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Annual Report and Financial Statements

For The Year Ended

30 June 2017

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# HMCT ANNUAL REPORT 2017

## INTRODUCTION

I am pleased to present this annual report for the year ending 30 June 2017.

The Trust's overall financial position has improved markedly. Its operating position for the 2017 year was a \$1.9m surplus. This compares with a \$1.2m deficit for the 2016 year. As a result the Trust Fund has increased to \$37.7m. The Trust's improved financial position has largely been brought about by higher than budgeted income and unrealised gains on its investments. Whilst operating expenses for the Trust have remained essentially as budgeted, for reasons set out more fully below, energy related grants from the Trust were underspent.

## COMMUNITY GRANTS

The Trust again called for applications in August 2016 and February 2017. Over \$572,000 was granted to over 300 community organisations. Community grants provided by the Trust since 2006 (being the year in which its parent trust, the Hutt Mana Energy Trust, was wound up) now total more than \$6.5m.

Community grants have traditionally been managed on a geographic basis with the aim that the Trust distributes funds on a population basis according to the four constituent wards in the Trust's overall area. The Trustees have found however, particularly over the last year, that in some areas applications received always significantly exceeded the funds available while in other areas the funding allocated is under subscribed. As a result the Trustees are looking at a more equitable way to distribute community grants within the Trust's overall area.

The Trust also received applications for significant grants which, if acceded to, would have required the Trust to access its capital. The Trustees took a conscious decision that whilst applications for significant grants should be given careful consideration, they were not prepared to place at jeopardy future grants available to the community by a reduction in the Trust's capital.

The Trustees remain of the view that there will always be a place for smaller grants to be made to community organisations and one of the traditions that the Trust has is the holding of grants recipient functions after each grants round. This gives an opportunity for Trustees to meet in person those organisations who have been successful in their grants applications to the Trust and to find out first-hand the good works their respective organisations are doing in the community. These grants recipient functions also provide a useful networking opportunity for different community organisations to share information with each other.

## **ENERGY RELATED GRANTS**

Almost since the Trust's inception in 1996 it has been involved in energy retrofitting schemes of homes within its area. In recent years funding for these schemes has been in conjunction with Central Government funding through EECA which has enabled a significant number of homes in the Trust area to be warmer, healthier, and more energy efficient.

Unfortunately that EECA funding was significantly curtailed during the last financial year, EECA only contributing funding to rental properties, the tenants of which had a Community Services Card.

In response to the change in the EECA funding criteria, continued grants funding was made available to EnergySmart and the Sustainability Trust to undertake retrofitting services. Approval was also given to EnergySmart to use up to 20% of its funding for non-EECA funded retrofitting.

The EECA scheme did not have the uptake from landlords as was expected. As a result of this both the Sustainability Trust and EnergySmart were not able to use the full amount of the funding allocations made to them. In response to requests from these providers the Trust has agreed to carry over some of the funding to enable further retrofitting of homes into the 2017/18 year. The Trust however wished to review its commitment to future retrofitting schemes until there was a better indication from Central Government and EECA as to what further funding they would make available. It was in this light that the Trust was pleased to learn that Central Government has now broadened the criteria for funding through EECA for the 2017/18 year so subsidies for retrofitting of homes is available to all holders of Community Services Cards, whether they are tenants or owner-occupiers.

The continued funding of retrofitting schemes will always be a priority for the Trust but the Trustees now wish to look at how better to target that funding, in particular to assist those communities in need where substandard housing and health issues go hand in hand. While it seems only sensible that the Trust's funding wherever possible be targeted in this way, Trustees have found it particularly difficult to implement such targeted funding. This has arisen out of a lack of coordination between the relevant agencies involved with housing and health issues, and privacy issues that often arise which make it difficult to identify those particular households that require assistance. In regard to rental properties there is also a reluctance on the part of tenants to seek help should this jeopardise relationships with their landlord and ultimately put at risk the tenancy itself.

It was partly in recognition of the above difficulties that the Trust last year agreed to provide funding to the Healthy Housing Coalition. This is a group of organisations that operate in the Hutt area with the Hutt DHB, which is able to identify and access those more vulnerable members of our community and to provide wrap around services in respect of their homes, whether they are rented or owned. This funding is made available not only for retrofitting of those properties that are identified through the Healthy Housing Coalition but also for

other initiatives to make those houses warmer and healthier, such as heaters and draft stoppers.

Funding was also provided to both secondary and primary schools. Grants to primary/intermediate schools were to fund specific proposals that had an energy conservation element and which specifically involved the students. In regard to secondary schools, scholarships were made available to a selected school leaver from each college who had aspirations to further study or work in energy related fields. The criteria for these scholarships was cast in fairly broad terms in order to encourage as many colleges as possible to put an eligible candidate forward.

## **INVESTMENTS**

The investments of the Trust are now managed as a single portfolio under a common Investment Policy Statement ("IPS"). The Trust operates a diversified portfolio of investments in both equities and non-equity investments, with the IPS determining the balance between these broad categories of investments. The Trust has an independent advisor who reports on the performance of investments and investment managers in compliance with the IPS portfolio limits.

Regular rebalancing of the Trust's investments is done to maintain the portfolio within the limits set in the IPS. Providers of financial services are also reviewed regularly to ensure the Trust receives the best results. In the year ending 30 June 2016 the Trust altered the IPS to increase the weighting of equities from 50% to 65% with a consequent decrease in non-equity investments. The implementation of this change in the IPS has yielded higher returns for the Trust and as is reflected in its financial statements a return over the past 12 months of 9%.

## **TRUST ADMINISTRATION**

### **Trustee Fees**

Trustee Fees were reduced in 2014 in response to what was seen as a simplification of the Trustees' investments and administration. Trustee Fees have remained the same since 2014 and while Trustee Fees are set at each Annual General Meeting, Trustees do not see a case for adjusting the level of fees at this time.

### **Trust Deed**

As a result of a change to the Trust Deed made in the previous year Trustees now have greater flexibility in how funding between general charitable distributions and energy related distributions are undertaken. This flexibility has been particularly useful given the underspend of energy related grants due to the low uptake by landlords of the EECA retrofitting scheme. Whilst it is noted above some of this funding has been carried over to continue retrofitting of some of these homes, the unspent balance has now gone back into the Trust's reserves and will be available for either general charitable grants or energy related grants in the future.

### **Administration Expenses**

These have largely remained within budget. The Trust prides itself on keeping its administration expenses at a relatively low level in terms of its income and capital base. In this respect the Trust does not employ staff and has no fixed assets. Specialist advice is outsourced when required.

In respect of administrative services the Trust continues to be well served through its secretaries, Kendons Chartered Accountants Limited, particularly Brian Mansfield and on behalf of the Trustees I thank Brian once again for his continued services.

