

**West Coast Community Trust
Financial Statements
for the Year Ended 31 March 2014**

Contents

Chairperson's Report	1
Auditor's Report	2 & 3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Movements in Equity	6
Statement of Accounting Policies and Notes	7 - 10
Schedule of Grants Approved	11 – 13
Annual Donation History & Distribution of Donations	14



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Chairperson's Report

On behalf of the trustees I am pleased to present the 26th Annual Report for the West Coast Community Trust for the year ended 31 March 2014. We have had a typical year for our trust and now that we are granting the community grants, formerly done by Development West Coast, are able to help more people and in some cases give larger grants.

This year we have reviewed our Granting Policy and concluded that our current spread of granting is best suited to the West Coast, given the small capital fund of our trust. The West Coast Community Trust helps where we can to keep our smaller communities viable by giving to those organisations that enrich these communities. We appreciated the efforts made by support groups, clubs and not-for-profit organisations. This year we granted \$184,926 to 91 organisations – the distribution list and sectors are attached for your information.

In spite of difficult investment times, our trust has maintained a steady growth in our original investment with a return of \$359,305 (an increase of \$21,091 from last year) – giving us a capital base of \$5,836,493. The trust calculates that an amount of \$1,891,862 is required to be retained to stabilise the original \$3m funds from inflation. The trust's current retained earnings are \$2,836,493 which leaves \$944,631 as growth of the trust in real terms.

In conclusion I would like to thank all of our Trustees for their support over the last year especially Elizabeth Rock and Mark Lockington who stepped down this year after many years of service. I would like to congratulate Barbara Greer on being reappointed for another 4 year term and welcome our new Trustees Brian Wilkinson and John Goulding.

The support of Angela Keenan (Donation Advisor) has been invaluable through the year and her long service prior

A handwritten signature in blue ink that reads 'Mary Molloy'.

Mary Molloy
Chairperson



Wilding Smith & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE WEST COAST COMMUNITY TRUST FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

We have audited the Financial Statements of the West Coast Community Trust on pages 4 to 13, that comprise the Statement of Financial Position as at 31 March 2014, the Statement of Financial Performance and Statement of Movements in Equity for the year ended 31 March 2014, and the Notes to the Financial Statements that include accounting policies and other explanatory information and the Schedule of Grants approved.

Opinion

In our opinion the Financial Statements of the West Coast Community Trust on pages 4 to 13:

- comply with generally accepted accounting practice in New Zealand and
- fairly reflect the Trust's:
 - financial position as at 31 March 2014 and
 - financial performance for the year ended on that date.

Our audit was completed on 10th August 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance the International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that could reasonably be expected to affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments we consider internal control relevant to the preparation of the entity's financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



Wilding Smith & Co.

Chartered Accountants

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgments made by the Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position and financial performance.

The Board of Trustees is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

The Trustees' responsibilities arise from the Trustee Banks Restructuring Act 1988 and the Community Trusts Act 1999.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

Independence

Other than the audit, we have no relationship with or interests in the West Coast Community Trust.

Wilding Smith & Co
Chartered Accountants
Hokitika

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West Coast Community Trust

Statement of Financial Position

as at 31 March 2014

	2014 \$	2013 \$
<u>Current Assets</u>		
Bank - ASB Cheque Account	6,268	1,441
Bank – ASB 50 Account	27	162,260
Accrued Interest	2,466	2,466
Loan – Combined Community Trust Database System	<u>3,000</u>	<u>3,000</u>
	11,761	169,167
<u>Investments</u>		
J B Were Managed Funds	5,589,508	5,258,474
Bonds – Contact Energy	<u>250,047</u>	<u>250,871</u>
(Note 8)	5,839,555	5,509,345
<u>Fixed Assets</u>		
Office Equipment	-	133
	<u>5,851,316</u>	<u>5,678,645</u>
<u>REPRESENTED BY</u>		
<u>Current Liabilities</u>		
Accounts Payable	7,573	2,250
Accruals	<u>7,250</u>	<u>7,124</u>
	14,823	9,374
<u>Trust Funds</u>		
Trust Corpus	2,000,000	2,000,000
Capital Profits	1,000,000	1,000,000
Retained Earnings	<u>2,836,493</u>	<u>2,669,271</u>
	5,836,493	5,669,271
	<u>5,851,316</u>	<u>5,678,645</u>

M Molloy – Chairperson

Dated:

M. Molloy
8/8/14

T Mora – Trustee

Dated:

T. Mora
8/8/14

NOTE: This Statement is to be read in conjunction with the accompanying Notes

West Coast Community Trust

Statement of Financial Position

as at 31 March 2014

		2014 \$	2013 \$
<hr/>			
<u>Current Assets</u>			
Bank - ASB Cheque Account	6,268		1,441
Bank – ASB 50 Account	27		162,260
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<u>Fixed Assets</u>			
Office Equipment	(Note 3)	-	133
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		5,836,493	5,669,271
		<u>5,851,316</u>	<u>5,678,645</u>

M Molloy – Chairperson

Dated:

T Mora – Trustee

Dated:

NOTE: This Statement is to be read in conjunction with the accompanying Notes

West Coast Community Trust

Statement of Financial Performance

for the Year Ended 31 March 2014

	2014 \$	2013 \$
<u>GROSS REVENUES</u>		
Grant - Development West Coast	90,000	90,000
Interest Received	21,684	30,284
Income - AMP Managed Funds	-	123,519
Income - J B Were Managed Funds	337,621	184,411
<u>TOTAL REVENUE RECEIVED</u>	449,305	428,214
<u>LESS EXPENDITURE</u>		
<u>ADMINISTRATION/OPERATING COSTS</u>		
Accountancy Fees	5,258	4,767
Audit Fees (Note 5)	7,254	13,913
Advertising	5,940	5,761
Catering/Hall Hire	1,102	1,334
Computer – General	3,685	2,180
Conference Expenses	5,861	3,621
General Expenses	676	321
Membership Fees	575	575
Photocopier Lease	1,319	1,986
Postages	170	671
Printing & Stationery	643	223
Remuneration – Trustees (Note 6)	18,250	29,277
Secretarial	15,314	14,896
Training & Development	920	-
Travel	7,222	5,538
	74,189	85,063
<u>FINANCIAL AND STANDING CHARGES</u>		
Bank Fees	101	59
Insurance	3,197	3,600
Investment Advisory Fees	17,250	18,975
J B Were Management Fees	274	3,866
AMP Management Fees	-	10,082
	20,822	36,582
<u>TOTAL CASH EXPENSES</u>	95,011	121,645
Depreciation (Note 3)	133	2,456
<u>TOTAL EXPENDITURE</u>	95,144	124,101
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR PRIOR TO DISTRIBUTIONS</u>	354,161	304,113
<u>LESS DISTRIBUTIONS</u>		
Grants approved for year (Note 9)	180,626	183,522
<u>NET SURPLUS/(DEFICIT) AFTER DISTRIBUTIONS</u>	173,535	120,591

NOTE: This Statement is to be read in conjunction with the accompanying Notes

West Coast Community Trust
Statement of Movements in Equity
for the Year Ended 31 March 2014

	2014 \$	2013 \$
Trust Funds at Start of Period	5,669,271	5,549,362
Net Surplus/(Deficit) before Tax	173,535	120,591
Imputation Credits & Overseas Taxes Paid	<u>6,313</u>	<u>682</u>
Net Surplus/(Deficit) after Tax	167,222	119,909
<u>TRUST FUNDS AT END OF PERIOD</u>	<u><u>5,836,493</u></u>	<u><u>5,669,271</u></u>

NOTE: This Statement is to be read in conjunction with the accompanying Notes

West Coast Community Trust

Statement of Accounting Policies & Notes

for the Year Ended 31 March 2014

1. **FORMATION**

The West Coast Community Trust was formed on 30 May 1988 through the creation of a trust deed in compliance with the Trustee Banks Restructuring Act 1988. The Trust's original capital of \$3m came from the proceeds of the sale of Westland Bank Ltd. These accounts have been prepared in accordance with Generally Accepted Accounting Practices for a public benefit entity. The Trust has not adopted International Financial Reporting Standards and qualifies for Differential Reporting as it is not an issuer, does not have the power to tax, levy or rate and is not large as defined in the Framework for Differential Reporting.

The Trust has applied all the differential reporting exemptions allowed with the exception of SSAP3 – Accounting for Depreciation.

2. **MEASUREMENT SYSTEM**

The measurement system adopted is that of historical cost.

