ended 31 March 2022**

**2021**

<i>Name</i>	<i>Organisation</i>	<i>Association</i>
Adams, Mark	Waihao Wainono Catchment Community Group Inc	Professional Connection
Argyle-Reed, Jane	Ashburton Community Alcohol & Drug Service	Chairperson
	Ashburton Senior Citizens Inc	Client Connection
	Birthright Canterbury Trust	Family Connection
	Cancer Society Canterbury-West Coast	Family Connection
	Community Accounts Service	Professional Connection
	Community Accounts Service	Client Connection
	Mid Canterbury Aero Club	Client Connection
	Mid Canterbury Netball	Business Connection
	Rakaia Netball	Friendship Connection
	Volunteering Mid & South Canterbury	Professional Connection
Forman, David	YMCA South & Mid Canterbury	Client Connection
Luyten, Pauline	Fraser Park Community Trust	Board Member of Assoc Entity
	Gleniti Golf Club	Personal Connection
	Old Boys Sports Club	Board Member
	Old Boys Sports Club	Personal Connection
	Te Aitarakihi	Business & Personal Connection
	Te Aitarakihi Trust	Work Connection
	Tongan Society SC	Board Member
Mills, Nathan	Aorangi Golf Association	Member
	Ashburton Baptist Church	Personal Connection
	Gleniti Golf Club	Former Member
	Pleasant Point Grounds	Personal Connection
	Trotts Community Garden Charitable Trust	Professional Connection
	YMCA South & Mid Canterbury	Trustee of Related Entity
Quigley, Janine	CAB	Personal Connection
	Timaru Girls' High School	Employee
Reuben, Tania	Hakatere Marae	Marae Trustee
Thompson, Gail	Canterbury West Coast Sports Trust	Personal Connection
	Community Accounts	Client Connection
	Community Accounts Service	Friendship Connection
	Fraser Park	YMCA Employee & project supporter
	Geraldine Direct Development	Client Connection
	Geraldine Sport	Client Connection
	Old Boys Sports Club	Member
	Old Boys Sports Club Timaru	Player
	Peel Forest Outdoor Pursuits	Client Connection
	Presbyterian Support SC	Personal Connection
	Te Aitarakihi	Client Connection
	Te Aitarakihi Trust	Work Connection
	Temuka & Geraldine Agricultural & Pastoral Assoc	Commercial Connection
	Tennis SC	Personal Connection
	The Order of St John Timaru Area Committee	Client Connection
	Theatre in Education Trust	YMCA Employee & Connection
	Volunteering Mid & South Canterbury	Friendship Connection
	YMCA South & Mid Canterbury	Work Connection
Wing, Alistair	BDO Accountants	Relation employed by BDO

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

# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Chairperson's Report

### For the Year Ended 31 March 2022

As with the 2020-21 financial year, the 2021-22 year under review has been challenging for our wider communities due to the ongoing COVID-19 pandemic and its various impacts, including;

- Individuals' health,
- The resultant mental and/or financial effect that has on family members, and
- The economic issues experienced by businesses in striving to maintain 'status-quo' operations whilst employees are off sick, customer numbers reducing and an inability to obtain supplies and materials or products to continue operations.

The Trust has seen those same factors impact on the charities and organisations it supported throughout the year, both upon the individuals who work within those organisations, and at an organisational level, with many closing-down operations during lockdowns, many volunteers and staff working from home, doing the best they could to continue the meritorious work they do in our communities.

The Trust itself wasn't immune from these issues. Our small team of three did an exemplary job running Community House in Timaru during the lockdowns, maintaining operations as best as possible and consulting with our tenants regarding the ongoing operations of that facility.

At a financial level, the market corrections experienced in the last quarter of the financial year hit our investment portfolio, impacting upon our final financial result.

That said, the trustees made an active decision at the beginning of the financial year to continue to invest as much as possible into our communities, not just for the direct benefit that has to those organisations, but for the wider economic benefit that provides to businesses and their employees in our four districts, from the downstream flow of those grants.

I'm personally proud that despite the challenges experienced, we granted a record amount into the community, yet still retain a robust financial position, thus securing our ongoing ability to maintain our asset base in line with an inflation adjusted measure, and from that, an ongoing ability to support our four districts and their communities in the future.

### Grants

Grants approved during the financial year totaled \$2,513,119 (2021: \$2,431,152) a 4.13% increase year on year.

This on the face of it is a nominal increase but remember these are the only two-years in trust history where more than \$2,000,000 has been granted in a financial year.

Another measure of the granting total is that it equates to \$27.20 granted per capita for the population of our four districts.<sup>1</sup>

The most sizeable grants included:

\$250,000	CPlay
\$170,000	Athletics South Canterbury Track Trust
\$100,000	Central South Island Cycle Trails Inc (multi-year)
\$ 120,000	Staveley Hall Society
\$ 80,000	Mt Somers Walkway Society
\$ 50,000	Coastguard Mackenzie Lakes Inc

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<sup>1</sup> Data taken from 2018 Government Census, Ashburton 33,423 people, Waimate 7,815, Timaru 46,296 and Mackenzie 4,866.

# THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

## Chairperson's Report (Continued)

### For the Year Ended 31 March 2022

A feature of the bulk of these grants is that whilst they benefit individual organisations per se, the resultant social benefit achievable from the improved facilities is available to people from within our communities, but also visitors, thus providing potential economic benefit to our wider regions.

Whilst smaller in individual sums, our ongoing operational grants to charitable groups is a highlight, in that we continue to be one of the few funders regionally to support charities and community organisations with operational funding, including wages.

Granting Rounds 1 and 3 largely provide for that operational funding, a total of \$428,602 was committed in those rounds.

A sadder indictment of our community's ongoing social issues is evidenced by our foodbank funding, \$125,900 to 10 entities (2021: \$121,900 to 10 entities) throughout our funding geography despite our regions all having historically low unemployment, meaning families are struggling despite being in work.

When visiting one foodbank to acknowledge the work they're doing earlier this year, I was struck when told that many recipients of food parcels send back the mince with a note, 'we don't have a cat'.

### Investment Performance

The Trust receives Income from Dividends, Net Gains on Investments (realised), and Net Gain on Investments (unrealised).

The most significant year on year variance between those various forms of Income was the latter providing just \$14,964 (2021: \$6,501,244) in FY21-22.

Effectively the Trust made an overall operational surplus of \$151,063 (2021: \$8,163,086) after approving grants of \$2,513,119 and other operational expenditure.