### **Marketing**

One of the initiatives the Trust took earlier this year was to improve its marketing focus and in particular the use of social media. To this end members of the community would have noticed a higher profile of the Trust through its Facebook page in order to stimulate more interest in the Trust's grants process. The Trustees are also excited to have adopted a new logo for the Trust which appears for the first time on this annual report and financial statements.

### **Elections**

Trustee elections were held in October 2016 in conjunction with the local body elections. This was the first time the Trust adopted STV voting for those areas in which the respective territorial local authority also used that system of voting (ie in Wellington and Porirua). FPP was retained with the Hutt constituencies to match the territorial local authorities' method in those respective areas. It was found that the use of these two voting systems ensured that there were less informal votes as a result of less confusion for the voters. As a result of the election two new Trustees were appointed, namely Nick Leggett from the North Wellington area and Anita Baker from Porirua. We welcome them to the Trust accordingly and look forward to their constructive contributions. Myself, Prue Lamason and Ken Laban were each re-elected to the Trust and I also look forward to working with them again.

### **OUTGOING TRUSTEES**

While the Trust welcomed two new Trustees to the Trust, I would also like to thank those outgoing Trustees, Sarah Dow and Ian Hutchings, both of whom have made significant positive contributions to the Trust.

Ian Hutchings was previously the Chair of the Trust and had been Chair for the past six years. Ian's commitment to the Trust goes back to the original settlement of the Trust in 1996 when Ian was one of the signatories of the original Trust Deed. Over those years, which also saw the successful winding up of the Hutt Mana Energy Trust, Ian has steadfastly devoted considerable time and energy to the Trust in representing the interests of the North Wellington constituency by whom he was elected. It was with some trepidation that I agreed to take over the Chair role knowing I have big shoes to fill. I and my fellow Trustees wish Ian well in his future endeavours.

Sarah Dow, previously elected by the Porirua constituency provided a youthful, fresh and energetic approach to the Trust. It was largely at her initiative that funding is now available to primary and intermediate schools to assist in educating the younger members of our community on energy efficiency. We also wish her well in her future endeavours.

### **FUTURE FOCUS OF THE TRUST**

With the new group of Trustees there has also been a refocus of how the Trust should prioritise its future distributions to the community. As indicated above the Trust wishes to investigate measures which would target its funding to those more vulnerable members of the community. One of the disturbing statistics that has been pointed out to the Trust is the fact that since the year 2000, 75 children within the greater Wellington area have died as a result of substandard housing. For this reason the Trust is keen to work with those community groups helping the more vulnerable members of the community.

Trustees are also responsive to the wishes of the community and the fact that larger and ongoing grants can be an effective way to improve the wellbeing of the Trust's communities. In respect of these larger and ongoing grants the Trust would seek to work more closely with the relevant territorial local authorities and in particular to use such funding to leverage contributions from other community funders.

The Trustees are aware that any such change of focus in its future distributions is not without its challenges. To this end the Trust, with the assistance of Professor Philippa Howden-Chapman, from the University of Otago, have agreed to fund a research study that will examine the respiratory health benefits of improved housing in a new-born's first two years of life within the Hutt Mana area (the NEST study) and a study to identify the demographic, social, and economic picture of the renting population in the Hutt Mana district. This research is seen by the Trust as a useful first step towards adopting a more targeted funding regime into the future.

The Trust has also agreed to continue funding to the Well Homes Coalition as another means of targeting assistance towards the most vulnerable members of the Trust's community.

### **THANKS**

I would finally like to thank all of the Trustees for their ongoing work and commitment during the year. The Trustees have been able to adopt a consensus approach throughout its meetings to ensure everyone has the ability to be heard and to debate issues accordingly. I believe that all Trustees will be able to face any future challenges in a constructive way, which can only enhance the benefits for all of the Hutt Mana communities.

**John Gwilliam**  
**Chair of Hutt Mana Charitable Trust**





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Financial Statements

For The Year Ended

30 June 2017

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# ***Hutt Mana Charitable Trust***

## INDEX

	Page
Trust Directory	1
Report of the Trust	2 - 3
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7 - 8
Notes to the Financial Statements	9 - 28
Audit Report	29 - 31



# ***Hutt Mana Charitable Trust***

## **TRUST DIRECTORY**

AS AT 30 JUNE 2017

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**1. TRUSTEES**

John Corryn Gwilliam (Chairperson)  
Prudence Mary Lamason (Deputy Chairperson)  
Anita Karen Baker  
Kenneth Charles Laban  
Nicholas Oliver Leggett

**2. SECRETARIES**

Kendons Chartered Accountants Limited  
69 Rutherford Street  
Lower Hutt

**3. SOLICITORS**

Quigg Partners  
Barristers & Solicitors  
28 Brandon Street  
Wellington

**4. BANKERS**

Westpac New Zealand Limited  
210 High Street  
Lower Hutt

**5. AUDITORS**

Crowe Horwath New Zealand Audit Partnership  
Level 1, 57 Willis Street  
Wellington

**6. REGISTERED OFFICE**

Kendon House  
69 Rutherford Street  
Lower Hutt

# ***Hutt Mana Charitable Trust***

## **REPORT OF THE TRUST**

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The Trustees of the Hutt Mana Charitable Trust (the 'Trust') take pleasure in presenting the Annual Report including the financial statements of the Trust for the year ended 30 June 2017.

### **NATURE OF BUSINESS**

The Hutt Mana Charitable Trust was established as the EnergyDirect Charitable Trust on 4 December 1996 for charitable purposes within the District. On 23 September 2005, following the windup of the Hutt Mana Energy Trust, the Trust Deed was amended to provide:-

- The Trust Funds shall be used and applied:
  1. For Energy Related Charitable Purposes
  2. For other Charitable Purposes within the District, and elsewhere in New Zealand if the Trustees think fit.

The Hutt Mana Charitable Trust is registered as a Charitable Entity in terms of the Charities Act 2005 with the Registration No CC20115.

### **FINANCIAL HIGHLIGHTS FOR THE YEAR**

The state of the Trust's affairs is set out in the attached financial statements, and in particular:

	<b>\$ 2017</b>	<b>\$ 2016</b>
Opening Accumulated Surplus	767,023	1,998,174
Net Surplus / (Deficit) for the year	1,875,384	(1,231,151)
Closing Accumulated Surplus	<u>2,642,407</u>	<u>767,023</u>
Total Assets	<u>37,676,358</u>	<u>35,832,884</u>
Equity	37,642,407	35,767,023
Liabilities	33,951	65,861
	<u>37,676,358</u>	<u>35,832,884</u>

## AUDITORS

The Trust's auditors Crowe Horwath New Zealand Audit Partnership are reappointed for the ensuing year. Accounts paid or payable to the auditors for the year are as follows:

	\$ 2017	\$ 2016
Audit Services	<u>14,605</u>	<u>13,340</u>

## REMUNERATION OF TRUSTEES

Trustees' remuneration received or due and receivable during the year is as follows:

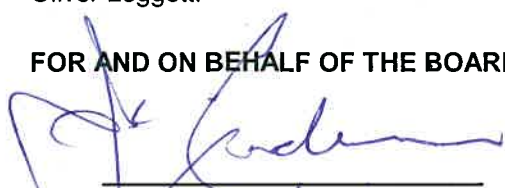
	\$ 2017	\$ 2016
Anita Karen Baker	11,386	-
Sarah Jane Dow	5,489	16,875
John Corryn Gwilliam	21,429	16,875
Ian Rex Hutchings	7,685	23,625
Kenneth Charles Laban	16,875	16,875
Prudence Mary Lamason	20,250	20,250
Nicholas Oliver Leggett	11,386	-
	<u>94,500</u>	<u>94,500</u>


## TRUSTEES

The names of the persons holding offices as Trustees of the Hutt Mana Charitable Trust as at the end of the year are as follows:

John Corryn Gwilliam, Prudence Mary Lamason, Anita Karen Baker, Kenneth Charles Laban and Nicholas Oliver Leggett.