3. **PARTICULAR ACCOUNTING POLICIES**

The particular accounting policies adopted in the statements which have a significant effect on the results and financial position disclosed are:

a) **Income Determination**

Interest Income has been accrued to balance date on a daily basis.

b) **Valuation of Assets**

i. **Investments**

Investments are stated at net realisable value.

ii. **Fixed Assets**

All fixed assets are recorded at cost less accumulated depreciation to date.

c) **Depreciation**

Depreciation has been charged on a straight line basis allocated over an estimated economic life of the assets. Depreciation has been calculated as follows:

As at 31 March 2014:

<u>Asset</u>	<u>Cost</u>	<u>Depn</u>	<u>Estimated</u>	<u>Opening</u>	<u>Additions</u>	<u>Depn</u>	<u>Accum</u>	<u>Closing</u>
		<u>to Date</u>	<u>Life</u>	<u>Value</u>	<u>Disposals</u>		<u>Depn</u>	<u>Book Value</u>
	\$	\$			\$		\$	\$
Filing Cabinet	325	325	10 years	-	-	-	325	-
HP Probook 4720s	2,185	2,185	2.5 years	-	-	-	2,185	-
Website	3,956	3,823	2.5 years	133	-	133	3,956	-
	6,466	6,333		133	-	133	6,466	-

West Coast Community Trust

Statement of Accounting Policies & Notes

for the Year Ended 31 March 2014

As at 31 March 2013:

<u>Asset</u>	<u>Cost</u>	<u>Depn</u> <u>to Date</u>	<u>Estimated</u> <u>Life</u>	<u>Opening</u> <u>Value</u>	<u>Additions</u> <u>Disposals</u>	<u>Depn</u>	<u>Accum</u> <u>Depn</u>	<u>Closing</u> <u>Book Value</u>
	\$	\$		\$		\$	\$	\$
Filing Cabinet	325	325	10 years	-	-	-	325	-
HP Probook 4720s	2,185	1,311	2.5 years	874	-	874	2,185	-
Website	3,956	2,241	2.5 years	1,715	-	1,582	3,823	133
	6,466	3,877		2,589	-	2,456	6,333	133

d) **Goods and Services Tax**

The Trust is exempt from registration for Goods and Services Tax under Section 14 (b) of the Goods and Services Tax Act 1985.

These Financial Statements have therefore been prepared on a GST inclusive basis.

4. **TAXATION**

The Trust is exempt from Income Tax under section CB4(1)(m) of the Income Tax Act 1994. As a result the only taxation the Trust pays is in relation to imputation credits and withholding payments deducted from dividends and overseas earnings, which are not eligible to be refunded.

5. **CHANGES IN ACCOUNTING POLICIES**

There was a change in Accounting Policies last year whereby the estimated Audit Fees for the year were required to be accrued into the Financial Statements. This resulted in an additional \$7,124 showing under Audit Fees last year.

6. **TRUST GOVERNANCE**

The Board of the Trust comprises nine Trustees appointed by the Minister of Finance for terms of four years. It is possible to serve for more than one term.

The Board establishes the Trust's objectives, strategies and the overall investment and donation policy framework. The Donation Advisor has delegated authority for the day-to-day management of the Trust.

Trust Purpose

The Trust's purpose is for the Trustees to be responsible for the investment of the Trust Fund and apply it for charitable, cultural, philanthropic, recreational and other purposes being beneficial to the community principally in the West Coast region.

West Coast Community Trust

Statement of Accounting Policies & Notes

for the Year Ended 31 March 2014

Conflicts of Interest

It is recognised that Trustees may have a wide range of involvement with the community and the potential of conflicts of interest will arise from time to time. A Trustee who has any direct or indirect association with any organisation is required to disclose that interest to the Board and have it recorded in the minutes of the meeting. The Trustees have adopted a Code of Conduct. There were no breaches of this code during the financial year ended 31 March 2014. A Register of Interest is available for public inspection.

Trustee Attendance - Meetings

Name of Trustee	Board Meetings		Meeting Fees	Honorarium and Meeting Fees
	Held	Attended	2014	2013
Mary Molloy	4	4	4,245	4,075
Coraleen White	4	4	2,200	2,383
Mark Lockington	4	3	2,180	6,819
Tim Mora	4	4	2,025	2,883
Elizabeth Rock	4	4	1,800	2,383
Warren Gilbertson	4	4	1,800	500
Rob Caldwell	4	3	1,400	2,883
Barbara Greer	4	3	1,300	2,483
Michelle Lomax	4	3	1,300	900
Dennis Straker	4	0	-	1,984
Anthony Sullivan	4	0	-	1,984
Total remuneration paid in the year ended 31 March			\$18,250	\$29,277

Rates of remuneration are set by the Minister of Finance. The Trust has also insured all Trustees against liability to other parties that may arise from their position as Trustees, excluding liability for gross negligence or criminal actions.