Some may argue we have been overly generous in our granting this year; however, I would point to our net asset position as at March 2022, being \$62,100,274.

That effectively comprises:

Our Initial Capital Fund (as at 1 April 1996)	\$32,087,148	
Inflation Reserve	\$20,157,212	
Residual Surplus <sup>2</sup>	\$9,855,914	15.87%

That buffer of 15.87% is the effective surplus the Trust holds over the required goal of maintaining our Capital Fund on an inflation adjusted basis.

I believe that places the Trust on a solid footing to meet the ongoing challenges our regions will encounter as the 'after-effects' of COVID19 remain with economic issues such as inflation pressures now coming down hard on our communities.

### People

I'd like to record my thanks to the Trustees who put in significant time and effort on the Trust's behalf, and who all take a great responsibility in assessing and adjudicating over grant applications and other governance tasks.

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<sup>2</sup> Residual surplus comprises net of Retained Earning and Revaluation of available for sale financial instruments.

## THE COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC

### Chairperson's Report (Continued)

#### For the Year Ended 31 March 2022

I'd particularly like to record my thanks to Lisa Stevenson (Ngāi Tahu, Te Runanga O Arowhenua) who resigned her trusteeship during the year. She provided advocacy for both Māori and Temuka communities with clarity and vision and is a person I hold in high regard. Ngā manaakitanga Lisa.

To Liz Shea - Chief Executive Officer, Lorel Hallinan - Community Relations Manager and Kathryn Barber - Operations Coordinator, thanks for your hard work during the year in rather unique circumstances, let's hope this year is a rather kinder time for us all.

#### Community House Timaru

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. 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 Coming Year

Whilst the Trustees have approved a granting budget of \$2,100,000 with a potential buffer up to \$400,000 for the FY22-23 year, we're watching financial markets closely and the impact they have on our various investment portfolios will in part influence our granting decisions into the future.

Thanks to all the community organisations we work with; you're all doing valuable work in one way or another, and our four districts wouldn't be the places they are without your ongoing efforts.

We look forward to working with you all over the coming year.

Ngā mihi nui

Nathan Mills

Chairman

## Statement of Comprehensive Revenue and Expense

For the Year Ended 31 March 2022

	Note	2022	2021
		\$	\$
<b>Revenue</b>	<b>2</b>		
Revenue from Exchange Transactions			
Investment Operations	2(i)	2,755,217	10,614,639
Community House Operations	2(ii)	128,763	135,478
Revenue from Non-exchange Transactions			
Community House Operations		-	-
<b>Expenses</b>			
Investment Operations	3	(689,077)	(669,484)
Community House Operations	4	(132,830)	(146,954)
Grants Approved	5	(2,513,119)	(2,431,152)
Grants No Longer Required/Lapsed	6	28,470	-
<b>Operating Surplus (Deficit)</b>		<b>(422,576)</b>	<b>7,502,527</b>
Finance Income	7	573,639	660,559
<b>Surplus (Deficit) for the Year attributable to the Trustees</b>		<b>151,063</b>	<b>8,163,086</b>
<b>Other Comprehensive Revenue and Expense</b>			
Items that will not be reclassified subsequently to Revenue and Expense			
Gain on revaluation of available-for-sale financial instruments	2 (iii)	(69,474)	693,562
<b>Total Comprehensive Revenue and Expense for the Year attributable to the Trustees</b>		<b>81,589</b>	<b>8,856,648</b>

## Statement of Changes in Net Assets/Equity

For the Year Ended 31 March 2022

	Initial Capital Fund - 1 April 1996	Inflation Reserve	Available- for-sale Fair Value Reserve	Accumulated Revenue and Expense	Total Equity
<b>Opening balances at 1 April 2021</b>	32,087,148	16,785,032	1,095,864	12,050,641	62,018,685
Surplus for the year				151,064	151,064
Other comprehensive revenue and expense					-
Transactions with owners in their capacity as owners					-
Transfer to inflation reserve		3,372,180		(3,372,180)	-
Other comprehensive revenue and expense			(69,474)		(69,474)
<b>Total comprehensive revenue and expense for the year</b>	-	3,372,180	(69,474)	(3,221,117)	81,589
<b>Balance at 31 March 2022</b>	<b>32,087,148</b>	<b>20,157,212</b>	<b>1,026,390</b>	<b>8,829,524</b>	<b>62,100,274</b>
<b>Opening balances at 1 April 2020</b>	32,087,148	16,062,783	402,302	4,609,804	53,162,037
Deficit for the year				8,163,086	8,163,086
Other comprehensive revenue and expense					-
Transactions with owners in their capacity as owners					-
Transfer to inflation reserve		722,249		(722,249)	-
Other comprehensive revenue and expense			693,562		693,562
<b>Total comprehensive revenue and expense for the year</b>	-	722,249	693,562	7,440,837	8,856,648
<b>Balance at 31 March 2021</b>	<b>32,087,148</b>	<b>16,785,032</b>	<b>1,095,864</b>	<b>12,050,641</b>	<b>62,018,685</b>

## Statement of Financial Position

As at 31 March 2022

	Note	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	9	3,084,878	4,020,462
Receivables (from exchange transactions)	10	79,571	71,944
Receivables (from non-exchange transactions)	10	6,257	11,246
GST Receivable		-	3,900
<b>Total Current Assets</b>		<b>3,170,706</b>	<b>4,107,552</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11	2,255,790	2,253,937
Investments	12	56,887,469	56,489,881
<b>Total Non-Current Assets</b>		<b>59,143,259</b>	<b>58,743,818</b>
<b>Total Assets</b>		<b>62,313,965</b>	<b>62,851,370</b>
<b>Current Liabilities</b>			
Payables (from exchange transactions)	13	59,466	50,412
Current Portion of Loans & Borrowings	14	1,920	1,920
GST Payable		1,022	-
Payables (from non-exchange transactions)	15	150,324	777,474
<b>Total Current Liabilities</b>		<b>212,731</b>	<b>829,806</b>
<b>Non-Current Liabilities</b>			
Loans & Borrowings	14	960	2,880
<b>Total Liabilities</b>		<b>213,691</b>	<b>832,686</b>
<b>Net Assets</b>		<b>62,100,274</b>	<b>62,018,685</b>