## FOR AND ON BEHALF OF THE BOARD OF TRUSTEES

  
\_\_\_\_\_  
Trustee  
  
\_\_\_\_\_  
Date 1/9/17

  
\_\_\_\_\_  
Trustee  
  
\_\_\_\_\_  
Date 01.09.17

# Hutt Mana Charitable Trust

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	\$ 2017	\$ 2016
<b>Revenue from Non-exchange Transactions</b>		-	-
<b>Revenue from Exchange Transactions</b>			
Interest Received		302,537	401,579
Investment Distributions		1,679,421	825,376
Dividends Received		136,335	192,986
<b>Total Revenue from Exchange Transactions</b>		<u>2,118,293</u>	<u>1,419,941</u>
<b>Total Revenue</b>		<u>2,118,293</u>	<u>1,419,941</u>
Expenses	4	(397,868)	(325,787)
<b>Operating Surplus / (Deficit)</b>		<u>1,720,425</u>	<u>1,094,154</u>
<b>Other Gains / (Losses)</b>			
Foreign Exchange Gain / (Loss)		(25,951)	(43,775)
Net Realised Gain / (Loss) on Sale of Investments		146,876	(3,326)
Community Grants and Energy Related Grants	10	(948,239)	(1,137,310)
<b>Total Other Gains / (Losses)</b>		<u>(827,314)</u>	<u>(1,184,411)</u>
<b>Surplus / (Deficit) For The Year</b>		<u>893,111</u>	<u>(90,257)</u>
<b>Other Comprehensive Income</b>			
Unrealised Gain / (Loss) on Investments		982,273	(1,140,894)
<b>Total Other Comprehensive Income / (Loss)</b>		<u>982,273</u>	<u>(1,140,894)</u>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<u><u>1,875,384</u></u>	<u><u>(1,231,151)</u></u>



The Notes and Accounting Policies form part of, and should be read in conjunction with these financial statements

# Hutt Mana Charitable Trust

## BALANCE SHEET

AS AT 30 JUNE 2017

	Note	\$ 2017	\$ 2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents		57,136	139,328
Receivables from Exchange Transactions	7	2,213	3,278
Prepayments	9	122,182	-
Term Deposits	6	530,000	838,971
<b>Total Current Assets</b>		<u>711,531</u>	<u>981,577</u>
<b>Non-Current Assets</b>			
Investment Portfolio	6	36,964,827	34,851,307
<b>Total Non-Current Assets</b>		<u>36,964,827</u>	<u>34,851,307</u>
<b>TOTAL ASSETS</b>		<u>37,676,358</u>	<u>35,832,884</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables Under Exchange Transactions	8	33,951	65,861
<b>Total Current Liabilities</b>		<u>33,951</u>	<u>65,861</u>
<b>TOTAL LIABILITIES</b>		<u>33,951</u>	<u>65,861</u>
<b>NET ASSETS</b>		<u>37,642,407</u>	<u>35,767,023</u>
<b>EQUITY</b>			
Trust Fund		35,000,000	35,000,000
Accumulated Surplus	5	2,642,407	767,023
<b>TOTAL EQUITY</b>		<u>37,642,407</u>	<u>35,767,023</u>

Approved on behalf of the Board of Trustees on

1/9/17

(Trustee)

(Trustee)



The Notes and Accounting Policies form part of, and should be read in conjunction with these financial statements

# Hutt Mana Charitable Trust

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2017

		\$	\$	\$
	Note	Start-up Contribution Reserve	Accumulate d Funds	Total
<b>NET ASSETS AT START OF YEAR</b>		35,000,000	767,023	35,767,023
Surplus For The Year		-	893,111	893,111
Other Comprehensive Income		-	982,273	982,273
<b>Total Comprehensive Income</b>		-	1,875,384	1,875,384
<b>NET ASSETS AT END OF YEAR</b>		<u>35,000,000</u>	<u>2,642,407</u>	<u>37,642,407</u>
<b>NET ASSETS AT START OF PRIOR YEAR</b>		35,000,000	1,998,174	36,998,174
Surplus / (Deficit) For The Prior Year		-	(90,257)	(90,257)
Other Comprehensive Income / (Loss)		-	(1,140,894)	(1,140,894)
<b>Total Comprehensive Income / (Loss)</b>		-	(1,231,151)	(1,231,151)
<b>NET ASSETS AT END OF PRIOR YEAR</b>		<u>35,000,000</u>	<u>767,023</u>	<u>35,767,023</u>



The Notes and Accounting Policies form part of, and should be read in conjunction with these financial statements

# Hutt Mana Charitable Trust

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	\$ 2017	\$ 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was Provided From:			
Investment Income		2,119,358	1,429,710
		<u>2,119,358</u>	<u>1,429,710</u>
Cash was Applied To:			
Operating Expenses		(548,948)	(342,030)
Energy Efficiency Projects		(572,820)	(540,334)
Community Grants		(404,382)	(596,976)
		<u>(1,526,150)</u>	<u>(1,479,340)</u>
Net Cash Flow from Operating Activities		<u>593,208</u>	<u>(49,630)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was Provided From:			
Net Sale of Investments		-	51,229
		<u>-</u>	<u>51,229</u>
Cash was Applied To:			
Net Purchase of Investments		(675,400)	-
		<u>(675,400)</u>	<u>-</u>
Net Cash Flow from Investing Activities		<u>(675,400)</u>	<u>51,229</u>
<b>NET (DECREASE) / INCREASE IN CASH HELD</b>		<u>(82,192)</u>	<u>1,599</u>
Cash at Beginning of Year		139,328	137,729
<b>CASH AT END OF YEAR</b>		<u><u>57,136</u></u>	<u><u>139,328</u></u>



The Notes and Accounting Policies form part of, and should be read in conjunction with these financial statements