7. TRUST FUNDS

Although the Trust does not maintain an inflation reserve, it does seek to maintain the Trust capital in real terms. The Trust calculates that an amount of \$1,891,862 is required to be retained to stabilise the original \$3m fund from inflation. The Trust's current retained earnings is \$2,836,493 which leaves \$944,631 as the growth of the Trust in real terms.

West Coast Community Trust

Statement of Accounting Policies & Notes

for the Year Ended 31 March 2014

8. **INVESTMENTS**

The value of investments which are held in equities and fixed interest are subject to market fluctuations. The total investment portfolio is diversified in a way such that over time reductions in value in particular asset classes should be more than offset by increases in other classes. Investments are disclosed at market value at balance date and any gains (losses) arising from that treatment are shown under Revenue in the Statement of Financial Performance. No provision has been made for potential gains or losses that could occur due to future market fluctuations. The investment portfolio as at 31 March 2014 is diversified as follows:

	2014		2013	
	\$000	%	\$000	%
New Zealand Equities	388	6.6	219	4.0
New Zealand Fixed Interest	3,140	53.8	1,683	30.5
New Zealand Property	29	0.5	-	-
New Zealand Cash	1,105	18.9	2,573	46.7
Global Cash	17	0.3	-	-
Global Equities	1,161	19.9	1,034	18.8
TOTAL	\$5,840	100.0	\$5,509	100.0

9. **DISTRIBUTIONS**

	2014	2013
Distributions made during the year	\$184,926	\$183,522
Less distributions returned/not banked during year	-4,300	-
Net Distributions made	<u>\$180,626</u>	<u>\$183,522</u>

West Coast Community Trust - Grants Approved 2014

Trust	No.	Organisation Name	Approved
WCCT	174	Arthritis Foundation of New Zealand Incorporated	1,000.00
WCCT	139	Big Brother Big Sister of Grey District Trust	1,500.00
DWC	198	Big Brothers Big Sisters of Westland	3,100.00
DWC	281	Blackball Residents Association Trust	3,000.00
WCCT	138	Blackball Swimming Club	900.00
WCCT	191	Buller Adult Learning Services Inc	1,000.00
WCCT	215	Buller Basketball Association	1,000.00
WCCT	282	Buller Country Music Club Incorporated	1,300.00
DWC	283	Buller Cricket Association Incorporated	4,400.00
WCCT	140	Buller Indoor Bowling Association	550.00
WCCT		Buller Reap	2,500.00
DWC	265	Buller SPCA	3,100.00
WCCT	284	Buller Wheelchair Bus Incorporated	900.00
WCCT	143	Cancer Society of New Zealand - Canterbury West Coast Division Inc	900.00
WCCT	292	Canterbury Westland Free Kindergarten Assn Inc	850.00
DWC	86	CCS Disability Action Canterbury West Coast Inc	3,000.00
WCCT	266	Centrestage	500.00
DWC	267	Cobden School T/A Education West Coast ICT Management Committee	15,443.00
WCCT	142	Combined Adolescent Challenge Training Unit & Support Trust (CACTUS)	1,000.00
WCCT	64	Community Alternative Resources for the Elderly	700.00
DWC	193	DARE West Coast Incorporated	4,700.00
WCCT	263	Driftwood & Sand Beach Sculpture Event	1,000.00
WCCT	66	Enterprise Hokitika (Incorporated)	660.00
DWC	89	Grey District Library	3,200.00
WCCT	79	Grey District Waitangi Day Community Celebration	1,300.00
WCCT	180	Greymouth Municipal Band (Inc)	500.00
WCCT	169	Greymouth SPCA	2,500.00
DWC	269	Greymouth Suburbs Rugby League Football Club Inc	3,000.00
DWC	181	Greymouth-Kumara Anglican Church T/A Greymouth Churches Community Youth Project	5,250.00
WCCT	286	Haast School	1,950.00
WCCT	288	Hari Hari South Westland RSA Incorporated	1,000.00
WCCT	94	Hokitika Bowling Club Inc.	1,100.00
WCCT	287	Hokitika Cycling Club Incorporated	900.00