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

## Statement of Financial Position (continued)

As at 31 March 2022

	Note	2022 \$	2021 \$
<b>Trust Funds</b>			
Accumulated Revenue and Expense		8,829,524	12,050,640
Initial Capital Fund - 1 April 1996		32,087,148	32,087,148
Inflation Reserve		20,157,213	16,785,032
Available-for-sale Fair Value Reserve		1,026,389	1,095,864
<b>Total Trust Funds</b>		<b>62,100,274</b>	<b>62,018,685</b>
<b>Total Trust Funds &amp; Beneficiaries' Current Accounts</b>		<b>62,100,274</b>	<b>62,018,685</b>

Signed on Behalf of the Board of Trustees

*Nathan Mills*

Trustee

Date 8 August 2022

Chairperson

*Alistair Wing*

Trustee

Date 8 August 2022

Trustee



## Statement of Cash Flows

For the Year Ended 31 March 2022

	Note	2022 \$	2021 \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Receipts from Operations		133,261	131,795
Dividends Received		1,342,530	1,312,930
Interest Received		573,681	660,654
Net GST Refunds		5,875	-
		<b>2,055,347</b>	<b>2,105,379</b>
<b>Cash was disbursed to:</b>			
Payments to Suppliers and Employees		411,747	467,696
Management and Consultancy Fees		389,538	341,756
Grants		3,111,799	2,039,038
Net GST Payments		-	2,690
		<b>3,913,084</b>	<b>2,851,180</b>
<b>Net Cash Outflows from Operating Activities</b>		<b>(1,857,737)</b>	<b>(745,801)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash was provided from:</b>			
Proceeds on Sale of Financial Assets		966,203	2,820,334
		<b>966,203</b>	<b>2,820,334</b>
<b>Cash was disbursed to:</b>			
Purchase of Property, Plant and Equipment		13,884	2,695
Purchase of Investments		29,183	611,668
		<b>43,067</b>	<b>614,363</b>
<b>Net Cash Inflows (Outflows) from Investing Activities</b>		<b>923,136</b>	<b>2,205,971</b>
<b>Cash Flows from Financial Activities</b>			
<b>Cash was disbursed to:</b>			
Repayment of Loans & Borrowings		1,920	1,920
		<b>1,920</b>	<b>1,920</b>
<b>Net Cash Outflows from Financial Activities</b>		<b>(1,920)</b>	<b>(1,920)</b>
Net Decrease in Cash Held		(936,521)	1,458,250
Cash & Cash Equivalents at the Beginning of the Year		4,020,462	2,544,943
Gain on Conversion of Cash & Cash Equivalents		937	17,269
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>9</b>	<b>3,084,878</b>	<b>4,020,462</b>

**For the Year Ended 31 March 2022**

**1 Statement of Accounting Policies**

**Reporting Entity**

The COMMUNITY TRUST OF MID & SOUTH CANTERBURY INC 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 2022 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 2021 to 31 March 2022 and in accordance with the requirements of the Community Trusts Act 1999 s13.

**Financial Reporting Standards Applied**

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"), applying PBE Standards Reduced Disclosure Regime (PBE Standards RDR) 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 as 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 measured at fair value.

The Functional and Presentation currency is in New Zealand dollars. All values are rounded to the nearest \$.

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**For the Year Ended 31 March 2022**

**Going Concern**

The financial statements have been prepared on a going concern basis.

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of the Statement of Comprehensive Revenue & Expense and Statement of Financial Position have been applied:

**(a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the trust and revenue can be reliably measured.

*Revenue from Exchange Transactions*

**Dividend Income**

Dividend income is recognised on an accrual basis when the Trust's right to receive payment has been established and the amount can be reliably measured.

**Rental Income**

Rental income is recognised in surplus or deficit on a straight-line basis over the term of the lease.

For the Year Ended 31 March 2022

*Revenue from Non-Exchange Transactions*

Non-exchange transactions are those where the Trust receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measured

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions where there is a resulting present obligation as a result of the non-exchange transactions, where both

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably measured

The following specific recognition criteria in relation to the Trust's non-exchange transaction revenue streams must also be met before revenue is recognised.

*Grants and Donations*

The recognition of non-exchange revenue from grants and donations depend on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are "conditions" specifically required the Trust to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the "conditions" are satisfied.

Stipulations that are "restrictions" do not specifically require the Trust to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

**For the Year Ended 31 March 2022**

(b) Property, Plant and Equipment and Investment Property

i. Recognition and measurement

Items of property plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

Items of property, plant and equipment are subsequently measured under the:

- Cost model: Cost (or fair value for items acquired through non-exchange transactions) less accumulated depreciation and impairment.

All of the Trust's items of property, plant and equipment are subsequently measured in accordance with the cost model.

Cost includes expenditure that is directly attributable to the acquisition of the asset. This includes the following:

- The cost of materials and direct labour
- Costs directly attributable to bringing the assets to a working condition for their intended use
- When the Trust has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Trust. Ongoing repairs and maintenance is expensed as incurred.

iii. Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value.

Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The diminishing value depreciation rates are:

- Buildings 8-20% DV
- Property, plant and equipment 8-50% DV

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

(c) Income Tax

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

For the Year Ended 31 March 2022

(d) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

(i) Recognition and Derecognition

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, waived, cancelled or expires.

(ii) Classification and Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with Revenue from Contracts with Customers (NZ IFRS 15), all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition into one of three categories defined below, and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of the three categories below, determines the basis for subsequent measurement and whether any resulting movements in value are recognised in the reported surplus and deficit or other comprehensive revenue and expense.

(iii)

*Fair Value through Surplus or Deficit*

A financial instrument is classified as fair value through surplus or deficit if it is:

- Held-for-trading:
  - All derivatives where hedge accounting is not applied
  - Financial instruments acquired for the purpose of selling or repurchasing in the short term
- Designated at initial recognition:
  - If the Trust manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Trust's documented risk management or investment strategy

Assets in this category are measured at fair value with gains or losses recognised in surplus or deficit. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

**For the Year Ended 31 March 2022**

The fair value of financial assets is classified by reference to the fair value hierarchy within PBEIPSAS 30 Financial Instruments:

- \* 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.

**\* 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 fund management.

The fair value of unlisted property is based on external independent market valuation for investment properties. This valuation is dependent on fund 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.

For the Year Ended 31 March 2022

*Available-for-sale Financial Assets*

The Available-for-sale Financial Assets of the Community Trust of Mid & South Canterbury consist of six investments being:

- \* Waterman Fund 3
- \* Waterman Fund 4
- \* Direct Capital Fund V
- \* Direct Capital Fund VI
- \* Pioneer Capital Fund 3
- \* Pioneer Capital Fund IV

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category as they are not held for trading or to maturity, or do not qualify for inclusion in any of the other categories of financial assets.