# Hutt Mana Charitable Trust

## RECONCILIATION OF NET SURPLUS TO CASH FLOW FROM OPERATING ACTIVITIES

	Note	\$ 2017	\$ 2016
<b>Total Comprehensive Income</b>		1,875,384	(1,231,151)
<b>Add / (Less) Non Cash Items:</b>			
Realised Gains		(146,876)	3,326
Unrealised Gains		(982,273)	1,140,894
<b>Total Non Cash Items</b>		<u>(1,129,149)</u>	<u>1,144,220</u>
<b>Add / (Less) Movements in Working Capital Items:</b>			
Movement in Prepayments		(122,182)	-
Movement in Interest Accrued		1,065	9,769
Movement in Accounts Payable		(31,910)	27,532
<b>Net Movement in Working Capital</b>		<u>(153,027)</u>	<u>37,301</u>
<b>Net Cash Flow from Operating Activities</b>		<u><u>593,208</u></u>	<u><u>(49,630)</u></u>



The Notes and Accounting Policies form part of, and should be read in conjunction with these financial statements

# ***Hutt Mana Charitable Trust***

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

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### **1 REPORTING ENTITY**

#### **STATUTORY BASE**

The financial statements presented here are for the reporting entity Hutt Mana Charitable Trust (the "Trust").

The Trust was established on 4 December 1996 for charitable purposes within New Zealand and is registered as a Charitable Entity in terms of the Charities Act 2005 with the Registration No CC20115.

The primary activities of the Trust are providing funding for energy efficiency projects and providing funding for general charitable purposes.

The Financial Statements were authorised for issue by the Board of Trustees on 1 September 2017.

### **2 BASIS OF PREPARATION**

#### *Statement of compliance*

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR), and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities.

The financial statements are eligible to report in accordance with Tier 2 PBE Reporting Standards on the basis that the Trust has annual expenditure is less than \$30 million.

The Trust is deemed a Public Benefit Entity for financial reporting purposes, as its primary objective is to provide funding to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

#### *Basis of measurement*

The financial statements have been prepared on a historical cost basis, except for assets that have been measured at fair value.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

#### *Functional Currency*

The financial statements are presented in New Zealand dollars, which is the Trust's functional currency.

### *Use of estimates and judgements*

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

Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or note disclosure.

Estimates and assumptions are reviewed on an ongoing basis.

## **3 SPECIFIC ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The particular accounting policies adopted in the preparation of the financial statements which have a significant effect on the results disclosed are:-

### *a) Financial instruments*

#### *Non-Derivative financial instruments*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables, and loans and other borrowings.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial asset expire.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

#### *Other*

All non-derivative financial instruments are classified as either loans and receivables or other financial liabilities. Subsequent to initial recognition, all financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses.

#### *Trade and other receivables*

Trade and other receivables are stated at their cost less impairment losses.

#### *Trade and other payables*

Trade and other payables are stated at their cost.

#### *Investment portfolios*

All portfolio items and deposits (including financial instruments) are shown at market value, with any movements recorded in the Statement of Comprehensive Income. Market value is considered to best reflect the fair value of these instruments at balance date.

### *b) Income tax*

No taxation is provided for in the Statement of Comprehensive Income as the Trust is exempt from income tax as it is registered under the Charities Act 2005.

c) *Impairment*

The carrying amounts of the Trust's assets are reviewed at each balance date to determine whether there is objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

*Impairment of receivables*

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on number of days overdue, and taking into account the historical loss experienced in portfolios with a similar amount of days overdue.

d) *Revenue*

Interest income is recognised as it earned in accordance with the terms of the financial instrument.

Dividend income is recognised on the date that the Trust's rights to receive payments are established.

e) *Foreign currencies*

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

f) *Goods and Services Tax*

The Trust is not registered for GST and accordingly these financial statements are prepared on a GST inclusive basis.

g) *Statements of Cash Flows*

*Cash* means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Trust invests as part of its day-to-day cash management.

*Operating Activities* include cash received from all income sources of the Trust and records the cash payments made for the supply of goods and services.

*Investing Activities* are those activities relating to the acquisition and disposal of non-current assets.

*Financing Activities* comprise the change in equity and debt capital structure of the Trust.

**DETERMINATION OF FAIR VALUES**

A number of the accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

*Investments*

The fair value of financial assets is determined by reference to their quoted bid price at the reporting date.

#### 4 EXPENSES

	\$ 2017	\$ 2016
<b>Expenses</b>		
Accounting & Secretarial Services	70,324	66,910
Audit Fees	14,605	13,340
Election Expenses	61,092	4,600
Insurance	6,653	6,647
Investment Consultancy & Management Fees	123,841	102,627
Trustees Education	1,796	-
Trustees Expenses	2,937	1,916
Trustees Fees	94,500	94,500
Other Expenses	22,120	35,247
<b>Total Expenses</b>	<u>397,868</u>	<u>325,787</u>

#### 5 ACCUMULATED SURPLUS

	\$ 2017	\$ 2016
Balance at Beginning of Year	767,023	1,998,174
Net Surplus / (Deficit) for the Year	1,875,384	(1,231,151)
<b>Balance at End of Year</b>	<u>2,642,407</u>	<u>767,023</u>

## 6 INVESTMENT PORTFOLIO

	\$ 2017	\$ 2016
<b>Long Term</b>		
<i>International Equities</i>		
AMP Capital Investors Limited	1,426,017	1,167,001
Bradley Nuttall	12,343,168	10,645,860
Gareth Morgan Investments	2,012,263	-
<i>New Zealand Equities</i>		
BNZ Private Banking	625,939	1,217,968
First NZ Capital Limited	-	1,979,034
Harbour Asset Management	2,185,957	-
<i>International Fixed Interest Securities</i>		
Bradley Nuttall	6,185,495	7,009,152
<i>New Zealand Fixed Interest Securities</i>		
BNZ Private Banking	9,699,909	8,798,000
BNZ Private Banking - Cash	115,026	1,659,986
Bradley Nuttall - Cash	322,905	259,965
Gareth Morgan Investments - Cash	201	-
<i>International Properties</i>		
Bradley Nuttall	646,851	679,808
<i>New Zealand Properties</i>		
Bradley Nuttall	1,401,096	1,434,533
<b>Total Long Term Investments</b>	<b>36,964,827</b>	<b>34,851,307</b>
<b>Short Term</b>		
<i>Call Deposits</i>		
First NZ Capital Limited	-	38,971
<i>Negotiable Certificate of Deposits</i>		
Rabobank - 11/07/2016 @ 2.90%	-	300,000
Rabobank - 11/08/2016 @ 2.90%	-	250,000
ANZ - 08/09/2016 @ 2.76%	-	250,000
ANZ - 20/07/2016 @ 2.80%	230,000	-
ANZ - 18/08/2016 @ 3.05%	300,000	-
<b>Total Short Term Investments</b>	<b>530,000</b>	<b>838,971</b>

## 7 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	\$ 2017	\$ 2016
Accrued Income	2,213	3,278
<b>Total Receivables from Exchange Transactions</b>	<b>2,213</b>	<b>3,278</b>



## 8 PAYABLES UNDER EXCHANGE TRANSACTIONS

	\$ 2017	\$ 2016
Trade Payables	31,352	63,262
PAYE Payable	2,599	2,599
<b>Total Payables Under Exchange Transactions</b>	<u>33,951</u>	<u>65,861</u>

## 9 PREPAYMENTS

	\$ 2017	\$ 2016
Trustee Elections Total Cost	183,274	-
Less Expensed	(61,092)	-
<b>Total Prepayments</b>	<u>122,182</u>	<u>-</u>

Total election costs are spread over a three year period to match the three-yearly election cycle.