Trust	No.	Organisation Name	Approved
WCCT	95	Hokitika Dramatic Society Incorporated	1,700.00
WCCT	183	Hokitika Grey Power Association Incorporated	1,600.00
WCCT	241	Hokitika Gymnastics Club Inc	900.00
WCCT	223	Hokitika Indoor Bowling Association	350.00
WCCT	299	Hokitika Lawn Tennis & Squash Rackets Club Inc T/A Hokitika Junior Tennis Club	900.00
WCCT	271	Hokitika R.S.A. Ladies Committee	350.00
WCCT	100	Homebuilders West Coast Trust	1,200.00
WCCT	289	Inangahua Agricultural & Pastoral Sports Association	1,000.00
WCCT	273	Kaitiaki Mokihinui Charitable Trust	1,100.00
WCCT	290	Kokatahi Kowhitirangi Pony Club	1,000.00
WCCT	274	Lake Mahinapua Aquatic Club Inc	400.00
WCCT	104	Life Education Trust West Coast	1,500.00
WCCT	105	Lifeline New Zealand Incorporated	2,000.00
WCCT	291	Mathematics Achievement Challenge Charitable Trust	1,100.00
WCCT	150	Multiple Sclerosis West Coast Society Incorporated	700.00
WCCT	107	Muscular Dystrophy Association NZ - Canterbury Branch	1,600.00
DWC	250	New Coasters Incorporated	3,500.00
WCCT	212	North School Parent Group	1,100.00
WCCT	154	Paroa Playcentre	1,000.00
WCCT	108	Paroa School Board of Trustees	1,500.00
WCCT	109	Paroa Tennis Club Incorporated	900.00
WCCT	110	Post Polio Support Incorporated	200.00
WCCT	248	Presbyterian Support Upper South Island	1,800.00
WCCT	226	Rape & Sexual Abuse Support (West Coast) Inc.	900.00
DWC	293	Reefton Axemen's Club	3,980.00
DWC	111	Reefton Visitor Centre Incorporated	5,000.00
WCCT	159	Reefton Youth Centre	1,800.00
WCCT	113	Ross Swimming Pool Committee	1,300.00
WCCT	259	Sacred Heart School	1,100.00
WCCT	270	Scout Assn of New Zealand - Hari Hari Scout Group	4,500.00
WCCT	295	Sight Loss Services Charitable Trust	7,000.00
DWC	209	St Marys School T/A Westland Primary Schools Sports Cluster	3,300.00
WCCT	275	Tasman Regional Sports Trust T/A Sport Tasman	1,000.00
DWC	296	The Enviroschools Foundation	3,000.00
WCCT	276	The Girl Guides Association of New Zealand T/A Girl Guiding New Zealand	1,500.00
WCCT	294	The O'Connor Institute Trust Board	2,300.00

Trust	No.	Organisation Name	Approved
DWC	118	The Order of St John South Island Region Trust Board	5,300.00
WCCT	136	The Parenting Place Inc - Attitude Youth division	1,700.00
WCCT	163	The Salvation Army - Westport Corps	369.00
DWC	297	Torea Gallery & Studios Incorporated	4,850.00
WCCT	122	West Coast Art In The Park Inc.	900.00
WCCT	123	West Coast Basketball Association Inc.	2,600.00
WCCT	165	West Coast Blue Penguin Trust	900.00
WCCT	166	West Coast Disabilities Resource Service Charitable Trust	1,000.00
WCCT	124	West Coast Football	750.00
WCCT	125	West Coast Gem and Mineral Club Incorporated	550.00
WCCT	164	West Coast Riding for the Disabled Inc.	2,800.00
WCCT	232	Westland Arts Development Group Incorporated – T/A Art to Funk	580.00
WCCT	232	Westland Arts Development Group Incorporated	750.00
WCCT	131	Westland Community Centre Incorporated	2,900.00
WCCT	234	Westland District Brass Incorporated	444.00
WCCT	236	Westland Industrial Heritage Park	800.00
DWC	199	Westland REAP Incorporated Society	6,100.00
WCCT	133	Westland Toy Library	950.00
WCCT	298	Westport Municipal Brass Band Society Incorporated	4,800.00
WCCT	277	Westport School of Dance Student Fund	1,100.00
WCCT	244	Whataroa Community	4,000.00
DWC	278	Youthline Central South Island	3,000.00
Total Grants (91)			\$184,926.00
Less Distributions Returned/Not Banked During Year			-4,300.00
Net Approvals			\$180,626.00