Available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive revenue and expenses and reported within the "available-for-sale fair value reserve" within equity, except for impairment losses which are recognised in the surplus or deficit for the year. Interest and dividend income on available-for-sale financial assets are recognised in the surplus or deficit for the year.

Upon derecognition, the accumulated gain or loss within net assets/equity is reclassified to surplus or deficit.

*Financial Assets Classified as Available-for-sale*

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity to surplus or deficit.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

In the case of debt instruments classified as available-for-sale, the impairment is assessed based on the same criteria as financial assets at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit. The cumulative loss that is reclassified from the fair value reserve in net assets/equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.



**For the Year Ended 31 March 2022**

(iv) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Trust's cash and cash equivalents, trade debtors and most other receivables fall into this category of financial instruments.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(e) Employee Benefits

(i) Short-term Employee Benefits

Short-term employee benefit liabilities are recognised when the Trust has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

(ii) Other Long-term Employee Benefits

Long-term employee benefit obligations are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided up to reporting date for which settlement will be beyond 12 months of reporting date. Long-term employee benefit obligations are measured.

(iii) Post-employment Benefit Plans

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

(iv) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset (prepayment) to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(f) Goods and Services Taxation (GST)

Revenue 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.

**For the Year Ended 31 March 2022**

(g) Impairment

Impairment of Non-Financial Assets

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, & equipment, 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 is as 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 surplus or deficit.

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

(h) Grants

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

(i) 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 comprehensive revenue and expense.

(j) 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.

Accumulated Revenue and Expense - 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.

Inflation Reserve - records the accumulated inflation calculated each year by applying the Consumer Price Index to the opening Capital Fund.

Available-for-sale Fair Value Reserve - records the gains and losses regarding the Available-for-sale Financial Assets.

**For the Year Ended 31 March 2022**

(k) Finance Income

Finance income comprises interest income on financial assets, gains on the disposal of available-for-sale financial assets, and fair value gains on financial assets at fair value through surplus or deficit. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

(l) Changes in Accounting Policies and Disclosures

There have been no changes in accounting policies during the year. Accounting policies have been applied on a consistent basis throughout the year.

(m) Significant Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions about the recognition and measurement of assets, liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

(i) Significant Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 31 March 2022: No critical judgements have been made this year.

(ii) Key Sources of Estimation Uncertainty

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial year 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 amounts, depreciation/amortisation method and rate.
- \* The fair value of investments.

<b>2 Revenue</b>	<b>Sub Notes</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
Investment Operations Income from Exchange Transactions	(i)	2,755,217	10,614,639
Community House Operations Income from Exchange Transactions	(ii)	128,763	135,478
<b>Total Revenue</b>		<b>2,883,980</b>	<b>10,750,117</b>

For the Year Ended 31 March 2022

**(i) Investment Operations Income from Exchange Transactions**

Realised Gains (Losses)  
Net Change in Financial Instruments at Fair Value (Unrealised)  
Other Investment Income  
Dividends Received

**Total Investment Operations Income from Exchange Transactions**

2022	2021
\$	\$
1,372,958	2,816,311
14,964	6,501,244
17,097	4,022
1,350,199	1,293,062
<b>2,755,217</b>	<b>10,614,639</b>

**(ii) Community House Operations Income from Exchange Transactions**

Lease Rentals  
Sundry Rentals  
Printing and Phone Charges Reimbursed

**Total Community House Operations Income from Exchange Transactions**

2022	2021
\$	\$
112,033	121,657
5,220	2,778
11,510	11,043
<b>128,763</b>	<b>135,478</b>

**(iii) Other Comprehensive Revenue and Expense**

*Available-for-sale Revaluation Reserve*

Direct Capital V LP  
Direct Capital VI LP  
Pioneer Capital Fund 3  
Pioneer Capital Fund 4  
Waterman Fund 3 LP  
Waterman Fund 4 LP

**Total Other Comprehensive Revenue and Expense**

2022	2021
\$	\$
204,697	245,627
132,370	57,034
(136,170)	58,652
2,838	-
(657,949)	332,249
384,740	-
<b>(69,474)</b>	<b>693,562</b>

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

For the Year Ended 31 March 2022

**3 Investment Operations Expenses**

	2022	2021
	\$	\$
Accountancy and Advisory Fees	13,325	11,954
Auditor's Fees	11,003	7,400
General Administration Expenses	9,988	12,447
Advertising	5,888	4,628
Smartygrants Database	12,000	12,000
Depreciation	2,506	1,537
Trustees Honoraria & Meeting Expenses	81,022	78,283
Trustees Insurance	3,090	2,980
Portfolio Fees	370,057	348,955
Postage & Tolls	4,260	2,692
Printing and Stationery	4,242	3,776
General Professional Fees	4,039	21,564
Conference Expenses	1,761	560
Trustees & Staff Training	8,659	10,551
Trustees Travel	6,017	4,828
Salary and Wages	151,222	145,328
<b>Total Investment Operations Expenses</b>	<b>689,077</b>	<b>669,485</b>

**4 Community House Operations Expenses**

	2022	2021
	\$	\$
General Administration Expenses	3,072	3,111
Cleaning	14,190	12,040
Depreciation	9,449	10,759
Insurance	19,726	27,171
Heating and Power	16,898	15,003
Loss on Sale of Fixed Assets	75	-
Low Value Assets	482	1,462
Rates	2,875	3,289
Repairs and Maintenance	17,676	30,821
Security and Alarms	6,100	8,126
Telephone and Tolls	4,894	5,712
Salary and Wages	37,392	29,460
<b>Total Community House Operations Expenses</b>	<b>132,830</b>	<b>146,954</b>

**5 Grants Approved**

	2022	2021
	\$	\$
Grants Approved	2,513,119	2,431,152
<b>Total Grants Approved</b>	<b>2,513,119</b>	<b>2,431,152</b>

See Schedule of Grants Approved on page 33.

For the Year Ended 31 March 2022

**6 Grants No Longer Required/Lapsed**

Grants No Longer Required/Lapsed

**Total Grants No Longer Required/Lapsed**

See Schedule of Grants No Longer Required/Lapsed on page 37.