## 10 COMMUNITY GRANTS & ENERGY RELATED GRANTS

	\$ 2017	\$ 2016
<b>Trust Area</b>		
Agape Budgeting Sevices Ltd	2,000	4,500
Age Concern Wellington Inc.	-	3,500
Atafu Tokelau Community Group Inc	1,500	-
Bandolier Marching Club Inc.	-	3,000
Big Buddy Mentoring Trust		4,000
Brain Injury Association of Wellington	1,105	-
Can Survive Dragon Boat Team Inc.	2,000	-
Canteen Wellington	-	5,000
Challenge 2000 Inc.	-	5,000
Diabetes Youth Wellington	-	2,127
Dress For Success Wellington	4,000	-
Drug-Arm Wellington	-	1,500
Eastern Hutt Womens Hockey Club	1,500	-
Gareth Head Foundation	5,549	-
Grandparents Raising Grandchildren Wellington Support Group	1,000	2,715
Habitat For Humanity Lower North Island Limited	5,000	-
Hutt Valley Softball Association	1,000	-
Ignite Sports Trust	3,000	4,000
IHC NZ Inc.	1,250	-
Ikaroa Ki Te Tonga Maori Netball	1,500	1,500
Kerry Fundraisers	-	864
Kids Camp New Zealand Wellington	3,000	(331)
Kidz Need Dadz	3,000	-
Marching Wellington Inc.	-	1,050
Mary Potter Hospice	-	3,000
Mix - Connecting, Creating, Living Inc.	900	-
Muscular Dystrophy Association Wellington	2,000	668
New Zealand Centre for Gifted Education Inc.	-	6,000
NZ Council of Victim Support Groups Inc.	2,000	-
NZ View Wellington Area Group Limited	1,140	700
Parent to Parent Wellington	2,000	-
Parkinsonism Society Wellington Inc.	-	2,500
Perinatal Anxiety and Depression Aotearoa	2,000	2,800
Prison Fellowship NZ	5,000	-
	2,000	-

Ronald McDonald House Auckland	-	4,000
Royal New Zealand Foundation for the Blind	2,000	5,000
Sailability Wellington Trust Inc.	4,000	1,600
Samaritans of Wellington Inc.	-	2,000
Samoan Sunday School of Saint Thomas Aquinas	1,000	-
Shakti Ethnic Women's Support Group Inc.	1,500	-
Skylight – The Children's Grief Centre Charitable Trust	4,000	5,000
SPACE NZ Trust	2,000	2,000
SPELD NZ Inc.	-	2,000
Sri Lanka Association of New Zealand	1,000	500
Sri Lankan Dance Academy		1,200
Supergrans Charitable Trust	2,000	-
Tawa Youth & Families Trust	-	3,000
The Duke of Edinburgh's Hillary Award	-	3,400
The Girl Guide Association of NZ Inc.	3,000	-
The Neonatal Trust Wellington	469	-
The Parenting Place	-	5,000
The Road Forward Trust	-	4,000
Volunteer Wellington	-	2,583
Vulnerable Support Charitable Trust	8,000	-
Wellington, Hutt Valley and Districts Poultry & Pigeon Club Inc.	-	700
Wellington Baptist Union	-	1,000
Wellington Mutamizh Sanam Inc.	1,500	1,500
Wellington Provincial Kart Association	3,000	-
Wellington Red Hackle Pipe Band Inc.	-	1,500
Wellington Regional Asthma Society	1,000	3,000
Wellington Regional Folk Foundation Inc.	1,000	-
Wellington Rugby Football Union Inc.	5,000	6,000
Wellington Sexual Abuse Network		-
Wellington Softball Association	3,000	-
Wellington Speedway Society	1,000	-
Wellington Sri Lankan School	-	500
Wellington Touch Association Inc.	1,000	6,648
Wellington Volunteer Centre	3,500	-
Wellington Youth Sailing Trust	3,000	-
YWCA of Greater Wellington	-	4,000



Yoshinkan Kendo Club	-	650
Zealandia	2,930	2,722
<b>Total Trust Area</b>	<b>108,343</b>	<b>123,596</b>
<b>Lower Hutt</b>		
Alicetown Community Centre	2,500	-
Avalon Supremes Leisure		
Marching Team	-	1,000
Barnados New Zealand	4,000	-
Bellyful Hutt Valley	1,740	-
Belmont Playcentre	1,000	400
Belmont School	-	2,700
Belmont Scout Group	990	1,500
Birthright Hutt Valley Trust	5,000	-
Boulcott School	-	2,000
Community Arts & Circus Trust		
NZ	2,000	-
Convent Old Girls Netball	-	1,800
Creative Voices (Hutt Valley		
Community Arts Council)	2,500	-
Dyer St School	2,000	1,750
Eastbourne Football Club	-	2,800
Eastbourne Sports & Services		
Club Inc.	5,000	-
Fiji Indian Association Wellington		
Inc.	-	4,000
Folou Alofa Charitable Trust	-	1,200
Fraser Park Sportsville Inc.	7,500	-
Gareth Head Leadership Clinic	-	2,850
Gracefield Early Childcare Centre		
Inc.	2,000	-
Greenstone Doors		1,328
Greyhound Adoption Programme		
Trust	-	(28)
Harbour Capital Chorus	1,000	-
Heart Trust Hutt	-	2,500
Hoop Club Inc.	5,000	2,500
Hutt Bowling Club (Inc.)	-	1,500
Hutt City Musical Theatre Inc.	2,500	-
Huitt City Womens Refuge Inc.	1,000	-
Hutt City Youth Awards	3,863	-
Hutt Hockey Club Inc.	-	1,500
Hutt Hospital Foundation Trust	-	1,500
Hutt Old Boys Marist Rugby		
Football Club Inc.	(570)	-
Hutt Playcentre Association Inc.	-	4,000
Hutt Valley Benefit Education		
Service Trust (BEST)	-	1,400
Hutt Valley Canoe Club	-	2,723
Hutt Valley Gymsports	-	1,395
Hutt Valley Heart Trust	5,000	-
Hutt Valley High School	1,956	-
Hutt Valley Riding For The		
Disabled Inc.	-	4,000

Hutt Valley Sports Awards	6,500	5,000
Hutt Valley Water Polo Club	-	2,500
IHC NZ Inc.	-	3,000
Kaibosh Food Rescue	2,000	1,750
Koranui School	12,000	8,000
Laura Ferguson Trust Wellington Inc.	1,000	4,537
Life Education Trust Hutt Valley	-	4,000
Lifeswitch Community Trust Inc.	4,811	-
Lower Hutt City AFC	-	2,000
Lower Hutt Playcentre	2,000	-
Lower Hutt Stroke Club	480	540
Lower Hutt Women's Centre	2,000	-
Mainland Island Restoration Operation Inc.	-	900
Massey Avenue Bowling Club Inc.	-	1,500
Maungaraki Tennis Club Inc	5,000	-
Men's Shed Naenae Charitable Trust	-	3,000
Moera Community House Inc.	2,000	-
Muratai Yacht Club	-	892
Naenae College Board of Trustees	-	5,000
Naenae Intermediate	(2,000)	2,000
Naenae Playcentre	-	3,500
Naenae Soccer Club Inc.	-	3,265
Naenae Youth Charitable Trust	869	-
Normandale Playcentre	251	-
NZ Council of Victim Support Groups Inc.	-	2,000
Oracle Dance & Fitness	-	3,500
Oracle Foundation	4,000	-
Our Lady Of The Rosary School	1,559	-
Pacific Health Services Hutt Valley Inc.	-	4,300
Petone Dolphins Touch	-	500
Petone Football Club Inc.	4,000	-
Petone Residence for the Elderly Inc.	-	3,000
Petone Rugby Football Club Inc.	5,452	4,000
Petone Sportsville	2,000	6,176
Petone Youth & Families Trust	-	3,000
Pomare Taita Community Trust	5,000	-
Pukeatua Kohanga Reo Charitable Trust	-	1,780
Pukeatua Maori Rugby League Incorporated Society	1,500	-
Raphael House Rudolph Steiner School	-	1,000
Rata Street School	5,000	-
Rimutaka Forest Park Charitable Trust	-	3,000
Sacred Heart School Petone	-	2,800
Saints Softball Club	3,400	-

Scout Association of NZ - HV		
Gang Show	-	4,500
Sola Power Throwing Academy	-	5,000
Special Olympics Hutt Valley	5,555	-
St James Sea Scouts	1,000	-
Stokes Valley Bowling Club Inc.	3,498	-
Stokes Valley Community		
Childhood Centre	2,000	2,500
Stokes Valley Community House		
Inc.	1,500	-
Stokes Valley Junior Softball Club	2,000	-
Stokes Valley Playcentre	2,225	-
Stokes Valley Toy Library	-	2,340
Stop Out Sports Club Inc.	2,000	2,000
Sun Valley Kindergarten	-	2,500
Taita Community Centre Trust	-	7,500
Tawa District Cricket Club	-	2,000
Te Ara Whanui Kura Kaupapa	-	1,400
Te Aroha Hutt Valley Association	-	(87)
Te Awa Kairangi Access (TAKA)		
Trust	-	8,000
Te Omanga Hospice	7,396	7,000
Te Wairoa Tapu Parish	1,500	-
Team Naenae Trust	1,532	710
The Common Unity Project		
Aotearoa	-	2,000
The Major Minors Children's Choir	1,000	-
Thumbs Up Charitable Trust	-	4,800
Tui Glen School	-	2,500
Ulalei Wainuiomata Netball	1,738	-
Wainuiomata Association Football		
Club (Inc.)	1,500	-
Wainuiomata BMX Club	-	3,000
Wainuiomata Grey Power		
Association	1,000	-
Wainuiomata Little Theatre	1,365	1,389
Wainuiomata Marae Trust	5,000	-
Wainuiomata Pioneer Church		
Preservation Society Inc.	1,000	626
Wainuiomata Playcentre	2,000	-
Wainuiomata Rugby Football Club		
Inc.	2,028	-
Wainuiomata Rugby Football Club		
Inc.	4,000	-
Wainuiomata Smallbore Rifle Club		
Inc.	4,531	-
Wainuiomata Sportsville Inc.	2,000	-
Wainuiomata Tennis Club Inc.	2,000	-
Wainuiomata Trail Project Inc.	2,000	-
Waterloo Playcentre	1,703	-
Wellstop	552	-
Whanau-Ora Health And Fitness		
Trust	-	4,000
Wood Hatten Playcentre	1,000	-



Youth Inspire	-	4,500
Youth Wise Trust	1,000	-
<b>Total Lower Hutt</b>	<b>190,424</b>	<b>200,936</b>
<b>Upper Hutt</b>		
Akatarawa Scout Group	3,000	-
Brown Owl Kindergarten	-	5,127
Citizens Advice Bureau Upper Hutt Inc.	2,720	-
Doris Nicholson Kindergarten	3,762	556
Expressions Arts & Entertainment Trust	-	2,500
Family Works Upper Hutt (Presbyterian Support Centre)	-	2,500
Glennette Marching Club	-	1,000
Grey Power Upper Hutt Association Inc.	349	-
Irmgard Ritchie Kindergarten	3,000	-
Kapatiran Prayer Fellowship	-	1,000
Kartsport Wellington (Wellington Kart Club Inc.)	-	2,600
Light House Girls Home	-	1,592
Maidstone Intermediate	-	3,000
Mangaroa School	-	5,000
National Rifle Association of NZ	-	3,300
Orongomai Marae	-	7,000
Pinehaven Playcentre	-	3,000
Pinehaven Potters Club	-	2,000
Read Write Plus	1,353	1,911
Rimutaka Gymsports	-	2,000
Rimutaka Inline Hockey Club Inc.	1,000	-
RNZFB Upper Hutt Community Committee	1,960	-
Royal New Zealand Plunket Society Upper Hutt Branch	2,303	1,000
Seniornet Upper Hutt Inc.	2,000	-
Silverstream Kindergarten	1,595	-
Silverstream Railway Inc.	1,860	2,300
Soul City Church	1,500	1,000
St Joseph's Scout Group	2,400	-
Tararua Sports Club Inc.	-	984
Te Marua Horse Club	3,000	-
Timberlea Community House Trust	(124)	1,739
Timebank Upper Hutt	5,000	-
Titiro Whakamua	2,795	1,383
Totara Park Playcentre	506	(897)
Trentham Camp Golf Club	1,500	(163)
Trentham Community House Charitable Trust	-	3,000
Trentham Kindergarten	-	4,000
Trentham Rifle Club Inc.	2,420	-
Trentham School	-	2,913