2022	2021
\$	\$
28,470	-
<b>28,470</b>	<b>-</b>

**7 Finance Income**

Interest Received

**Total Finance Income**

2022	2021
\$	\$
573,639	660,559
<b>573,639</b>	<b>660,559</b>

**8 Defined Contribution Plan Expenses**

KiwiSaver Contributions

**Total Defined Contribution Plan Expenses**

2022	2021
\$	\$
6,138	5,099
<b>6,138</b>	<b>5,099</b>

**9 Cash and Cash Equivalents**

**Cash Balance**

Nikko AM NZ Cash Fund

**Bank Account Balances**

Westpac Bank : Current Account

Westpac Bank : Online Saver Account

**Total Cash and Cash Equivalents**

2022	2021
\$	\$
2,911,013	3,660,680
173,866	341,554
-	18,227
<b>173,866</b>	<b>359,782</b>
<b>3,084,878</b>	<b>4,020,462</b>

Cash and Cash Equivalents comprise cash balances and call deposits. The Nikko AM NZ Cash Fund is also used for working capital requirements and grant expenses.

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

For the Year Ended 31 March 2022

**10 Trade and Other Receivables**

**Receivables (from exchange transactions)**

Forsyth Barr Dividends

Westpac Bank Accrued Interest

**Total Receivables (from exchange transactions)**

**Receivables (from non-exchange transactions)**

Sundry Receivables

**Total Trade and Other Receivables**

2022	2021
\$	\$
79,571	71,902
-	42
<b>79,571</b>	<b>71,944</b>
6,257	11,246
<b>85,828</b>	<b>83,191</b>

All amounts are short-term and have been reviewed for indicators of impairment. The carrying value of trade receivables is considered a reasonable approximation of fair value.

**11 Property, Plant and Equipment**

	Opening Carrying Amount	Purchases (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
Property, Plant & Equipment 2022	\$	\$	\$	\$
Land and Buildings	2,224,304	-	3,015	2,221,289
Plant and Equipment - Community				
House	25,513	6,227	6,434	25,306
Plant and Equipment - Trust	4,120	7,657	2,581	9,196
<b>Total Property, Plant &amp; Equipment</b>	<b>2,253,937</b>	<b>13,884</b>	<b>12,030</b>	<b>2,255,791</b>

	Opening Carrying Amount	Purchases (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
Property, Plant & Equipment 2021	\$	\$	\$	\$
Land and Buildings	2,228,044	-	3,740	2,224,304
Plant and Equipment - Community				
House	29,837	2,695	7,019	25,513
Plant and Equipment - Trust	5,657	-	1,537	4,120
<b>Total Property, Plant &amp; Equipment</b>	<b>2,263,538</b>	<b>2,695</b>	<b>12,296</b>	<b>2,253,937</b>

For the Year Ended 31 March 2022

**12 Investments**

**Investments**

	2022	2021
	\$	\$
Term Deposit : Westpac Bank	-	54,714
Cash Management Account : Forsyth Barr Property	166,920	30,356
Cash Management Account : Forsyth Barr Equity	304,001	175,164
Cash Account : Elevation Capital (NZD)	282,806	24,702
Cash Account : Elevation Capital (Offshore)	136,102	575,710
<b>Total Investments</b>	<b>889,829</b>	<b>860,646</b>

**Financial Instruments at Fair Value through surplus & deficit**

Forsyth Barr Property Portfolio	4,493,611	4,415,732
Nikko Asset Management NZ Bonds	7,601,139	8,189,462
Forsyth Barr - NZ Equity	7,884,339	8,192,197
Forsyth Barr - Aust Equity	8,699,348	7,520,509
Hunter Investment Management : Global Fixed Interest Fund	7,082,305	7,715,855
Elevation Capital - Offshore Equity	15,053,629	14,704,224
BNP PARIBAS - FX Account	583	583
<b>Total Financial Instruments at Fair Value through surplus &amp; deficit</b>	<b>50,814,953</b>	<b>50,738,562</b>

**Private Equity Available-for-sale Financial Assets**

Waterman Fund 3 LP	490,479	1,484,408
Direct Capital V LP	999,557	1,165,178
Pioneer Capital Fund 3	1,256,809	1,213,749
Waterman Fund 4 LP	1,015,768	651,074
Direct Capital VI LP	513,230	376,265
Pioneer Capital Fund IV LP	906,844	-
<b>Total Private Equity Available-for-sale Financial Assets</b>	<b>5,182,686</b>	<b>4,890,674</b>

**Total Investments**

**56,887,469** **56,489,881**

**13 Payables (from exchange transactions)**

**Accounts Payable**

	2022	2021
	\$	\$
Employee Entitlements Owing	16,255	10,713
Trade Payables from Exchange Transactions	20,583	12,880
Sundry Accruals	22,628	26,818
<b>Total Payables (from exchange transactions)</b>	<b>59,466</b>	<b>50,412</b>

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



For the Year Ended 31 March 2022

**14 Loans and Borrowings**

Not Later than one year  
Later than one year and not later than two years  
Later than two years and not later than five years

2022	2021
\$	\$
1,920	1,920
960	1,920
-	960
<b>2,880</b>	<b>4,800</b>
Classified as:	
Current Lease Liabilities	1,920
Non-Current Lease Liabilities	2,880
<b>2,880</b>	<b>4,800</b>

Classified as:

Current Lease Liabilities  
Non-Current Lease Liabilities

**Total Loans and Borrowings**

The amount outstanding is payable to Heartland Technology Limited for the purchase of a photocopier.

**15 Payables (from non-exchange transactions)**

Grants Approved Not Yet Paid

2022	2021
\$	\$
150,324	777,474
<b>150,324</b>	<b>777,474</b>

**Total Payables (from non-exchange transactions)**

See Schedule of Grants Approved Not Yet Paid on page 37.

For the Year Ended 31 March 2022

**16 Financial Instruments - Risk Management and Fair Value**

The carrying amount of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2022	2021
	\$	\$
<b>Financial Assets</b>		
Fair Value through Surplus and Deficit	50,814,953	50,738,562
Private Equity Available-for-sale	5,182,686	4,890,674
Loans & Receivables : Cash & Cash Equivalents	3,084,879	4,020,462
Loans & Receivables : Investments	889,829	860,646
Receivables	78,808	76,191
<b>Total Financial Assets</b>	<b>60,051,155</b>	<b>60,586,535</b>
<b>Financial Liabilities</b>		
Financial Liabilities at amortised cost	2,880	4,800
Other Financial Liabilities	193,534	817,172
<b>Total Financial Liabilities</b>	<b>196,414</b>	<b>821,972</b>
	<b>59,854,741</b>	<b>59,764,563</b>

The carrying values of the above financial instruments approximate their fair value.