Upper Hutt Art Society	-	5,000
Upper Hutt Child Development Trust	1,540	-
Upper Hutt City of Song Charitable Trust	1,500	1,000
Upper Hutt Community Children's Centre Trust	4,000	-
Upper Hutt Community Patrol Inc.	2,349	-
Upper Hutt Community Youth Trust	5,000	2,250
Upper Hutt Foodbank Inc.	-	2,000
Upper Hutt Maidstone United Netball Club	3,600	2,900
Upper Hutt Multicultural Council Inc.	-	917
Upper Hutt Musical Theatre	650	2,000
Upper Hutt Parents Centre	3,635	-
Upper Valley Pony Club	1,633	-
Wallaceville Playcentre	-	767
Wellington Regional Orchestra Foundation	4,500	-
YMCA of Greater Wellington Inc.	5,140	-
Youth Upper Hutt United (Collision Youth Centre)	-	3,000
<b>Total Upper Hutt</b>	<b>77,446</b>	<b>81,179</b>
<b>Porirua</b>		
Adventure School	1,000	-
Aotea College	1,000	-
Awatea Kindergarten	-	1,500
Bishop Viard College	1,000	-
Brandon Intermediate	-	729
Cannons Creek Opportunity Centre	-	1,000
Cannons Creek Youth Charitable Trust	800	(26)
Capital Football Inc.	2,700	-
Citizens Advice Bureau Porirua	2,000	1,000
COPD Choir Trust	2,000	-
Discovery Kindergarten	-	1,500
English Language Partners NZ Trust	2,000	-
Glenview School	-	2,400
Hawaiki Nui Rua Trust	5,400	-
Kapi Mana Music Festival Charitable Trust	750	750
Kidscan Charitable Trust	-	2,000
Kiwi Community Assistance Charitable Trust	-	2,000
Ko Aroha Tuatahi Childcare Centre Inc.	2,200	1,000
Mahinawa Specialist School & Resource Trust	1,000	2,900



Mana Parents Centre	-	2,500
Ngati Toa School	(55)	4,200
Ngati Toa Sea Scout Group	1,000	-
Ngatitoa Tennis Club	-	500
North Porirua Care Trust	-	1,000
Northern United Netball Club	1,000	-
Northern United Rugby Football Club	2,000	2,954
Nuanua Kindertgarten	1,000	-
Papakowhai Kindergarten	1,000	-
Papakowhai School	1,000	-
Paremata Boating Club	1,000	-
Paremata Kindergarten Association Inc.	3,000	1,500
Partners Porirua Charitable Trust	-	7,000
Pauatahanui Preschool Inc.	2,035	2,255
Plimmerton Bowling Club Inc.	1,230	-
Plimmerton Kindergarten	1,000	-
Porirua Canoe Kayak Club Inc.	5,400	-
Porirua Community Arts Council Inc.	2,500	2,000
Porirua Grand Traverse	2,500	3,500
Porirua Gymsports	(31)	1,000
Porirua Heat Basketball Club Inc.	-	5,000
Porirua Language Project	414	-
Porirua Little Theatre Society Inc.	-	2,000
Porirua Living Without Violence	1,000	6,000
Porirua Primary School Sports Association	(55)	-
Porirua Whanau Centre Trust	-	2,000
Pregnancy Help Inc.	3,000	-
Pukerua Bay Kindergarten	730	-
Pukerua Bay School	1,000	2,000
Royal Forest & Bird Society		
Pauatahanui Reserve Committee	3,000	-
Royal NZ Plunket Society - Wairarapa/Paremata	-	1,500
Russell School	-	1,500
Special Olympics Mana Inc.	-	3,000
St George Rugby League Club Inc.	-	3,207
St Pius X School	1,000	-
St Theresa's Catholic School	1,000	-
Tairangi Kindergarten	-	6,000
Tairangi School	-	2,000
Tautoko Services	-	1,000
Te Araroa Wellington Trust	5,000	-
Te Aro Moana Trust	2,000	5,000
Te Whare Tiaki Wahine Refuge	-	2,000
Titahi Bay Amateur Athletics Club	3,000	-
Titahi Bay Golf Club Inc.	5,000	-
Titahi Bay Home & School Committee	853	2,000

Titahi Bay Playcentre	-	1,500
Titahi Bay Scout Group	-	2,000
Virtuoso Strings Charitable Trust	945	-
Waitangirua Kindergarten	768	-
Wellington Riding For The Disabled Association Inc.	-	1,000
Wellington Sexual Abuse HELP Foundation	3,000	-
Wesley Community Action	3,000	-
Western Suburbs Soccer Club	2,000	2,247
Whare Manaaki Inc.	2,800	2,000
Whitby Residents Association Inc.	24,095	-
Whitby Tennis Club	1,000	1,000
Whitford Brown Community Trust	-	1,500
<b>Total Porirua</b>	<b>111,979</b>	<b>100,616</b>

### Wellington North

Alex Moore Park Sport & Community Inc.	-	20,000
Bellevue School	5,000	-
Brian Webb Kindergarten	-	931
Capital Sports Performance Inc.	3,532	-
Churton Park Kindergarten	-	2,000
Hampton Hill School	3,300	-
IHC NZ Inc. (Mana)	3,400	2,000
Johnsonville Community Centre Toy Library	1,300	-
Johnsonville Cricket Club	2,000	1,000
Johnsonville Football Club Inc.	11,148	-
Johnsonville Full Day Kindergarten	-	1,346
Johnsonville Playcentre	3,908	-
Johnsonville Rugby Club Inc.	-	12,650
Johnsonville Scout Group	-	12,000
Johnsonville Softball Club Inc.	4,183	2,000
Johnsonville West Kindergarten	2,624	1,335
Life Education Trust North Wellington	10,000	-
Lions Club of Johnsonville Charitable Trust	4,731	-
Newlands Childcare Centre	3,000	3,000
Newlands College Learning Support Centre	-	3,500
Newlands Paparangi Tennis Club	-	1,000
NZ Secondary Students' Choir	-	900
Olympic Harrier and Athletic Club	-	888
Onslow College Rowing Club	4,000	-
Paparangi Scout Group	5,000	1,100
Redwood Daycare Charitable Trust	2,000	-
Rewa Rewa School	-	1,605

Rimutaka Inline Hockey Club Inc.	-	3,270
Scouts Tawa	1,600	-
Tawa Association Football Club Inc.	4,000	2,050
Tawa Central Kindergarten	1,445	1,691
Tawa Linden Playcentre	-	2,110
Tawa Progressive and Ratepayers Association Inc.	1,898	
Tawa School	-	3,000
Tawa Schools & Community Music Festival	-	5,951
Tawa Softball & Sports Club Inc.	-	822
Tawa Squash Club Inc.	-	3,000
Tawa Youth and Families Trust	5,000	-
Wellington SPCA Inc.	1,559	
Woodridge Planters	-	1,500
<b>Total Wellington North</b>	<b>84,628</b>	<b>90,649</b>
<b>Total Community Grants</b>	<b>572,820</b>	<b>596,976</b>
<b>Energy Efficiency Projects Grants</b>		
EnergySmart (Terra Lana Products Limited) - Subsidies	94,744	254,134
Sustainability Trust - Subsidies	81,622	234,146
Educational Programme - Primary Schools	25,053	16,554
Educational Programme - Secondary Schools	24,000	25,500
Healthy Housing Coalition	150,000	10,000
<b>Total Energy Efficiency Projects Grants</b>	<b>375,419</b>	<b>540,334</b>
<b>TOTAL DISTRIBUTIONS</b>	<b>948,239</b>	<b>1,137,310</b>

## 11 FINANCIAL INSTRUMENTS

### (a) Classification of financial assets

The carrying amounts presented in the Balance Sheet relates to the following categories of financial assets and liabilities.