	2022	2021
	\$	\$
Level 1 - Australasian Equities	16,583,687	15,712,706
Level 2 - Global Equities	22,136,517	22,420,662
Level 3 - Private Equities & Unlisted Property	17,277,436	17,495,868
	<b>55,997,640</b>	<b>55,629,236</b>

**(a) Credit Risk**

30% 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:

	2022	2021
	\$	\$
Accounts Receivable	78,808	76,149
Managed Fund Equities	41,313,613	39,723,336
	<b>41,392,421</b>	<b>39,799,485</b>

For the Year Ended 31 March 2022

**(b) Market Risk**

**(i) 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.

**(ii) Interest Risk**

The following investments of the Trust are sensitive to changes in interest rate:

2022		Less than 6 months	6 months to 1 year	Total
	\$	\$	\$	\$
Bank Call Accounts and Term Deposits	-	173,866	-	173,866
Managed Funds	-	3,800,842	7,082,305	10,883,147
	-	<b>3,974,708</b>	<b>7,082,305</b>	<b>11,057,013</b>
2021		Less than 6 months	6 months to 1 year	Total
	\$	\$	\$	\$
Bank Call Accounts & Term Deposits	-	359,782	54,714	414,496
Managed Funds	-	4,466,612	7,715,855	12,182,467
	-	<b>4,826,394</b>	<b>7,770,569</b>	<b>12,596,963</b>

**17 Commitments**

The Trust has committed funds to the following private equities. At balance date the following balances are the remaining uncalled commitments made by the Trust.

	2022	2021
	\$	\$
Waterman Fund 3	300,000	315,000
Direct Capital Fund V	173,953	234,615
Pioneer Capital Fund 3	244,463	430,168
Waterman Fund 4	1,250,000	1,250,000
Direct Capital Fund VI	1,617,943	1,648,710
Pioneer Capital Fund 4	1,040,424	2,000,000

**Operating Commitments**

The Trust has a Finance Lease commitment with Heartland Technology Limited regarding the purchase of a photocopier. Refer Note 14.

There are no other operating commitments.

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**For the Year Ended 31 March 2022**

**18 Contingent Liabilities**

The trust has no contingent liabilities and no guarantees as at 31 March 2022. (2021: Contingent Liabilities Nil. Guarantees Nil.)

**19 Events Occurring After Balance Date**

No significant events have occurred subsequent to balance date.

For the Year Ended 31 March 2022

20 Related Party Transactions

The following transactions occurred between the Trust and organisations where Trustees are deemed to be a related party as they are members of Key Management Personnel of the organisation:

**Current Year Related Party Transactions**

Nathan Mills is a member of the board of a related party of YMCA South & Mid Canterbury. During the year the Trust approved a grant of \$20,000 to the YMCA South & Mid Canterbury (2021 : \$20,000)

Mark Adams is a committee member of the MacKenzie Care Charitable Trust. During the year the Trust approved a grant of \$28,600 to the MacKenzie Care Charitable Trust (2021 : \$Nil)

During the year Gail Thompson was an employee of YMCA South & Mid Canterbury. The Trust approved \$20,000 in grants during the year (2021 : \$20,000)

**Prior Year Related Party Transactions**

During the 2021 year Jane Argyle-Reed was Chairperson of the Ashburton Community Alcohol & Drug Service. In the 2021 year they received grants of \$2,808.

During the 2021 year Pauline Luyten was a board member of the Fraser Park Community Trust, the Old Boys Sports Club, and the Tongan Society of South Canterbury. During the 2021 year grants were approved of \$450,000 to the Fraser Park Community Trust, \$2,000 to the Old Boys Sports Club and \$5,000 to the Tongan Society of South Canterbury.

During the 2021 year the Trust approved grants of \$16,000 to the Hakatere Marae of which Tania Rueben was a Trustee.

*The above Trustees were absent from any decision making meetings involving their associated organisation. A full list of Trustee Interests are included on pages 3 and 4.*

Refer to Note 21 for Key Management Personnel Expenses.

21 Key Management Personnel Expenses

Salaries & Temporary Staff Fees (EFT : 2.1)  
Trustee Honoraria (EFT : 0.6)  
Trustee Meeting Expenses

**Total Key Management Personnel Expenses**

2022	2021
\$	\$
188,614	174,788
78,926	75,792
2,096	2,491
<b>269,636</b>	<b>253,071</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 above expenses.

No amounts were paid to family members of key personnel.

**(i) Trustee Honoraria**

Adams, Mark  
Argyle-Reed, Jane  
Forman, David  
Hide, Jan  
Luyten, Pauline  
Mills, Nathan  
Quigley, Janine  
Reuben, Tania  
Stevenson, Lisa  
Stevenson, Tina  
Thompson, Gail  
Wing, Alistair

**Total Trustee Honoraria**

2022	2021
\$	\$
6,955	4,057
7,651	7,361
-	4,051
-	3,188
6,955	4,057
13,200	12,159
6,955	6,955
6,955	6,955
7,651	7,303
6,955	6,955
6,955	4,057
8,694	8,694
<b>78,926</b>	<b>75,792</b>

**For the Year Ended 31 March 2022**

**22 Schedule of Grants Approved**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Addiction Mental Health Peer Support Services	-	10,000
Albury Ice Hockey Association	3,300	3,000
Allenton Sports Club Inc	-	8,550
Alzheimer's South Canterbury	10,000	-
AMPSS101	2,000	-
Anxiety NZ Trust	-	5,000
Aoraki Multicultural Centre	7,500	7,500
Aorangi Croquet Club Inc	4,680	-
Aorangi Golf Association	5,000	5,000
Arts on Tour NZ Trust	10,000	-
Ashburton Baptist Church	10,000	10,000
Ashburton Bridge Club Inc	17,000	-
Ashburton Cadet Corps Association	-	2,500
Ashburton Civic Music Council	1,000	-
Ashburton Community Alcohol & Drug Service Inc	-	2,808
Ashburton District Neighbourhood Support Inc	-	5,000
Ashburton Indoor Bowls Assn	10,000	-
Ashburton Jumping & Showhunter	5,000	-
Ashburton Learning Centre Inc	5,000	5,000
Ashburton New Life Church Trust Board	3,000	-
Ashburton Parents Centre	10,000	-
Ashburton Railway & Preservation Society Inc	-	10,000
Ashburton Senior Citizens Inc	10,000	10,000
Ashburton Seniors Centre Trust	8,000	-
Ashburton Town Watch Society	5,000	-
Ashburton Trust Event Centre	5,000	-
Ashburton Youth Café Charitable Trust	10,000	8,000
Ashburton Youth Health Trust	15,000	-
Association of Pleasant Point Sports Inc	2,000	2,000
Athletics South Canterbury Track Trust	170,000	-
Autism NZ Inc	5,000	5,000
Aviva Charitable Trust	9,455	-
Birthright Canterbury Trust	10,000	9,855
Blue Light Ventures Inc	2,447	-
Brake NZ	15,000	-
Cancer Society of NZ Canterbury-West Coast Division Inc	30,000	7,500
CanInspire Charitable Trust	-	6,000
Canterbury West Coast Air Rescue Trust	50,000	75,000
Canterbury West Coast Sports Trust	15,000	15,000
Caroline House	-	5,000
Catholic Diocese of Christchurch Parish of Mid Canterbury Parish Trust	-	5,000
CCS Disability Action South Canterbury Inc	-	5,000
Central South Island Cycle Trails Inc	100,000	-
Centrecare Counselling Waimate	15,000	15,000
Cholmondeley Children's Centre Inc	10,000	10,000
Citizens Advice Bureau South Canterbury Inc	10,000	10,000
Citizens Advice Bureau Mid Canterbury	8,000	-
Coastguard Mackenzie Lakes Inc	50,000	-
Community Accounts Service Charitable Trust	7,500	7,500
Community House Mid-Canterbury Charitable Trust	-	8,671
Congregational Christian Church of Samoa in Timaru	10,000	-
Connecting Mid Canterbury CT	5,000	-

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

**For the Year Ended 31 March 2022**

**22 Schedule of Grants Approved (Continued)**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
CPlay	250,000	-
Cystic Fibrosis Assn of NZ	5,000	10,000
Dementia Canterbury Inc	-	5,000
Fairlie Golf Club Inc	-	2,878
Family Mental Health Support Inc	15,000	7,500
Family Support SC	4,210	-
Fish Mainland Inc	-	10,000
Foodbank Canterbury	40,000	40,000
Fox Peak Ski Club Inc	-	11,740
Fraser Park Community Trust	-	350,000
Geraldine Academy of Performance & Arts Inc	-	4,500
Geraldine Children Social Work Trust	8,000	-
Geraldine District Golf Club Inc	8,000	-
Geraldine Ukefest	2,600	-
Geraldine Combined Sports Inc	-	250,000
Gleniti Golf Club	-	5,000
Gloriavale Leavers' Support Trust	5,000	5,000
Ha Ora Development Trust	10,000	10,000
Hakatere Ceramics and Pottery Ashburton	6,132	-
Hakatere Marae Coordinator	-	16,000
Hakatere Multicultural Council Inc	-	15,000
Hearing Association South Canterbury Inc	-	5,000
Hearing Dogs for Deaf People NZ	-	10,000
Heart Kids NZ South Canterbury Branch	10,000	-
High Country Medical Trust	11,125	30,000
High Country Medical Trust	-	20,000
Highfield Mountainview Scout Group	1,200	-
Hinds Community Centre	9,943	-
Home & Family Society Christchurch Inc	10,000	-
Hospice Mid Canterbury Trust	15,000	15,000
Hospice Mid Canterbury Trust	-	150,000
Ka Toi Maori o Aoraki Inc	17,500	-
Kai for Kids CT	10,000	-
Kurow Community Pool	10,000	-
Learning for You SC	2,500	-
Life Education Trust Mid & South Canterbury	10,000	10,000
Mackenzie Basin Wilding Tree Charitable Trust	16,824	23,800
Mackenzie Book & Art Society Inc	10,000	-
Mackenzie Community Enhancement Board Inc	2,250	20,000
Mackenzie Community Enhancement Board Inc	10,000	3,000
Mackenzie District Community Care CT	28,600	-
Menz Shed Trust Geraldine	2,000	-
Methven Bowling Club Inc	5,000	-
Methven Football Club	-	2,000
Methven Golf Club	-	7,000
Mid Canterbury Choir	-	1,500
Mid Canterbury Emergency Relief Charitable Trust	8,000	5,000
Mid Canterbury Hockey	10,000	-
Mid Canterbury Netball Inc	-	5,000
Mid Canterbury Riding for the Disabled Inc	-	2,500
Mid Canterbury Youth CT	10,000	-
MC United Football Club	3,000	-

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

**For the Year Ended 31 March 2022**

**22 Schedule of Grants Approved (Continued)**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Mountain Bike Ashburton Inc	-	10,000
Mt Nething Golf Club	5,000	-
Mt Somers Reserve Board	8,000	-
Mt Somers Walkway Society	80,000	-
Multiple Sclerosis & Parkinson's Society of Canterbury	5,000	-
New Zealand Raptor Trust	21,000	-
NZ Choral Federation Inc	1,674	-
NZ Council of Victim Support Groups Inc	7,500	7,500
NZ Endometriosis Foundation CT	5,000	-
Old Boys' Sports Club Timaru Inc	-	2,000
Orari Equestrian Centre Inc	-	1,618
Orari River Protection Group	14,110	6,050
Order of St John Timaru Area Committee	10,000	-
Parent to Parent	-	2,500
Parkinson's NZ Charitable Trust	-	10,000
Peel Forest Outdoor Pursuits Charitable Trust	17,000	2,610
Pleasant Point Cricket Club	15,000	-
Pleasant Valley Hall	3,600	-
Plunket NZ	20,000	-
Point Bush Ecological Restoration Trust	-	60,000
Presbyterian Support South Canterbury Inc	10,000	10,000
Presbyterian Support USI	10,000	-
Rakaia Memorial Hall	-	9,180
Rakaia Pony Club	-	10,000
Rakaia - St Mark's Church	3,000	-
Rakaia Squash Club Inc	20,000	-
Rata Foundation	-	5,398
Read NZ Te Pou Muramura Inc	-	5,000
Recreate NZ	3,000	-
Riverbridge Native Species Trust	8,272	-
Road Safety Education Ltd	8,500	7,440
Roman Catholic Diocese of Christchurch - The Catholic Parish of Opihi Trust	-	25,000
Ronald McDonald House Charities NZ Trust	10,000	10,000
Ronald McDonald House Charities South Island	10,000	-
Royal Foundation of the Blind Inc	-	10,000
Royal NZ Plunket Trust Mid South Canterbury Area	-	20,000
Run Timaru	1,299	-
Safer Ashburton	30,000	30,000
Seniorcare Geraldine Inc	7,550	-
Social Service Council of the Diocese of Christchurch	5,000	5,000
Society of St Vincent de Paul - Timaru	10,000	10,000
Society of St Vincent de Paul - Ashburton	10,000	10,000
SC Chamber of Commerce	15,000	-
South Canterbury Gym Sports	10,000	-
South Canterbury Highland Pipe Band Inc	8,298	-
South Canterbury Hospice Inc	25,000	50,000
South Canterbury Multiple Sclerosis Society Inc	10,000	10,000
South Canterbury Neighbourhood Support	10,000	10,500
South Canterbury Pottery Group	-	8,000
South Canterbury Stroke Club	-	3,000
Southern Canterbury A&P Assn	1,500	-
SPELD	2,500	-