	\$ 2017	\$ 2016
<b>Loans and receivables</b>		
Cash & Cash Equivalents	57,136	139,328
Receivables from Exchange Transactions	2,213	3,278
Prepayments	122,182	-
Investment Cash Funds	438,132	1,919,951
Short Term Deposits	530,000	838,971
	<u>1,149,663</u>	<u>2,901,528</u>
<b>Financial assets at fair value through profit and loss</b>		
International Fixed Interest Securities	6,185,495	7,009,152
New Zealand Fixed Interest Securities	9,699,909	8,798,000
International Equities	15,781,448	11,812,861
New Zealand Equities	2,811,896	3,197,002
International Properties	646,851	679,808
New Zealand Properties	1,401,096	1,434,533
	<u>36,526,695</u>	<u>32,931,356</u>
<b>Total financial assets</b>	<u><u>37,676,358</u></u>	<u><u>35,832,884</u></u>

### (b) Classification of financial instruments

All financial liabilities held by the Trust are carried at amortised cost.

### (c) Financial instruments measured at fair value

The following table presents financial assets and liabilities measured at fair value in the Balance Sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

#### 2017

	Level 1	Level 2	Level 3	Total
International Fixed Interest Securities	6,185,495	-	-	6,185,495
New Zealand Fixed Interest	9,699,909	-	-	9,699,909
International Equities	15,781,448	-	-	15,781,448
New Zealand Equities	2,811,896	-	-	2,811,896
International Properties	646,851	-	-	646,851
New Zealand Properties	1,401,096	-	-	1,401,096
	<u>36,526,695</u>	<u>-</u>	<u>-</u>	<u>36,526,695</u>

**2016**

	Level 1	Level 2	Level 3	Total
International Fixed Interest Securities	7,009,152	-	-	7,009,152
New Zealand Fixed Interest	8,798,000	-	-	8,798,000
International Equities	11,812,861	-	-	11,812,861
New Zealand Equities	3,197,002	-	-	3,197,002
International Properties	679,808	-	-	679,808
New Zealand Properties	1,434,533	-	-	1,434,533
	<u>32,931,356</u>	<u>-</u>	<u>-</u>	<u>32,931,356</u>

**(d) Financial risk management**

The Trust is exposed to various risks in relation to financial instruments. The main types of risks are market risk and foreign exchange risk.

**Market Risk**

The Trust is exposed to equity price risk arising from its investments in managed funds and equities. The Trust manages this risk by investing in a diverse portfolio of investments, and regular monitoring of these investment portfolios.

Market risk is the risk that the carrying amount (and the ultimate amount realised upon sale) of financial instruments will fluctuate because of changes in market demand. The Trust is exposed to other price risk in respect of its equity securities.

**Sensitivity analysis**

The following analysis illustrates the sensitivity of profit and equity to a reasonably possible change in equity prices of +/- 10%. These changes are considered to be reasonably possible based on observation of current market conditions.

	Impact on Net Surplus and Equity	
	\$	\$
	2017	2016
10% increase in equity investment market prices	1,859,334	1,500,986
10% decrease in equity investment market prices	(1,859,334)	(1,500,986)

**Currency Risk**

Currency risk is the risk that the fair value of financial instruments will fluctuate due to a change in foreign exchange rates.

The Trust holds fixed interest securities, cash deposits and equity investments denominated in foreign currencies. The Trust manages this risk by investing in a diverse portfolio of investments, and regular monitoring of these investment portfolios.

**Sensitivity analysis**

The following analysis illustrates the sensitivity of profit and equity to a reasonably possible change in foreign exchange rates of +/- 5%. These changes are considered to be reasonably possible based on observation of current market conditions.

	Impact on Net Surplus and Equity	
	\$	\$
	2017	2016
5% increase in foreign exchange rates	449,870	510,308
5% decrease in foreign exchange rates	(449,870)	(510,308)

### Interest Rate Risk

interest Securities all pay fixed interest rates and are generally held to maturity, and therefore the interest rate risk is not considered material. The maturity of Fixed Interest Securities ranges from July 2017 to July 2020. Interest rate risk is managed by investing in Fixed Interest Securities with varying maturity dates.

The following analysis illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1%. These changes are considered to be reasonably possible based on observation of current market conditions.

	Impact on Net Surplus and Equity	
	\$	\$
	2017	2016
1% increase in interest rates	158,854	158,072
1% decrease in interest rates	(158,854)	(158,072)

### Capital Management

The Trust's capital includes Trust Fund and Accumulated Funds. The Trust's policy is to maintain a strong capital base so as to maintain confidence and to sustain future development of the Trust. There have been no material changes in the Trust's management of capital during the period.

### Fair Value

The fair value of financial assets is equivalent to the carrying amount disclosed in the Balance Sheet.

## 12 RELATED PARTIES

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

During the year, the Trust has distributed community grants to some organisations where a trustee holds a position in. However, trustees who have interests in the grant candidates do not participate in the grant decision-making process.

Kendons Chartered Accountants Limited has been providing Administration and Professional Services to the Trust, and these are considered to be services in the capacity of Key Management Personnel. Fees paid to Kendons Chartered Accountants Limited are disclosed in Note 4. As at 30 June 2017, there was \$5,170 owing to Kendons Chartered Accountants Limited for these services.

### **13 CONTINGENT ASSETS & CONTINGENT LIABILITIES**

There are no contingent assets or contingent liabilities (prior year: nil).

### **14 EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the balance date.



# Hutt Mana Charitable Trust

## Independent Auditor's Report to the Members of Hutt Mana Charitable Trust

### Report on Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Hutt Mana Charitable Trust on pages 4 to 28, which comprise the balance sheet as at 30 June 2017, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 28 present fairly, in all material respects, the financial position of the Trust as at 30 June 2017, its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards 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 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

#### Responsibilities of Trustees or the Financial Statements

Those charged with governance are responsible on behalf of the Hutt Mana Charitable Trust for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance 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, those charged with governance are responsible 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 those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

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

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial statements. The auditor is responsible for the direction, supervision and performance of the Trust audit. The auditor remains solely responsible for the audit opinion.

The auditor communicates with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

*Crowe Horwath*

**Crowe Horwath New Zealand Audit Partnership**

CHARTERED ACCOUNTANTS

1 September 2017