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



**For the Year Ended 31 March 2022**

**22 Schedule of Grants Approved (Continued)**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Sport Waimate Inc	5,000	-
Squash Midlands	5,000	-
St Andrews District Children's Centre Inc	-	20,000
St Andrews Foodbank	9,500	8,500
Staveley Hall Society	120,000	-
Stopping Violence Services	15,000	18,000
Stroke Foundation of NZ	-	5,000
Sutherlands District Hall Committee	-	8,000
Swim Timaru	3,800	-
TalkLink Trust	10,000	9,500
Te Aitaraikihi Trust Inc	-	50,000
Team Tumble Cheer	2,984	-
Temuka & Districts Historical Society Inc	20,000	-
Temuka & Geraldine Agricultural & Pastoral Assn	15,000	8,500
Temuka Bowling Club	15,000	-
Temuka Combined Churches Foodbank	6,000	6,000
Temuka Embroiders' Guild	1,500	-
Temuka Golf Club	7,500	2,000
Temuka Patchwork Group	-	1,100
Tennis South Canterbury Inc	-	50,000
The Girl Guides Assn NZ Inc	-	5,000
The Home & Family Society Christchurch Inc	-	10,000
The Parkinson's NZ CT	5,000	-
The Salvation Army - Ashburton	10,000	10,000
The Salvation Army - Timaru	10,000	10,000
The Salvation Army - Waimate	7,400	7,400
Theatre in Health Education Trust	5,000	-
Timaru Golf Club Inc	10,000	-
Timaru Group Riding for the Disabled	-	6,643
Timaru Indoor Bowls Assn	-	5,107
Timaru Municipal Band	-	3,000
Timaru Senior Citizens Assn	10,000	-
Timaru Muslim Educational Trust	-	70,000
Tongan Society South Canterbury	-	5,000
Trott's Community Garden Charitable Trust	150,000	10,000
Volunteering Mid & South Canterbury	7,500	7,500
Waihao Wainono Catchment Community Group Inc	-	45,000
Waimate Community Church	5,000	5,000
Waimate Community Radio	3,900	3,900
Waimate District Cooperating Venture	10,000	-
Waimate Golf Club Inc	3,000	-
Waimate Rodeo Club	3,000	-
Waimate Theatre Company	-	15,000
Waireka Croquet Club Inc	-	9,000
Wandersearch Canterbury CT	5,080	-
Wellbeing Opuke	-	7,000
Willowby Hall Society Inc	5,500	-
YMCA of South & Mid Canterbury Inc	20,000	20,000
Youthline Central South Island	9,500	9,500

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

**For the Year Ended 31 March 2022**

**22 Schedule of Grants Approved (Continued)**

	2022	2021
	\$	\$
Kindergartens and Early Learning Centres	52,000	50,000
Schools	255,386	248,404
<b>Total Grants Approved</b>	<b>2,513,119</b>	<b>2,431,152</b>

**23 Schedule of Grants No Longer Required/Lapsed**

	2022	2021
	\$	\$
Te Aitarakihi Trust Inc	20,470	-
Hearing Dogs for Deaf People NZ	8,000	-
<b>Total Grants No Longer Required/Lapsed</b>	<b>28,470</b>	<b>-</b>

**24 Schedule of Grants Approved Not Yet Paid Out**

	2022	2021
	\$	\$
Alzheimer's South Canterbury	10,000	-
Anxiety NZ Trust	-	5,000
Arts on Tour NZ Trust	10,000	-
Ashburton District Neighbourhood Support Inc	-	5,000
Ashburton Youth Café	10,000	8,000
CanInspire Charitable Trust	-	6,000
Cholmondeley Children's Centre	10,000	-
Citizens Advice Bureau SC Inc	10,000	10,000
Community House Mid Canterbury Charitable Trust	-	8,671
Fraser Park Community Trust	-	450,000
Geraldine Combined Sports Inc	-	250,000
Kurow Community Pool - Waitaki Valley School	10,000	-
MacKenzie Basin Wilding Tree Trust	16,824	-
Mid Canterbury Hockey	5,000	-
Old Boys Sports Club Timaru Inc	-	2,000
Orari River Protection Group	-	6,050
Parent to Parent NZ Inc	-	2,500
Pleasant Point Cricket Club	15,000	-
Presbyterian Support Upper SI	10,000	-
Read NZ Te Pou Muramura Inc	-	5,000
SC Stroke Club	-	3,000
Southern Canterbury A&P Assn (Rd3)	1,500	-
St John Timaru	10,000	-
St Marks Anglican Church	1,500	-
Temuka & Districts Historical Society	20,000	-
The Peel Forest Outdoor Pursuits Charitable Trust	-	2,610
Timaru Group Riding for the Disable	-	6,643
Volunteering Mid & SC	7,500	-
Waimate Rodeo (Rd3)	3,000	-
Wellbeing Opuke	-	7,000
	<b>150,324</b>	<b>777,474</b>

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF  
THE COMMUNITY TRUST OF MID AND SOUTH CANTERBURY INCORPORATED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of The Community Trust of Mid and South Canterbury Incorporated ("the Trust"), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement 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 Trust as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") 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 Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) 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 Trust.

**Other Information**

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is 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 on the other information obtained prior to the date of this auditor's report, 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' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, 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 Trust for assessing the Trust'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 Trust or to cease operations, or has 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 our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>.

This description forms part of our auditor's report.

## Who we Report to

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state those matters which 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 Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.



BDO Christchurch  
Christchurch  
New Zealand  
8 August 2022